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CIN : L24116MH1989PLC052224



August 23, 2022

BSE Limited, Mumbai
(Listing Department)
P. J. Towers, 1st Floor,
Dalal Street, Mumbai - 400 001.

National Stock Exchange of India Ltd.
Listing Department,
Exchange Plaza, Plot No. C/1, 'G' Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Scrip Code: 524200

NSE Symbol: VINATIORGA / Series: EQ

Dear Sir/Madam,

Sub: Filing of Notice of Thirty-Third Annual General Meeting ('Notice') along with Integrated Annual Report for the financial year 2021-22

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company for the financial year 2021-22 along with Notice of AGM for the financial year 2021-22, which is being sent to the Members, who have registered their e-mail addresses with the Company/Depositories/ RTA, through electronic mode.

The Integrated Annual Report including Notice is also uploaded on the Company's website and can be accessed at www.vinatiorganics.com.

This is for your information and records.

Thanking you,

Yours faithfully,
For **Vinati Organics Limited**

A handwritten signature in black ink, appearing to read 'Milind Wagh', is written over a circular purple stamp.



Milind Wagh
Company Secretary/Compliance Officer

Encl: As Above

33rd ANNUAL REPORT
2021-22



ROBUST FOUNDATION TO AMPLIFY VALUE



Our product portfolio is niche and enjoys a massive export opportunity....

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Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



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**Towards Holistic
Development**



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

FY'22 highlights

Revenue

₹ **1616** crore

69% ↑ YoY growth

EBITDA

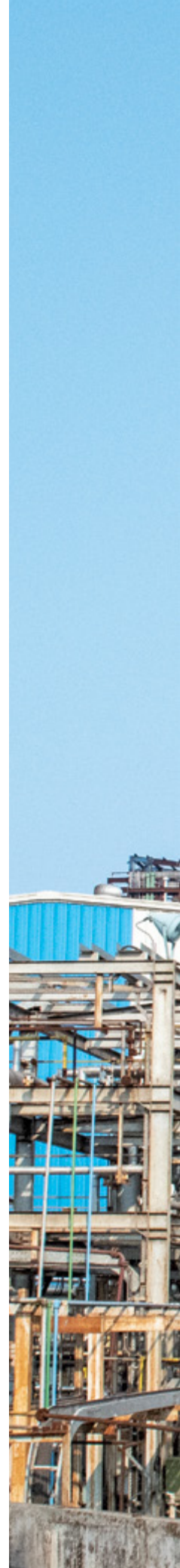
₹ **434** crore

23% ↑ YoY growth

Profit after tax

₹ **347** crore

29% ↑ YoY growth





Over the years, we have built a robust foundation, which helps us to steadily amplify value for all stakeholders, despite industry cycles and macro headwinds.

We have expanded our capacities in line with market demand, strengthened our footprint in niche segments and have curated an exceptional product basket that holds a significant market share globally. In addition, our balance sheet continues to be strong with healthy cashflows, which can sustain our capital expenditure and future growth endeavours.

Our long-term relationships with esteemed clients and the R&D expertise of our committed teams are other key strengths that make the foundation of our business more robust and resilient to downside risks.

FY22 saw us generate strong revenue momentum, notwithstanding several challenges in the operating environment. We are further expanding our capacities and strengthening our R&D pipeline with better synergies to take advantage of growing opportunities in the global markets.

Our robust foundation and sharper strategies are resulting in enhanced value creation for all stakeholders.



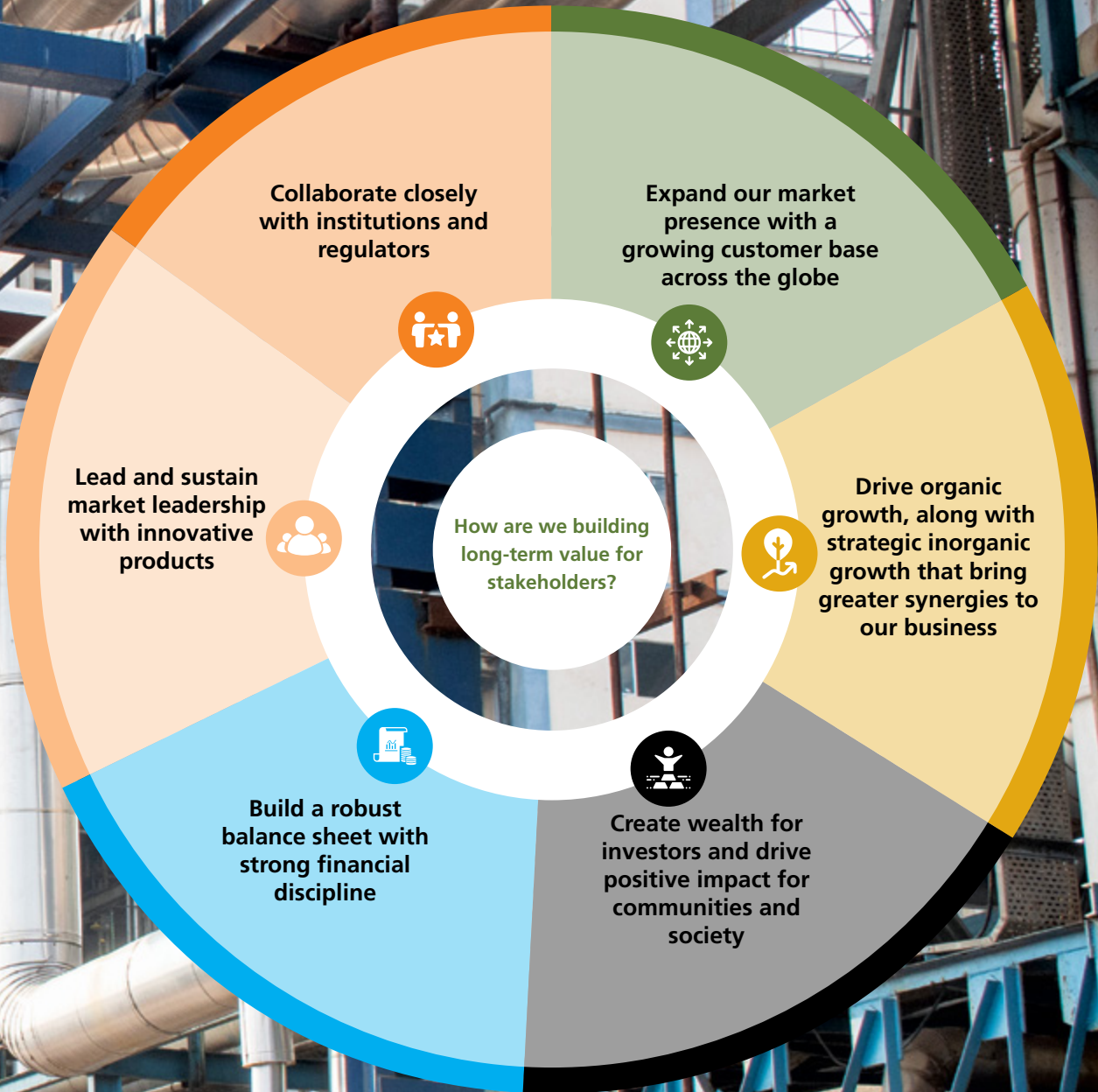
About Us

Leading.

We are among the leading global manufacturers of specialty chemical products, backed by experience and expertise spanning several decades.

Founded in 1989, our integrated business model has helped us transform from a single product company to one of the world's largest manufacturers of key specialty chemical products, serving customers across the globe. VOL is headquartered in Mumbai, listed on two national exchanges, the NSE and BSE (NSE: VINATIORGA; BSE: 524200) and also included in the Nifty 500 index.







Our product portfolio is niche and enjoys a massive export opportunity, which the government is encouraging significantly as a part of the 'Make in India' initiative.

Message from Management

Forward-looking.

We hope and pray that you all are safe and in good health. Over the last two years, we have been through such turbulent times that have few parallels in living memory. It has impacted businesses and economies in unprecedented and unpredictable ways, forcing business leaders and governments to rethink their strategies in order to remain resilient and adapt to change with nimble footsteps.



From repeated waves of Covid variants impacting lives and livelihoods to escalating geopolitical tensions in Europe leading to supply chain disruptions and high inflation, FY22 presented myriad challenges in the operating environment.

Amidst this turbulence and change, our consistent focus has been to safeguard the health and safety of our teams and business partners, ensuring uninterrupted supply of products, meeting the evolving demand of consumers and caring for the communities.

Notwithstanding headwinds, we ended the year on a strong note, led by robust volume growth across product lines. Our quality products and strong relationships with global customers helped us retain our market leadership.

Performing diligently to amplify value

In FY22, our revenue increased by 69% while our PAT grew by 29%. All our products have seen very encouraging volume growth in the last quarter of FY22, which will continue further in the current fiscal year. Revenue growth was mix of volume growth as well as price escalation due to increased cost.

Our product portfolio is niche and enjoys a massive export opportunity, which the government is encouraging significantly as part of the 'Make in India' initiative. Our new product initiatives will lead to significant growth in the coming years.

Driving organic expansion

We have already lined up substantial capital expenditure (capex) plan, which will create a significant headroom for growth. The ATBS capacity is to be expanded to 60,000 MT. Veeral Organics Private Limited, 100% subsidiary of VOL, will be investing in new products catering to niche industries.

The total capex that we are expecting is likely to be around Rs. 600 crores over the next two years. Our strong balance sheet enables us to fund the entire capex through internal accruals.

Building a more sustainable business

As a responsible business, we recognize all stakeholders, and work towards delivering on environmental and societal commitments. We continuously focus on reducing our environmental footprint. In line with the Company's Environment, Social and Governance (ESG) initiatives, the Company has commissioned 14 MW of solar power plant. At present almost 50% of our power requirement is met through renewable energy.

We are also empowering communities and touching lives in meaningful ways as a part of our CSR initiatives. Our diverse basket of CSR projects helps us get closer to our dream of achieving many of the Sustainable Development Goals (SDGs). A more detailed look of our CSR initiatives is presented in the subsequent pages of the Annual Report.

With the help and support of all stakeholders, we remain confident of enhancing value sustainably in a dynamic and ever-evolving operating environment.

Vinod Saraf
Chairman

Vinati Saraf Mutreja
Managing Director & CEO



Robust Foundation
To Amplify Value

Progressive.





Research and development

Over three decades of sustained growth and market leadership in key products is a result of our unwavering commitment to research and development. On an average, our R&D team is working on the development of 10-12 new products, most of them are niche with unique chemistries.



R&D on new projects and new products remain a strong business driver at VOL. Being true to our business, specialty chemical requires us to grow year-on-year on our multiple product portfolio. Five years down the line, the new products will bring value for our stakeholders.

Ms. Vinati Saraf Mutreja
MD & CEO





We are into products where entry barriers are high, mainly due to the process and also due to our capability to scale up volumes. The proposed amalgamation brings in vertical integration to VAPL's products in addition to addressing a strong antioxidants market in India, which is currently serviced mainly through imports.

Kaviraj Devaraj
GM – Corporate Finance



Synergies

The merger with VAPL is expected to enhance our synergies further. Our existing integrated business model will further strengthen with the use of Butylphenols and IB for antioxidants – a Rs. 10,000-crore market opportunity that VAPL addresses.

Antioxidants presents a huge market opportunity and post the amalgamation we will be the largest or only manufacturer of some of the antioxidants in India.



Capacity expansion

We are consistently investing in capacity expansion to meet the growing demand of our customers across geographies.



Optimum capacity utilisation level across our plants remains integral to meeting our customer needs on-time and ensuring economies of scale. We also optimise the utilisation of raw materials to avoid cost escalation.

Jayesh Ashar

Director - Operations





Products

Our product portfolio comprises 20+ products, majority of them being market leaders. We rank no.1 in the production for ATBS and IBB, commanding more than 65% market share for both these products. A further expansion of capacity in ATBS, with new products in the pipeline will help drive up our market share and presence in more than 30 countries.



As a market leader for key specialty chemicals, our products play a very important role for several downstream industries. We are on track to further expand our niche portfolio of products that will enable import substitution and create superior value for all stakeholders."

Amit Thanawala
Sr. VP - Marketing

Profitability

VOL is among the few companies in the sector with sustained capacity expansion with low-gearing. This is a result of prudent capital allocation and disciplined cost management, resulting in high cash generation and growing shareholder returns.



Most of our products are sold at cost-plus levels. An integrated business model and prudent cost-control across different cycles of manufacturing have helped create sustained profit margins.

Nand Kishor Goyal
Chief Financial Officer



Governance

We are proactively building a strong governance framework and promoting diversity and inclusion. With a good mix of Independent Directors and Women Directors on Board, we continue to set high standards of corporate governance. VOL is amongst 0.5% of the listed entities in India to have 4 or more women in their Board of Directors.



In addition to regular external and internal audits, our corporate governance framework comprises multiple committees governed by the Board that oversee various operations at regular intervals.

Milind Wagh
Company Secretary





Affordable and clean energy

We remain committed to reducing emissions in operations. The solar park at Solapur will help reduce energy dependence on conventional sources and help us move towards renewable energy.



Responsible consumption and production

Specific steps have already been undertaken to decrease waste from operations and recycle or reuse the waste generated. As a specialty chemical company, our chemical handling process are followed by strict protocols defined by regulators and government bodies.



Peace, justice and strong institution

We have developed effective, accountable and transparent operating processes to ensure 'zero tolerance' to malpractices. Our sustainable growth model is built on a responsive and inclusive decision-making process.

Towards Holistic Development

Sustainable.



Decent work and economic growth

Ensuring safe work practices and an engaging work culture are part of VOL's critical focus areas.



Industry, innovation and infrastructure

Over the years, we have fostered innovation with new product development that continue to add value to our customer's business. Our robust operational infrastructure ensures increased resource efficiency and adoption of sustainable best practices.



Our commitment to do social good and empower communities drives us forward. Our social responsibilities extend towards multiple focus areas of sustainability.

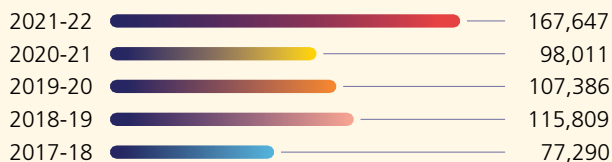


Read more about our corporate social responsibilities on page 16 of the Annual Report



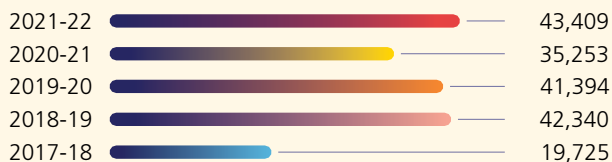
Revenue

(₹ in lakhs)



EBITDA

(₹ in lakhs)

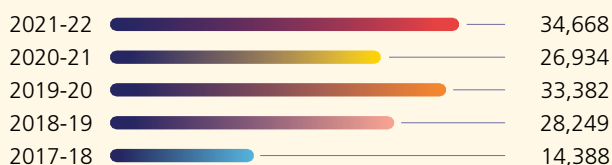


Financial Performance

Growth-focused.

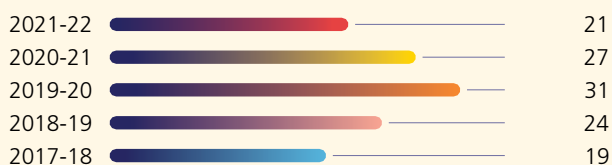
PAT

(₹ in lakhs)



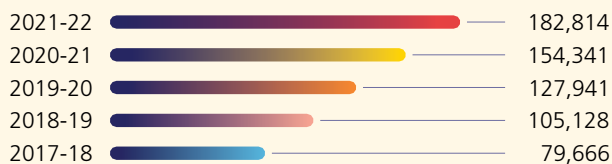
PAT

(%)



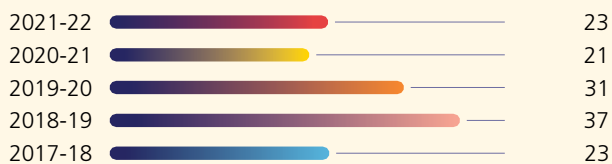
Net Worth

(₹ in lakhs)



ROCE

(%)



Market Capitalisation has grown by

49X

in last 10 years

Debt Equity ratio

0%

5 year CAGR

Revenue growth

19%

PAT

20%

Net Worth

22%

Fixed Assets

13%

10 year CAGR

Revenue growth

14%

PAT

20%

Net Worth

26%

Fixed Assets

20%



Corporate Social Responsibility

Responsible.

VOL aims to improve the quality of life of communities around its manufacturing sites.

At VOL, we believe in working together with our stakeholders to safeguard their interests and give primacy to their opinions and concerns. Our CSR projects have only been possible because of our NGO partners, communities, government agencies and panchayats.



Viral Saraf Mittal,

Director of CSR at Vinati Organics Limited (VOL)

Giving Back to our communities

Our regular CSR activities continued apart from the COVID-19 and flood relief efforts. Our CSR interventions are across education, healthcare, water, sanitation and the environment. Whether it was building a dam to provide water for irrigation and drinking, building clean toilets in households and schools, providing financial support to underprivileged students to complete their education, teaching soft skills to adolescents to make them more employable, or giving a returnable grant to women entrepreneurs, or conserving wildlife, our CSR team remained committed to our goals, bringing joy and cheer to many in these bleak times. At VOL, we believe in working collaboratively with our various stakeholders. Our CSR projects have only been possible because of our NGO partners, communities, government agencies, and panchayats, who have worked with us to promote inclusive growth and sustainable development. Lastly, I am very grateful to our VOL staff, CSR committee and organisations that help us get closer to our dream of achieving many of the Sustainable Development Goals (SDGs).



No Poverty

The COVID-19 pandemic has disproportionately affected women, owing to the compounded effect of generally earning less, saving less and holding more insecure jobs. The subsequent lockdowns induced by the pandemic further complicated everyday earning matters for marginalised women.

Therefore, in partnership with Samhita-Collective Good Foundation, we supported three significant cohorts by providing them with Returnable Grants. **

A) Women Artisans

B) Women Farmers

C) Women Micro-entrepreneurs

Women Artisans

Since the lockdown, artisans witnessed production come to a standstill. Huge unsold inventory piled up, while sales opportunities through exhibitions and orders either came to a stop or dwindled relatively low. With Returnable Grants, ₹20 lacs was dispersed to 220 pottery artisans in Ratnagiri and Raigad districts of Maharashtra. Their average earnings started showing an upward trend of slow and steady increase - from a monthly ₹1200 to ₹1800.

Women Farmers

Small and marginal farmers faced the pandemic's most severe brunt, resulting in low income to invest in their upcoming

farming season. We dispersed ₹30 lacs to 300 beneficiaries through Returnable Grants in Chandrapur district of Maharashtra. We observed that a large percentage of the grant had been used to procure agri inputs for timely increase in yield and productivity.

Women Micro-entrepreneurs

Marginalised women entrepreneurs face significant barriers to accessing livelihoods assistance and capital due to little or no credit history, lack of collateral, etc. We worked at the forefront of the microcredit movement for underserved women to provide affordable finance in zero-cost returnable grants to 1000+ women spread across rural Maharashtra through the disbursement of more than ₹65 lacs.



**In this social finance instrument, a recipient receives a small interest-free loan with only a moral obligation to repay. It serves as a stepping stone for informal and tiny businesses to access formal sources of credit.



Good health and well-being

Through our interventions, we addressed issues such as adolescent physical and mental health, building infrastructure towards COVID relief and recovery, village health and hygiene, and affordable medicines/hospital equipment, among others.

In-School Training Program Taking a step towards unlocking the potential of adolescents, Vinati Organics, in partnership with Samhita- Collective Good Foundation and Yuva Mitra, has implemented the In-school training program as a part of their flagship program, “HERS” (Health, Education, REVIVE, Skilling) across 24 schools in Mahad Taluka of Raigad district (Maharashtra). We trained over 3,500 adolescent students through regular in-school training sessions including essential life skills and donated over an amount of ₹ 29 lacs towards this intervention.

“I learned about good touch, bad touch, and the stages of adolescence. I also learned about the POCSO Act. No one talked to us about these things before. I am delighted to be aware of these topics.”

-Ragini Rajesh Yadav, Student

School Sanitation and Behaviour Change Campaign Over 23% of adolescent girls drop out of school due to the lack of functioning toilets and poor access to menstrual hygiene products in schools, negatively impacting their educational pursuits and aspirations. Recognising this vital need, with the support of the Samhita-Collective Good Foundation, we refurbished WASH (Water, sanitation and hygiene) infrastructure across five schools in Mahad Taluka of Raigad district

(Maharashtra) to promote accessibility to hygienic, functional and well-maintained WASH facilities in schools impacting over 1,700 students through an investment of nearly ₹ 20 lacs.

Building Health Infrastructure

- Through our CSR intervention, we dispersed an amount of ₹30 lacs to the SRCC Children’s Hospital in Maharashtra, focusing on cardiology, cochlear implant, medical management, neurology, oncology, orthopaedics, investigation, and surgery.
- We donated a ‘Multi-parameter Patient Monitor Device’ worth ₹ 35,000 to the operation theatre in Primary Health Centre Kapre, Chiplun. It is being utilised by almost 30,000 people based in 20 villages.

Contribution towards the construction of COVID-care Centres Understanding the dire need to help those in need, we spent over ₹17 lacs to meet the needs of more than 2000 COVID-19 patients from Mahad, Poladpur, Mangaon, Indapur, Mandangad.

Also, in partnership with the following organisations, we carried forth various interventions in the time of crisis:

- Shailee Medical Services: ₹6 lacs was paid towards an Oxygen machine, Life-saving injection, sanitisers etc., to Aparant Hospital, Chiplun. Our intervention helped nearly 150 COVID patients.
- Runner Training Academy -We paid ₹ 5 lacs to set up ‘AIM Covid Fund’ for MATA Devi Ahilya Covid Care Centre, Khandwa Road Indore.





Quality Education

Understanding the crucial impact of the pandemic on millions of lives, we carried out the following interventions:

Vinati Organics Young Women Merit Scholarship The widespread unemployment and income loss during the pandemic will most likely lead to girls dropping out due to financial constraints or the pressure to contribute to the household income. In line with this vision, Vinati Organics, in partnership with Samhita-Collective Good Foundation, launched the "Vinati Organics Young Women Merit Scholarship". Through the scholarship program, we contributed over ₹ 32 lacs which aimed to empower young girls through the financial assistance of ₹ 10,000 each to seek the required academic support, coaching and resources that would drive them to fulfil their aspirations for higher education toward a better, self-reliant future.

Financial help and ration to underserved children with a donation of nearly ₹ 5 lacs to the India Development Foundation, we contributed towards financial support for the education of 120 underprivileged children. Through project Annapoorna, a monthly ration was distributed to 46 tribal families in the Aarey Area of Goregaon East Mumbai.

Delivering quality education through ATMA, we supported two educational NGOs by helping them build their capacity to achieve sustainability and scalability, thereby contributing to delivering quality education. VOL contributed about ₹ 12 lacs towards servicing the cost of programme design and management, programme staff salaries, and project overheads.

One of the NGOs is Tapasya Pratishtan: VOL backed the NGO to support nearly 30,000 households cumulatively and 1000+ families through COVID relief.

Rubaroo is the second NGO we supported: Overall, VOL's contribution helped Rubaroo reach 23,000+ children and 13,000+ adults.



Promoting E-learning

Through our intervention with Swades Foundation, we aimed to enable a joyful learning environment for students, effective and engaging curriculum-related content and exposure to digital aids for both students and teachers. We provided E-learning kits having LED screens and pre-loaded content in under-resourced schools.

Building a support system

- We provided two steel cupboards to Zilla Parishad School in this village. About 150 students have benefited from this donation.
- We constructed the Anganwadi school upon request from the Sarpanch and Grampanchayat Jeete

(Temghar) members. Currently, 40 needy children from the villages Jeete and Temghar are studying through a contribution of almost ₹ 5 lacs.

- We contributed an amount of nearly ₹18 lacs towards constructing a chemical laboratory at Shri Rishikul Vidyapeeth in Rajasthan, which is on the mission to offer a comprehensive atmosphere to equip students academically, culturally, socially and physically.
- We invested an amount of ₹ 3.5 lacs towards constructing a school building at Asanpoi village upon request from the gram panchayat. Forty needy children are now studying in this school.



Gender Equality



“By denying women equal rights, we deny half the population a chance to live life to its fullest.”

Madhu Bahl,
CEO, Collective Good Foundation

In the wake of the Covid-19 pandemic, women and young girls were affected significantly in all aspects of life, be it health, education or livelihoods. It is, therefore, the need of the hour to focus our efforts on empowering girls and women through a holistic approach that addresses the wide range of challenges faced by girls and women at various stages of their life cycle.

Aligned with this idea, Samhita-Collective Good Foundation received the support of Vinati Organics for implementing our flagship program, ‘HERS’. The initiative was designed to stimulate the agency and empowerment of women and girls in rural and underprivileged communities of Maharashtra. The flagship program adopts an inclusive approach to impact a broad cohort of girls and women through a range of interventions to address education, health and sanitation, employment and livelihoods, thereby promoting holistic socio-economic development of women and girls.



Despite the multitude of challenges experienced over the last year, we were able to impact over 7,200 individuals across rural

communities of Maharashtra and with the sustained support of Vinati Organics, we are currently in the process of scaling up the

impact of the In-school training program, School sanitation program and REVIVE intervention in the upcoming year.

*Source: <https://frontline.thehindu.com/dispatches/10-million-girls-at-risk-of-dropping-out-of-school-because-of-the-covid-19-pandemic-says-rte-forum-policy-brief/article33662229.ece>



Clean water and sanitation

Our intervention toward clean water and sanitation aims to provide universal access to essential water, sanitation and hygiene services across various geographies. With the help of our implementation partners, VOL has substantially increased access to clean drinking water and sanitation for much of the rural population, many of whom still lack these essential services.

Household drinking water

Through our partnership with Swades Foundation, we provided clean drinking water and ensured sufficient water for daily needs throughout the year. To achieve this goal, we installed 147 drinking water units through a contribution of nearly ₹ 25 lacs. Our intervention benefitted 250 households.

Household toilets

Following the strategies towards creating Open-Defecation Free (ODF) communities and with the help from Swades Foundation, we supported the cause by providing household sanitation infrastructure and installing 90 toilets, benefitting 181 households through nearly ₹46 lacs.

“The partnership with Vinati Organics has helped Swades achieve its mission of holistically transforming many rural communities in Raigad. From providing drinking water through taps at homes, constructing household toilets, providing holistic education to engaging rural households in meaningful livelihoods. Their consistent support has

helped us deliver impact on the ground. We look forward to this association growing from strength to strength and bringing transformation to many more rural households in the future.”

-Mangesh Wange, CEO–Swades Foundation

Water for irrigation

In a bid toward sustainable water resource management & access (rain-fed structures & drip irrigation) for rural agriculture-based livelihoods, we contributed nearly ₹57 lacs to construct a dam on Kal river at Village-Waki (Khurd) on the Shivthar Ghal Road. Through our intervention in collaboration with Swades Foundation, about 30 farmer families benefited across 25 acres of land, thus irrigating the low-lying areas and bestowing prosperity.

School Water and sanitation

We believe that water and sanitation facilities in schools enable a joyful, conducive learning environment for healthy bodies and healthy minds. In partnership with Swades Foundation, we installed drinking water stations, hand-wash stations, separate toilets & urinals for girls & boys, and awareness of WASH practices through our interventions. We benefited over three schools / 148 students & 8 teachers with clean water and sanitation facilities by contributing nearly ₹12 lacs.

“Due to the water availability, we will travel to our village more frequently. In addition, we have plans to grow crops throughout the year, starting

with mango orchards; I know of other needy families in the village too who are looking forward to increasing their income through farming; now that water will be available throughout the year.”

-Harsha Malusre, a native of Waki Khurd village

Construction of a well for Grampanchayat Nigade (Morewadi) Tal-Mahad, Dist-Raigad: About 200 families benefited from the construction of a well, mainly because there was an acute scarcity of drinking water in the summer season. Earlier, the villagers would fetch water from faraway locations. We contributed an amount of nearly ₹11 lacs.

Installation of four Garbage Tippers in Mahad, Raigad to promote health and hygiene for various villages in Mahad, we donated closed body garbage tippers in line with the “Swachya Bharat Abhiyan”, spending nearly ₹24 lacs in the gram panchayats at Rajewadi, Kambale, Birwadi and Nagarparishad, and benefitting nearly 10,000 people.

In contributing to the Social Fund, we paid water charges of almost ₹3 lacs to MMA CETP Co-Operative Society Limited.





Decent work and economic growth

At VOL, we understand that the economic empowerment of young women is a critical step toward gender equity by making women financially independent, confident and self-reliant. Keeping this in mind, we carried out the following interventions:

Out-of-school Employability Program In an attempt to work toward this goal, Vinati Organics supported implementing the Out-of-school employability program in partnership with the Samhita-Collective Good Foundation. The program implemented across villages in Karjat and Mahad talukas of Raigad district in Maharashtra consisted of 360 hours of intensive training spread across two months, followed by post-training and placement support to provide meaningful livelihood opportunities through jobs or self-employment. Over 157 young adults have been trained in essential life skills and employability skills to improve work-related competencies, self-perception, self-esteem and self-efficacy, clarity on one's aspirations and awareness of gender, health and hygiene We contributed over ₹ 27 lacs for this intervention

Samhita-Collective Good Foundation. The program implemented across villages in Karjat and Mahad talukas of Raigad district in Maharashtra consisted of 360 hours of intensive training spread across two months, followed by post-training and placement support to provide meaningful livelihood opportunities through jobs or self-employment. Over 157 young adults have been trained in essential life skills and employability skills to improve work-related competencies, self-perception, self-esteem and self-efficacy, clarity on one's aspirations and awareness of gender, health and hygiene We contributed over ₹ 27 lacs for this intervention.

"I am thankful for this amazing opportunity where I got to develop myself and gain clarity about my life. It has truly given me positivity and a ray of hope to chase my dreams and make them come true."

-Meghana Pawar, who is now building a profession in fashion design



Creating sustainable livelihoods

In collaboration with Swades Foundation, we supported 20-80 households with a mix of on-farm, off-farm and non-farm income generation activities through over ₹ 19 lacs. We supported three different livelihoods programs, including Mandap cultivation (creeper cultivation) across 3 acres, support to 28 Dairy farmers & 4 flour mill units for needy households, which led to:

- Income augmentation of homes involved and continuing in the program.
- Technical training and know-how for adequate livelihood support.
- De-risking dependency on a single source of income.
- Increased standard of living.
- Scale-up of programs being taken up by households in the coming years.



Creating a positive social impact

Social Venture Partners (SVP), India, provides a platform for philanthropists to engage with the non-profit sector in a hands-on manner, thereby enabling the capacity building of the NGOs. VOL supported SVP and disbursed an amount of ₹ 2.5 lacs towards general donation, creating positive social impact and other related incidental expenses as part of venture philanthropy.





Sustainable cities and communities



The world’s population is constantly increasing. To accommodate everyone, we need to build modern, sustainable cities. At VOL, we understand that for all of us to survive and prosper, we need new, intelligent urban planning that creates safe, affordable and resilient Indian cities with green and culturally inspiring living conditions.

Therefore, we are in constant support of interventions such as:

Providing the basics

With an investment of over ₹ 6 lacs, we supported two essential projects in Akloli Village in Vajreshwari in the Palghar district of Maharashtra. Through these interventions, we aimed to help villagers ease their day-to-day hardships of water collection and issues with street lights, which

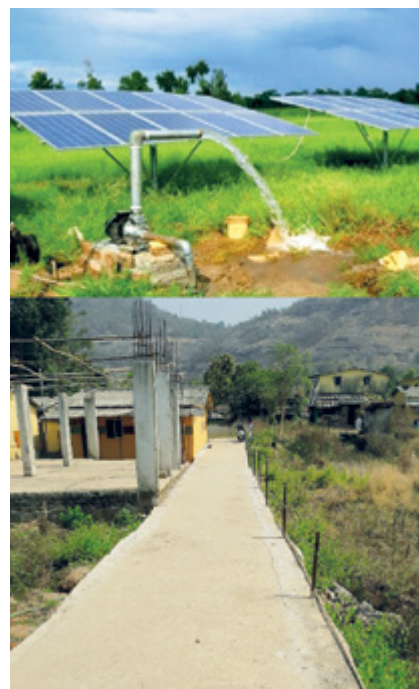
will provide easy movement and access to various facilities within the village.

- **Solar Street Lighting**

Villagers never leave their houses after sunset. The reason is that due to entirely dark streets, many village pockets look lonely at night. We worked with the Rotary Club of Mumbai West End to provide solar street lights to solve this issue in Akloli village.

- **Solar Water Pump System**

A solar water pump helped the residents of Akloli village draw water from available resources and use it for domestic use. This also used the water distribution system, which lifted the load from the head of village women.



*Source: <https://frontline.thehindu.com/dispatches/10-million-girls-at-risk-of-dropping-out-of-school-because-of-the-covid-19-pandemic-says-rte-forum-policy-brief/article33662229.ece>

Construction of Nana Nani park for senior citizens of Asanpoi village

VOL contributed nearly ₹ 12 lacs to construct the Nana Nani park for senior citizens of Asanpoi village.

Disaster Relief Food and grain Packets to families in Chiplun: We have provided food and grain packets worth ₹ 3 lacs to 70 families in the Chiplun area affected by severe floods. These packets supported these families for over one month.

Supported Mrs. Kavita Vinod Saraf Foundation with a contribution of over ₹ 23 lacs towards constructing a road from Khariwali Grampanchayat, construction of Aanganwadi of Temghar Village. and installing a drinking water project.





Life on land



A flourishing life on land is the foundation for our life on this planet. At VOL, we believe that we are all a part of the planet's ecosystem to which significant damage has already been caused through deforestation, loss of natural habitats and land degradation.

Wildlife Conservation Trust

The objective of the current project was to improve the capacity of frontline forest staff in 11 Protected Areas. With a disbursement of over ₹ 35 lacs a hands-on intensive training approach was followed that helped improve the prosecution rates of offenders

committing wildlife crimes, a multi-billion-dollar illegal industry worldwide, causing considerable losses to the biodiversity ecological security of the country.

Training and Capacity building workshops: We trained 11 ACFs on provisions and 58 frontline forest staff on the fundamentals of the Wildlife (Protection) Act, 1972. Also, 57 staff members were trained on three different Conservation Reserves (CRs) in the southern end of the corridor.

Contributions to Management Plans of Conservation Reserves and Tiger Conservation Plan(TCP) of Sahyadri Tiger

Reserve: We supported in executing management plans for four Conservation Reserves, including the Tillari, Amboli-Dodamarg, Chandgad, and Vishalgad. Each of the plans is with the state government and is at various stages of finalisation.

Distribution of all-weather jackets to frontline forest staff: We supported WCT in distributing all-weather jackets to nearly 500 frontline forest staff with an aim to provide the essential field gear to the frontline protectors whose job involves working round-the-clock in harsh field conditions, often braving heavy rain and low temperatures

*Source: <https://www.deccanherald.com/science-and-environment/world-lost-100-million-hectares-of-forest-in-two-decades-un-888173.html>



VOL has been very supportive of our Tiger & Corridor Conservation Programme in the northern Western Ghats, which is the most biodiverse region of Maharashtra. This has allowed us to take-on both challenging and essential tasks of surveying a whopping 4,500sq. km of highly undulating northern Western Ghats to understand the distribution of four endangered large carnivores, and impart training in law enforcement, wildlife population estimation and forensics to as many as 600 frontline forest staff of the Sahyadri Tiger Reserve and the entire Sahyadri-Konkan landscape. By choosing to strengthen WCT's conservation action, VOL has set a shining example of why long-term Corporate-NGO partnerships are necessary to realise difficult-to-achieve conservation outcomes.

- **Dr. Anish Andheria,**
President & CEO, Wildlife Conservation Trust



**Mr. Vinod Banwarilal Saraf**

Executive Chairman

DIN: 00076708

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

Board of Directors

Stewardship.

**Ms. Vinati Saraf Mutreja**

Managing Director & CEO

DIN: 00079184

Ms. Vinati Saraf joined VOL in 2006. She holds a Bachelor's of Science in Economics (Finance) from The Wharton School and Bachelors in Applied Science from the School of Engineering (University of Pennsylvania). She has over 16 years of experience in the managerial team at VOL and spearheads the Marketing, Finance & Operation functions at VOL. She is named in the World Economic Forum's Young Global Leader's list and was also featured in Forbes Asia's Power Businesswomen list.



Ms. Viral Saraf Mittal

Director – CSR

DIN: 02666028

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



Ms. Mona M. Bhide

Independent Director

DIN: 05203026

Ms. Mona Bhide has been in legal practice since the year 1989 and is the Managing Partner of Dave & Girish & Co. Advocates. Her practice revolves around corporate law, securities and banking transactions, capital markets, structured finance, securitisation, swaps, derivatives, mergers and acquisitions and restructuring. She holds an LLB degree from University of Mumbai and an LLM degree from Northwestern University, School of law, Chicago. Currently, she is also on the Board of National Stock Exchange, Alliance of Business Lawyers, Datamatics Global Services Limited and GIC Housing Finance Limited.



Prof. M. Lakshmi Kantam

Independent Director

DIN: 07831607

Prof. Mannepalli Lakshmi Kantam has 38 years of experience in the research, design and development of catalysts for innovative green and economical processes for chemical industry.

Earlier Prof. Mannepalli Lakshmi Kantam served as Director at CSIR-ICT, Hyderabad. She is now working as Dr.B.P. Godrej Distinguished Professor of Green Chemistry and Sustainability Engineering at Institute of Chemical Technology, Mumbai.



Mr. Jayesh Ashar

Director – Operations

DIN: 00041532

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



Mr. Adesh Kumar Gupta

Independent Director

DIN: 00020403

Over three and a half decade of experience working exclusively with the Aditya Birla Group out of which last 15-20 years in various senior leadership roles, last one being the Whole time Director and CFO of Grasim and Director – UltraTech, in the capacity as Business Head. Serving on the board of various eminent companies including Grasim Industries Limited, Zee Entertainment Enterprises Ltd, Care Ratings Limited.



Mr. J.C. Laddha

Independent Director

DIN: 00118527

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

Corporate Information

Board of Directors

Mr. Vinod Saraf

(DIN:00079184),
Chairman

Ms. Vinati Saraf Mutreja

(DIN:00079184),
Managing Director & CEO

Ms. Viral Saraf Mittal

(DIN:02666028),
Director-CSR

Mrs. Mona Bhide

(DIN: 05203026),
Independent Director

Mr. Adesh Kumar Gupta

(DIN: 00020403),
Independent Director

Prof. M. Lakshmi Kantam

(DIN: 07831607),
Independent Director

Mr. J. C. Laddha

(DIN: 00118527),
Independent Director

Mr. Jayesh Ashar

(DIN: 00041532),
Director – Operations

Chief Financial Officer

Mr. N. K. Goyal

Company Secretary & Compliance Officer

Mr. Milind A. Wagh

Bankers

State Bank of India, Citibank N.A.
& HDFC Bank Ltd.

Auditors

M.M. Nissim & Co LLP
Chartered Accountants

Registered Office & Mahad Works

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

Lote Works

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

Registrar & Transfer Agents

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

Corporate Office

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



Board's Report

To the Members,

Your Directors have immense pleasure in presenting the Thirty-Third (33rd) Integrated Annual Report on the business and operations of your Company together with the Audited Financial Statements for the financial year ended March 31, 2022.

1) FINANCIAL RESULTS:

The summarized financial performance for the financial year ended March 31, 2022 on standalone and consolidated basis is given below:

(₹ in Lakhs)

| Particulars | Consolidated | | Standalone | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Net Sales/Income from Operations | 161551.18 | 95425.81 | 161551.18 | 95425.81 |
| Other Income | 6091.21 | 2584.43 | 6096.24 | 2585.55 |
| Total Income | 167642.39 | 98010.24 | 167647.42 | 98011.36 |
| Profit before Finance cost, Depreciation & Taxes | 49499.44 | 37836.59 | 49505.09 | 37838.15 |
| Finance cost | 25.87 | 21.19 | 25.87 | 21.19 |
| Profit before Depreciation & Taxes | 49473.57 | 37815.40 | 49479.22 | 37816.96 |
| Depreciation & Amortisation Expense | 4548.63 | 4291.45 | 4548.63 | 4291.45 |
| Profit before Taxation | 44924.94 | 33523.95 | 44930.59 | 33525.51 |
| Provision for Taxation - Current | 10146 | 7574.33 | 10146 | 7574.33 |
| Deferred | 1209.45 | 744.42 | 1209.45 | 744.42 |
| Earlier year adjustment | (1092.37) | (1726.89) | (1092.37) | (1726.89) |
| Profit for the year | 34661.86 | 26932.09 | 34667.51 | 26933.65 |
| Items that will be reclassified to profit or loss re-measurements of defined benefit plans | (37.80) | (25.27) | (37.80) | (25.27) |
| Income Tax relating to items that will not be reclassified to profit or loss | 9.51 | 6.36 | 9.51 | 6.36 |
| Total other comprehensive income for the year, net of tax | (28.29) | (18.91) | (28.29) | (18.91) |
| Net Profit for the year | 34633.57 | 26913.18 | 34639.22 | 26914.74 |

2) HIGHLIGHT OF THE COMPANY PERFORMANCE / REVIEW OF OPERATIONS (STANDALONE AND CONSOLIDATED):

On a consolidated basis, the revenue for Financial Year (FY) 2021-22 was ₹ 1,67,642.39 Lakh, higher by 71.05 percent over the previous year's revenue of ₹ 98,010.24 Lakh. The profit after tax (PAT) attributable to shareholders and non-controlling interests for FY 2021-22 was ₹ 34,661.86 Lakh. The PAT attributable to shareholders for FY 2021-22 was ₹ 34,633.57 Lakh.

On a standalone basis, the Net Sales/Income from operations achieved during the year is ₹ 1,61,551.18 Lakh compared to ₹ 95,425.81 Lakh in the previous year. The net profit after tax is ₹ 34,667.51 Lakh as compared to ₹ 26,933.65 Lakh in the previous year.

3) SHARE CAPITAL:

The paid up Equity Share Capital as at March 31, 2022 stood at 1,027.82 lakh. During the financial year 2021-22, there was no change in the Share Capital of the Company. The Company neither has issued any shares nor has granted any Stock Options nor any Sweat Equity Shares during the year.

4) CREDIT RATING:

The Credit Ratings issued by CARE RATINGS LIMITED are CARE AA; Stable (Double AA; Outlook: Stable) for its Long-term/Short-term Bank facilities and CARE A 1+ (A One Plus) for its Short-term Bank facilities.

5) TRANSFER TO RESERVE:

During the year under review, no amount was transferred to any Reserve by the Company.

6) STATE OF AFFAIRS:

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

There has been no change in the business of the Company during the financial year ended March 31, 2022.

7) DIVIDEND:

The Board of Directors has recommended a dividend of ₹ 6.50 (Rupees Six and Fifty Paise only) per equity share i.e. 650% on the equity shares of ₹ 1/- (Rupees One) each. The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹ 6680.83 Lakh.

For FY 2021, the Company paid a total dividend of ₹ 6/- per equity share of the face value of ₹ 1/- each. The total cash outflow for FY 2021 amounted to ₹ 6166.92 Lakh.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) is uploaded on the Company's website at <https://vinatiorganics.com/wp-content/uploads/2021/05/Dividend-Distribution-Policy-12th-May-2018.pdf>

8) SCHEME OF AMALGAMATION:

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

The Company has also received approval from Stock Exchanges on the proposed Scheme from BSE Limited and National Stock Exchange of India Limited vide their Observations Letters dated October 5, 2021.

Presently the proposed Scheme is under consideration with National Company Law Tribunal, Mumbai Bench for their observations (if any) and approval.

The Scheme is subject to the receipt of approval from the requisite majority of the shareholders and creditors of the

Transferor Company and the Transferee Company (together referred to as 'Amalgamating Companies') (unless dispensed with), approval by the Mumbai Bench of the NCLT having jurisdiction over the Amalgamating Companies, MCA/ROC, Regional Director and such other approvals, permissions and sanctions of regulatory and other statutory authorities / quasi-judicial authorities, as may be necessary.

9) SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANY:

Veeral Organics Pvt. Ltd. (VOPL) is wholly owned subsidiary of Vinati Organics Limited (the "Company") other than VOPL the Company does not have any subsidiaries, Associates and Joint Venture Companies.

Pursuant to Section 129(3) of the Companies Act, 2013 ("the Act") read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries in Form AOC-1 is attached to the financial statements and not repeated in this report to avoid duplication.

The audited financial statement including the consolidated financial statement of the Company and all other documents required to be attached thereto is available on the Company's website and can be accessed at <https://vinatiorganics.com/financial-information>.

The financial statements of the subsidiary, as required, are available on the Company's website and can be accessed at <https://vinatiorganics.com/financial-information>.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed at <https://vinatiorganics.com/wp-content/uploads/2022/06/material-subsidiaries-policy.pdf>

10) INSURANCE:

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

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

11) DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of the Companies Act, 2013 the ("the Act") and applicable clauses of the Articles

of Association of the Company Mr. Jayesh Ashar, Director – Operations of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The Board recommends his re-appointment as Director – Operations for your approval. The brief profile of Mr. Jayesh Ashar and the resolution for his appointment as Director – Operations are given in the Notice of the 33rd Annual General Meeting (AGM), no other Director(s) and their respective relatives is interested in the said resolution.

The Company has 4 (four) Independent Directors, namely, Mr. J.C Laddha, Mr. Adesh Gupta, Ms. Mona Bhide and Prof. M. Lakshmi Kantam. The Company has received all the applicable declarations under Section under 149(7) of the Act, Rule 6(3) of the Companies (Appointment and Qualification of Directors) 5th Amendment Rules, 2019 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) from each Independent Director. There have been no circumstances affecting their status as Independent Director of the Company. No Director of the Company is disqualified under any law to act as a Director.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

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

12) POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company’s policy on directors’ appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this report. The Remuneration policy has been posted on website of the Company at <https://vinatiorganics.com/wp-content/uploads/2021/05/remuneration-policy.pdf>

13) DEPOSITS:

For the financial year 2021-2022, the Company did not invite or accept any Deposits within the meaning of Sections 73 and 76 of the Act and the relevant Rules made thereunder as such, no amount of principal or interest was outstanding as on the date of balance sheet from public.

14) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company had a total foreign exchange earnings and outgo as provided below during the year ended March 31, 2022:

Foreign Exchange Earnings - ₹1,10,391.36 Lakh.
Foreign Exchange Outgo - ₹24,336.70 Lakh.

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

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

16) HUMAN RESOURCE:

The Company has effective HR systems to make the performance appraisals and working more transparent. Greater operational and financial details are shared with the management cadre with a view to having their deeper involvement and for development of human resources. The Company has a Code of Business Ethics for its employees.

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

The permanent employee strength of the Company was 1009 as on March 31, 2022.

17) 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.

18) LISTING:

The Company’s equity shares are listed at BSE Limited and National Stock Exchange of India Limited. We confirm that



the Listing fee for the financial year 2022 – 23 has been paid. The stock code of the Company at BSE Limited is 524200 and National Stock Exchange of India Limited is VINATORGA.

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

No significant and material order has been passed by the Regulators, Courts, Tribunals impacting the going concern status and Company's operations in future.

20) DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021 – 22.

21) MATERIAL CHANGES AFTER BALANCE SHEET DATE (MARCH 31, 2022):

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year (FY 21-2022) of the Company to which the Financial Statements relate and the date of this report.

22) CORPORATE GOVERNANCE AND MANAGEMENT'S DISCUSSION AND ANALYSIS REPORTS:

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

23) EMPLOYEES:

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

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

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

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

There has been no change in the class and nature of the business of the Company and its Subsidiary Company.

25) CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

All the members of Corporate Social Responsibility Committee i.e. Prof. M. Lakshmi Kantam – Chairperson of the CSR Committee, Mr. Vinod Saraf – Chairman, Ms. Vinati Saraf

Mutreja - Managing Director & CEO, & Ms. Viral Saraf Mittal - Director – CSR have good knowledge and exposure to utilize the Company's resources towards its Corporate Social Responsibility. The Corporate Social Responsibility policy is available on Company's website at <https://vinatiorganics.com/wp-content/uploads/2022/02/csr-policy.pdf>

The Company has entered into a MOU with Collective Good Foundation (Samhita) and Swadesh Foundation for CSR activities and has also supported other NGOs for CSR activities.

For the Financial year 2021-2022 the Company was required to spend ₹790.08 Lakh (around 2% of the average net profits of last three financial years) on CSR activities. Out of which the Company has spent ₹448.45 Lakh and balance unspent CSR amount of ₹341.75 Lakh has been transferred to Separate Bank Account i.e. Unspent Corporate Social Responsibility Account (UCSRA) in accordance with Sec 135 of the Companies Act, 2013. The Annual Report on CSR Activities is enclosed as Annexure 'F' to this Report.

26) ESOP/ ESOS:

During the year under review, the Company did not issue any shares under "VOL Employee Stock Option Plan 2019" ("ESOP 2019"/ "Plan") Scheme of the Company. The ESOP 2019 Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ('the SBEB Regulations').

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

27) POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment of Women at Workplace Act") and Rules framed thereunder. The Company has formed an Internal Complaints Committee consisting of Ms. Vinati Saraf Mutreja, Managing Director & CEO, Ms. Viral Saraf Mittal, Director – CSR and, Advocate Ms. Satyapriya M. Rao - Member to redress complaints received regarding sexual harassment.

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

During the period under review, no complaints were received. The Company is committed to providing a safe and conducive work environment to all of its employees and associates. The Sexual Harassment policy posted on the website of

the Company at <https://vinatiorganics.com/wp-content/uploads/2021/05/policy-against-sexual-harassment.pdf>

28) ANNUAL RETURN:

As per provisions of Section 92(3) and 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the copy of the Annual Return in the Form MGT-7 is placed on the website of the Company at www.vinatiorganics.com.

29) RISK MANAGEMENT:

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The risk management policy has been posted on website of the Company at <https://vinatiorganics.com/wp-content/uploads/2021/05/risk-management-policy.pdf>

30) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The particulars of Loans given, Guarantees given, securities provided and investments made by the Company are within the limits prescribed under the Section 186 of the Companies Act, 2013 and details for the same are given in the notes to the financial statements.

31) PARTICULARS OF EMPLOYEES:

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

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

| Sr. No. | Whole-Time Directors | Ratio to median remuneration |
|---------|---|------------------------------|
| 1. | Mr. Vinod Banwarilal Saraf, Chairman | 32.31 |
| 2. | Ms. Vinati Saraf Mutreja, Managing Director & CEO | 22.62 |
| 3. | Ms. Viral Saraf Mittal, Director – CSR | 12.94 |
| 4. | Mr. Jayesh Ashar | 20.53 |



- b. The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

| Sr. No. | Directors, Chief Executive Officer, Chief Financial Officer & Company Secretary | % increase in remuneration in the financial year |
|---------|---|--|
| 1. | Mr. Vinod Banwarilal Saraf, Chairman | 10% |
| 2. | Ms. Vinati Saraf Mutreja, Managing Director & CEO | 10% |
| 3. | Ms. Viral Saraf Mittal, Director – CSR | 10% |
| 4. | Mr. Jayesh Ashar, Director – Operations | 9.42% |
| 5. | Mr. N. K. Goyal, Chief Financial Officer | 10% |
| 6. | Mr. Milind Wagh, Company Secretary | 10% |

- c. The percentage increase in the median remuneration of employees in the financial year: 8.67%.
- d. The number of permanent employees on the roll of Company: 1009.
- 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 FY22 (₹ in Lakh) | 633.00 |
| Revenue (₹ in Lakh) | 161551.18 |
| Remuneration of (KMP) as a percentage of revenue | 0.39% |
| Profit before tax (PBT) (₹ in Lakh) | 44930.59 |
| Remuneration of (KMP) as % of PBT | 1.41% |

- 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, 2022 | March 31, 2021 | % change |
|-----------------------------------|----------------|----------------|----------|
| Market capitalization (₹ In Lakh) | 2004249.98 | 1438948.70 | 39.29% |
| Price earnings ratio | 57.83 | 53.44 | 8.21% |

- h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

| Particulars | March 31, 2022 (₹) | November 11, 1991 (IPO)* | % change |
|--------------------|--------------------|--------------------------|----------|
| Market Price (BSE) | 1950 | 0.67 | 291045% |
| Market Price (NSE) | 1950 | 0.67 | 291045% |

* Adjusted for 1:2 bonus issue in 2007, splits of Face Value of shares from ₹ 10/- to ₹ 2/- and from ₹ 2/- to ₹ 1/- in March 11, 2009 and February 6, 2020 respectively.

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

Increase in managerial remuneration was 10% only.

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

| Name | (₹ in Lakhs) | | |
|---|--------------------|------------------------|-------------------------------------|
| | Total Remuneration | % of revenue 161551.18 | % of net profit before tax 44930.59 |
| Mr. Vinod Banwarilal Saraf, Chairman | 184.30 | 0.11 | 0.41 |
| Ms. Vinati Saraf Mutreja, Managing Director & CEO | 137.01 | 0.08 | 0.30 |
| Ms. Viral Saraf Mittal, Director – CSR | 78.14 | 0.05 | 0.17 |
| Mr. Jayesh Ashar, Director – Operations | 112.45 | 0.07 | 0.25 |
| Mr. N. K. Goyal, Chief Financial Officer | 87.67 | 0.05 | 0.20 |
| Mr. Milind Wagh, Company Secretary | 33.43 | 0.02 | 0.07 |

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

No variable component is paid.

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

None.

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

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

n. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

32) WHISTLE BLOWER POLICY/VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at <https://vinatiorganics.com/wp-content/uploads/2021/05/Whistle-Blower-Policy.pdf>

33) TRANSACTION WITH RELATED PARTIES:

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

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure 'G' in Form AOC – 2 and the same forms part of this report.

34) BOARD EVALUATION:

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

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

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

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

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

35) INDEPENDENT DIRECTORS MEETING:

The Independent Directors of the Company met on January 31, 2022 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 'H')

36) NUMBER OF MEETINGS OF THE BOARD:

The Board Directors of the Company met five (5) times during the year on 13.5.2021, 31.07.2021, 08.09.2021, 10.11.2021 and 31.01.2022.



37) INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis Report, which forms part of this report.

38) AUDIT COMMITTEE:

The Audit Committee comprises Mr. J.C Laddha (Chairman), Mr. Adesh Gupta and Ms. Mona Bhide. During the year under review, all recommendations made by the Audit Committee were accepted by the Board.

39) REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

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

As required under Section 124 of the Act 53084 equity shares in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2021-22. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

41) AUDITORS AND AUDIT REPORTS:

(i) Statutory Auditors and their Report:

The Members at the 28th Annual General Meeting of the Company held on July 29, 2017, had appointed M. M. Nissim & Co LLP., Chartered Accountants (Firm Registration No. ICAI/FRN/107122W/W100672) as the Statutory Auditor of the Company to hold office for a term of five years i.e. from the conclusion of the said 28th Annual General Meeting until the conclusion of 33rd Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the shareholders, every year.

The Board of Directors, based on the recommendation of the Audit Committee and the certification from the Statutory Auditors certifying their independence and arm's length relationship with your Company, has appointed M. M. Nissim & Co LLP. Chartered Accountants (Firm Registration No. ICAI/FRN/107122W/W100672) as Statutory Auditor of the Company for a Second term of five years i.e. from the conclusion of this 33rd Annual General Meeting until the conclusion of 38th Annual

General Meeting of the Company as mentioned in the Notice. A resolution seeking Member's approval for appointment of Statutory Auditor for second term forms part of the Notice of 33rd Annual General Meeting.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report on the Financial Statements of the Company for the Financial Year ended March 31, 2022.

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

(ii) Cost Auditors and Cost Audit Report:

As per the requirements of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records is applicable to the Company and the Audit of the said Cost Records is being carried out every year. The Board of Directors, based on the recommendation of the Audit Committee and the certification from the Cost Auditors certifying their independence and arm's length relationship with your Company, has appointed M/s. N. Ritesh & Associates, Cost Accountants, as Cost Auditor of the Company for conducting the Cost Audit for the financial year 2022 – 23, on such remuneration as mentioned in the Notice of the 33rd Annual General Meeting. A resolution seeking Member's ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 33rd Annual General Meeting and the same is recommended for your consideration and ratification.

In accordance with Companies (Cost Records and Audit) Rules, 2014, the Cost Audit Report for the financial year ended 31.03.2021 was filed in XBRL on 23.11.2021 vide SRN: T59691865 with the Ministry of Corporate Affairs, New Delhi.

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

(iii) Secretarial Auditor and Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Act and the rules made there under, the Company had appointed M/s. VKM & Associates, Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2022. The Secretarial Audit Report issued in this regard is annexed as Annexure 'I'.

The observations made in the Secretarial Audit Report are self-explanatory and do not call for any further comments.

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

(iv) Annual Secretarial Compliance Report:

The Company has undertaken an audit for the Financial Year 2021-2022 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/ Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Mr. Vijay Mishra, Partner of M/s. VKM & Associates, Practising Company Secretaries has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year 2021-22.

42) COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has followed the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings respectively.

43) CORPORATE POLICIES AND PROCEDURES ON INTERNAL FINANCIAL CONTROLS:

The Corporate Policies and Procedures on Internal Financial Controls policy has been posted on website of the Company at <https://vinatiorganics.com/wp-content/uploads/2021/05/corporate-policy-on-internal-financial-control.pdf>

44) BUSINESS RESPONSIBILITY REPORT:

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

45) STATUTORY DISCLOSURES:

There were no transactions/events with respect to the following items during the financial year under review and accordingly no disclosure or reporting is required with respect to the same:

1. Deposit from the public falling within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

2. Issue of equity shares with differential rights as to dividend, voting or otherwise
3. Receipt of any remuneration or commission by the Managing Director/Whole-time Director of the Company from any of its subsidiaries/ other Companies.
4. Significant or material orders passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in future.
5. Buyback of shares
6. Material changes and commitments, affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this Directors' report unless otherwise stated in the report. The details pertaining to the composition of various committees of the Board including the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Social Responsibility Committee and the details of establishment of Vigil Mechanism are included in the Corporate Governance Report, which is a part of this report.

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

46) 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

Registered Office:

B-12 & B-13/1, MIDC Industrial Area,
Mahad – 402 309, Dist. Raigad, Maharashtra.
Tel No.: 022-61240444/428, Fax No.: 022-61240438
Email : shares@vinatiorganics.com
Website: www.vinatiorganics.com
CIN: L24116MH1989PLC052224
Mumbai, May 14, 2022

Vinod Saraf
Executive Chairman
(DIN: 00076708)

Annexure 'A'

Details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

a) CONSERVATION OF ENERGY:

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

During the year the Company has installed Solar Power of 45 KW in its Staff Colony at Lote- Parashuram.

Similarly Solar Power Plant of 6.5 MW at Village – Mangarul, Taluka – Akkalkot, District – Solapur was also commissioned. The Company quickly decided to go ahead with another 7.5 MW Solar Power plant at Tuljapur Dist Osmanabad and the same plant was also commissioned in the month of March 2022. Commissioning of both these solar plants helps the Company in Conservation of Energy and also helps in reducing the net power costs in its manufacturing activities. Both these solar plants will be used for captive use of power at its Mahad/Lote Plants.

In future the Company plans to work on mapping & reduction in Carbon Footprints and get Carbon Credits.

b) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

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

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

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

Full understanding of the technology helped the Company to identify and develop schemes for the

recovery of by-products. Better process knowledge and simulation facilitated achievement of higher production volumes, quality improvement and energy conservation.

c) RESEARCH & DEVELOPMENT:

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

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

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

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

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

At Mahad we recover pure NBB.

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

(iii) Future plans of action

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

d) FOREIGN CURRENCY EARNINGS AND OUTGO:

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

Annexure 'B'

Corporate Governance Report

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations / Listing Regulations), a Report on Corporate Governance is given below:

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 have professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

The Company is in compliance with provisions of the Companies Act, 2013, Corporate Governance norms stipulated under Regulation 17 to 27 and Regulation 46 (2) (b) to (i) and (t) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") and the relevant provisions prescribed under the Companies Act, 2013 (the "Act") and the Rules made thereunder.

2. BOARD OF DIRECTORS

(a) Composition:

The Company has an optimum combination of Executive and Non-Executive Directors which is in conformity with Regulation 17 of the SEBI (LODR) Regulations read with Sections 149 and 152 of the Act. The Board of Directors (the "Board") periodically evaluates the need for change in its composition and size.

In compliance of Regulation 17 of the SEBI LODR Regulations, fifty percent of the Board of Directors of the Company comprises of Non-Executive Directors with two Woman Directors.

Detailed profile of the Directors are available on the Company's website at <https://www.vinatiorganis.com/board-of-directors>

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he/she

is a Director. All the Directors have made the requisite disclosures regarding Committee positions occupied by them in other companies. However it excludes directorship in private companies, foreign companies, companies under Section 8 of the Companies Act, 2013, Partnership Firms, LLP, HUF, Sole Proprietorship and Association of Individuals (Trust, Society).

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

In the opinion of the Board, the Independent Directors continue to fulfill the criteria prescribed for an Independent Director as stipulated in Regulation 16(1)(b) of the SEBI (LODR) Regulations and Section 149(6) of the Companies Act, 2013.

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. Jayesh Ashar, Director (DIN: 00041532) who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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

The Board met five (5) times on the following dates during the financial year 2021 – 22 and the time gap between two meetings did not exceed one hundred and twenty (120) days between any two meetings and the meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings.

| Date of the Meetings | Total Strength | No. of Directors' present |
|----------------------|----------------|---------------------------|
| May 13, 2021 | 8 | 8 |
| July 31, 2021 | 8 | 8 |
| September 08, 2021 | 8 | 8 |
| November 10, 2021 | 8 | 8 |
| January 31, 2022 | 8 | 8 |



The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting, also the number of Directorships and Committee positions as held by them in other public limited companies as on March 31, 2022 are given below:

| Name | Category | No. of Board Meetings Attended during 2021 – 22 | Whether attended AGM held on July 3, 2021 | No. of Directorships in other public limited companies | No. of Committee positions held in other public limited companies | | Directorship in other listed entities (including debt listed) | |
|--|--|---|---|--|---|--------|---|---------------------------|
| | | | | | Chairman | Member | Name of the listed entity | Category of Directorship |
| Mr. Vinod Saraf Executive Chairman | Promoter, Non-Independent & Executive Director | 5 | Yes | 1 | – | – | – | – |
| Mr. J C Laddha Director | Independent Non-Executive Director | 5 | Yes | 2 | 2 | 1 | 1) BSL Ltd. | Independent Non-Executive |
| Ms. Vinati Saraf Mutreja Managing Director & CEO | Promoter, Non-Independent Executive Director | 5 | Yes | 1 | – | – | – | – |
| Ms. Viral Saraf Mittal Director – CSR | Promoter, Non-Independent Executive Director | 5 | No | 1 | – | – | – | – |
| Ms. Mona Bhide Director | Independent Non-Executive Director | 5 | Yes | 3 | 1 | 1 | 1) Datamatics Global Services Limited 2) PCS Technology Limited | Independent Non-Executive |
| Mr. Adesh Kumar Gupta Director | Independent Non-Executive Director | 5 | Yes | 5 | 2 | 5 | 1) India Pesticides Limited 2) Care Ratings Ltd 3) Zee Entertainment Enterprises Ltd. 4) Grasim Industries Limited | Independent Non-Executive |
| Prof M. Lakshmi Kantam Director | Independent Non-Executive Director | 5 | Yes | 3 | 1 | – | 1) Indo Amines Limited | Independent Non-Executive |
| Mr. Jayesh Ashar Director | Director – Non-Independent Executive Director | 5 | No | – | – | – | – | – |

(c) Key Skills, Expertise and Competencies of the Board of Directors:

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

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

The core skills / expertise / competencies as identified by the Board of Directors as required in the context of the Company's business and sector for it to function effectively and those actually available with the Board as on March 31, 2022 are highlighted in the matrix below:

| Skills / Expertise / Competencies | Mr. Vinod Saraf | Mr. J C Laddha | Ms. Vinati Saraf Mutreja | Ms. Viral Saraf Mittal | Ms. Mona Bhide | Mr. Adesh Kumar | Prof. M. Lakshmi Kantam | Mr. Jayesh Ashar |
|-----------------------------------|-----------------|----------------|--------------------------|------------------------|----------------|-----------------|-------------------------|------------------|
| Strategy and Strategic planning | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Policy development | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Leadership | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Industry experience | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Science and Technology | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Finance and Governance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Safety and Sustainability | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Multiple geography Experience | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Risk and compliance oversight | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

(d) Familiarization Programme for Directors:

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

The above programme also includes the familiarization on statutory compliances as a Board member including their roles, rights and responsibilities. The Company also circulates news and articles related to the industry from time to time and provide specific regulatory updates. The Familiarization programme for Independent Directors in terms of Regulation 25(7) of the SEBI (LODR) Regulations 2015 is uploaded on the website of the Company <https://vinatiorganics.com/wp-content/uploads/2021/10/Familiarization-Program-of-Independent-Dir.pdf>.

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected

from him as a Director of the Company. The Director is also explained in detail the Compliances required from him under the Companies Act, 2013, SEBI (LODR) Regulations and other relevant provisions and affirmation taken with respect to the same.

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

(e) Code of Conduct:

The Company has adopted the Code of Conduct for its Whole-time Directors, Senior Management Personnel and other Executives which is available on the website of the Company at <https://vinatiorganics.com/wp-content/uploads/2021/05/code-of-conduct-of-the-board-senior-management-personnel.pdf>.

The Board has also adopted a Code of Conduct for Non-Executive Directors, which incorporates the duties of Independent Directors as laid down in Schedule IV to the Companies Act, 2013 ('Code for Independent Directors') and Regulation 17(5) of the SEBI (LODR) Regulations and the same is available on the website of the Company at <https://www.vinatiorganics.com/>.

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

**(f) Non-executive directors were paid only sitting fees during the FY 2021 – 22. The details are as under:**

| Sr. No. | Name of Directors – Non-executive | ₹ in Lakhs |
|---------|-----------------------------------|------------|
| 1. | Mr. J. C. Ladhha | 4.25 |
| 2. | Mrs. Mona Bhide | 4.75 |
| 3. | Mr. Adesh Kumar Gupta | 4.00 |
| 4. | Prof M. Lakshmi Kantam | 3.25 |

(g) Shareholdings of Directors as on 31.03.2022 are as under:

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

Apart from the above, no other Director holds any shares in the Company. The Company has not issued any convertible instruments.

(i) Relationship between Directors as on 31.03.2022 are as under:

| Sr. No. | Name of Directors | Relationship |
|---------|----------------------------|--------------|
| 1. | Mr. Vinod Banwarilal Saraf | Father |
| 2. | Ms. Vinati Saraf Mutreja | Daughter |
| 3. | Ms. Viral Saraf Mittal | Daughter |

Except for directors mentioned above none of the others directors of the Company are related to each other and there are no inter se relationships between them.

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

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

b. Composition:

The Audit Committee comprised of following Directors of the Company:

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

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

c. Meetings & Attendances:

The Audit Committee met five times in the financial year 2021 – 22.

| Date of the Meeting | Total Strength | No. of Directors present |
|---------------------|----------------|--------------------------|
| May 13, 2021 | 3 | 3 |
| July 31, 2021 | 3 | 3 |
| September 08, 2021 | 3 | 3 |
| November 10, 2021 | 3 | 3 |
| January 31, 2022 | 3 | 3 |

The necessary quorum was present at the meetings.

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

d. Terms of reference:

The primary role of audit committee is to provide oversight of the financial reporting process, the audit process, the company's system of internal controls, all financial results, statements and disclosures and recommend the same to the Board; review the internal audit reports and discuss the same with the internal auditors; review internal control systems and procedures; evaluation of internal financial controls and risk management systems and their effectiveness; discussion with the statutory auditors on their findings, scope of audit, post audit discussion, auditor's independence, adequacy of internal audit functions, audit qualifications, if any; to decided appointment, removal and remuneration of auditors; review of any changes in accounting policies and practices; reviewing approval and disclosure of all related party transactions; reviewing with the management the performance of the statutory and internal auditors and their remuneration; compliance with SEBI (LODR) Regulations, company law and other legal requirements and compliances; reviewing the Company's financial and risk management plan, policies and its implementation; reviewing the functioning of vigil mechanism / whistle blower policy; and guidelines and internal control.

The Statutory Auditor, Internal Auditor and the Cost Auditor are regular invitees at the Audit Committee Meetings of the Company. The Audit Committee holds discussions with the Statutory Auditor on the "Limited Review Report" on the quarterly financials of the Company submitted to the Exchanges, half-yearly, nine months, the yearly Audit Plan, matters relating to compliance of Accounting Standards, their observations

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

The terms of reference of Audit Committee includes the indentures as prescribed under Section 177 of the Companies Act, 2013 read with applicable regulations of the SEBI (LODR) Regulation.

4. SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANIES

The Veeral Organics Pvt. Ltd. is wholly owned subsidiary of Vinati Organics Limited.

5. SHARE TRANSFER COMMITTEE

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

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

Mr. Milind Wagh, being the Company Secretary of the Company acts as the Secretary of this Committee. The Committee met 7 times during the year 2021-2022 for approving transfers & transmissions of securities. All transfers & transmissions were approved and share certificates were dispatched within 21 days and requests for dematerialization were confirmed within 21 days.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

a. Terms of Reference:

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

b. Composition:

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

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

c. Meetings & Attendances:

The Stakeholders Relationship Committee met on the following date in the financial year 2021-22.

| Date of the Meeting | Total Strength | No. of Directors present |
|---------------------|----------------|--------------------------|
| March 24, 2022 | 3 | 2 |

Details of the investors Complaints received and redressed by the Company during the financial year 2021 – 2022 are as follows:

| Opening Balance | Received During the year | Resolved during the Year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| 2 | 27 | 26 | 3 |

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

7. NOMINATION & REMUNERATION COMMITTEE

a. Constitution:

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

b. Composition:

The Committee comprised of 3 Directors:

| | | |
|----|----------------------------|------------------------------------|
| 1. | Prof M. Lakshmi Kantam | Independent Director – Chairperson |
| 2. | Mrs. Mona M. Bhide | Independent Director – Member |
| 3. | Mr. Jagdish Chandra Laddha | Independent Director – Member |

All the members of Nomination & Remuneration Committee have good exposure to finance as well as general management.

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

c. Meetings & Attendances:

The Nomination and remuneration Committee met on the following date in the financial year 2021 – 22.

| Date of the Meeting | Total Strength | No. of Directors present |
|---------------------|----------------|--------------------------|
| March 21, 2022 | 3 | 3 |

d. Nomination & Remuneration Policy:

As required by Section 178(3) of the Act and Regulation 19 of the SEBI (LODR) Regulations, the Company has adopted a Remuneration Policy. The policy is available on the Company's website at <https://vinatiorganics.com/wp-content/uploads/2021/05/remuneration-policy.pdf>.

The Non-Executive Independent Directors are paid remuneration based on their contribution and current trend. Sitting fees is paid for attending each meeting of the Board and Committees thereof. The Company has also obtained a Directors and Officers Liability Insurance Policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any Director or Officer of the Company.

e. Remuneration of Directors:

Executive Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Executive Directors. Annual increments are recommended by the Nomination & Remuneration Committee ("NRC") within the salary scale approved by the Members of the Company.

Details of remuneration paid to the Executive Directors for the year ended March 31, 2022

(₹ in Lakhs)

| Name | Salary & Allowances | Contribution to PF | Other Perquisites |
|---|---------------------|--------------------|-------------------|
| Mr. Vinod Saraf, Chairman | 167.35 | 15.43 | 1.52 |
| Ms. Vinati Saraf Mutreja, Managing Director & CEO | 117.19 | 10.80 | 9.02 |
| Ms. Viral Saraf Mittal, Director – CSR | 66.23 | 6.10 | 5.81 |
| Mr. Jayesh Ashar, Director – Operations | 105.48 | 6.97 | 4.36 |
| Total: | 456.25 | 39.30 | 20.71 |

Non-Executive Directors:

Non-Executive Directors shall be paid sitting fees for attending the Meetings of the Board and of Committees of which they are members, as recommended by the NRC and approved by the Board.

Details of remuneration paid to the Non-Executive Directors for the year ended March 31, 2022

(₹ in Lakhs)

| Name of Directors | Sitting Fee paid |
|---------------------------|------------------|
| 1. Mr. J. C. Ladhha | 4.25 |
| 2. Mrs. Mona Bhide | 4.75 |
| 3. Mr. Adesh Kumar Gupta | 4.00 |
| 4. Prof M. Lakshmi Kantam | 3.25 |
| Total: | 16.25 |

f. Terms of Reference:

The primary role and terms of reference of the Nomination and Remuneration Committee ("NRC") includes the indentures as prescribed under section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations.

The broad terms of reference of NRC include identifying persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the prescribed criteria; recommend to the Board their appointment or removal and carry out evaluation of each Director's performance; formulating criteria for determining qualifications, experience, positive attributes and independence of a Director; recommending to the Board Remuneration Policy for the Directors, Key Managerial Personnel and other employees; formulating criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; decide whether to extend or continue the term of appointment of Independent Director on the basis of the report of performance evaluation of Independent Directors; and recommend to the Board, all remuneration, in whatever form, payable to Senior Management of the Company.

8. RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC") was constituted pursuant to Regulation 21 of the Listing Regulations. As per the SEBI (LODR) Regulations, the RMC guidelines are applicable to top 1000 listed entities determined on the basis of market capitalization, as at the end of the immediate previous financial year are required to constitute RMC.

a. Constitution:

The Risk Management Committee reviews the process of risk management in your Company and has been duly constituted in compliance with the SEBI (LODR) Regulation read with the relevant provisions of the Act and the Rules made thereunder.

b. Composition:

The Risk Management Committee comprised of following Board of the Directors of the Company:

1. Mrs. Mona Bhide, Chairperson
2. Mr. Vinod Saraf, Chairman of Company
3. Ms. Vinati Saraf Mutreja, Managing Director & CEO
4. Ms. Viral Saraf Mittal, Director – CSR

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

c. Meetings & Attendances:

During the period under review Two Meeting of Risk Management Committee was held as on following dates:

| Date of the Meeting | Total Strength | No. of Directors present |
|---------------------|----------------|--------------------------|
| December 17, 2021 | 4 | 4 |
| March 21, 2022 | 4 | 4 |

d. Power of Risk Management Committee:

The Committee is authorized to exercise all powers and discharge all functions related to risk management. Risk Management Committee reviews the process of risk management in your company.

e. Terms of Reference:

The RMC looks into various risks which may impact the Company's ability to achieve its strategy, objectives and results. The RMC looks into all risks, including but not limited to changes in external environment, regulatory developments, business transactions, legal, financial and ethical compliance matters, information technology/ cyber security and compliance with contractual obligations.

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

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

b. Composition:

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

Mr. Vinod Saraf, Chairman

Ms. Vinati Saraf Mutreja, Managing Director & CEO

Ms. Viral Saraf Mittal, Director – CSR

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

c. Meetings & Attendances:

During the period under review 1 Meeting of Finance Committee was held on December 27, 2021.

d. Power of Finance Committee:

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

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

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

b. Composition:

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

Prof M. Lakshmi Kantam- Independent Director – Chairperson

Mr. Vinod Saraf, Chairman of the Company

Ms. Vinati Saraf Mutreja, Managing Director & CEO

Ms. Viral Saraf Mittal, Director – CSR

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

c. Meetings & Attendances:

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

| Date of the Meeting | Total Strength | No. of Directors present |
|---------------------|----------------|--------------------------|
| March 21, 2022 | 4 | 4 |

d. Power of Corporate Social Responsibility Committee:

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

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

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

b. Composition:

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

Ms. Vinati Saraf Mutreja, Managing Director & CEO

Ms. Viral Saraf Mittal, Director – CSR

Ms. Satyapriya Rao - Member

**c. Meetings & Attendances:**

The Sexual Harassment Committee met on the following date during the financial year 2021-22.

| Date of the Meeting | Total Strength | No. of Directors present |
|---------------------|----------------|--------------------------|
| March 21, 2022 | 3 | 3 |

d. Power of Sexual Harassment Committee:

The Committee is authorized to exercise all powers for compliance of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

e. Policy:

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

No. of Complaints Received during the FY 2021 – 22 - NIL.

No. of Complaints resolved during the FY 2021 – 22 - NA.

Act, 2013 read with Regulation 16(1)(b) of the SEBI (LODR) Regulations. The terms and conditions stating the appointment of Independent Directors as provided in Companies Act, 2013 and the SEBI (LODR) Regulations has been issued and disclosed on the website of the Company viz. www.vinatiorganics.com.

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

During the year a separate meetings of the Independent Directors was held on September 8, 2021 and January 31, 2022 in which all the Independent Directors were present, under the Chairmanship of Ms. Mona Bhide Lead Independent Director, to review the performance of the non-independent director(s), the Board as a whole and Chairman of the Company. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform their duties. Further during the year, none of the Independent Directors of the Company had resigned before the expiry of his / her respective tenure.

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

12. INDEPENDENT DIRECTORS

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies

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

| Year | Location | Date | Day | Time | No. of Special business passed |
|-----------------|---|------------|----------|---------|--------------------------------|
| 30th AGM - 2019 | Regd. Office, B/12 & B-13/1, MIDC Indl. Area, Mahad – 402 309, Dist. Raigad, Maharashtra. | 27/07/2019 | Saturday | 12 Noon | 7 |
| 31st AGM - 2020 | Through Video Conferencing (VC) | 26/09/2020 | Saturday | 11 a.m. | 3 |
| 32nd AGM - 2021 | Through Video Conferencing (VC) | 03/07/2021 | Saturday | 11 a.m. | 4 |

b) Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY 21-2022.

c) Special Resolution(s):

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

| Date of Meeting | Summary of Special Resolution |
|--------------------|---|
| July 3, 2021 | 1. Appointment and payment of remuneration to Mr. Jayesh Ashar as Whole Time Director – Director Operations. 2. Approval of Loan given to Veeral Additives Pvt Ltd u/s 185 of the Companies Act, 2013. |
| September 26, 2020 | 1. An appointment/continuation of employment of and payment of remuneration to Shri Vinod Saraf as Whole Time Director, designated as “Executive Chairman”. |

| Date of Meeting | Summary of Special Resolution |
|-----------------|--|
| July 27, 2019 | <ol style="list-style-type: none"> 1. Appointment of Ms. Mona Bhide (DIN: 05203026) as a Non-Executive & Independent Director of the Company. 2. Appointment of Mr. Adesh Kumar Gupta (DIN: 00020403), as a Non-Executive & Independent Director of the Company. 3. Appointment of Prof M. Lakshmi Kantam (DIN: 07831607) as a Non-Executive & Independent Director of the Company. |

- d) M. M. Nissim & Co. LLP, Chartered Accountants Firm Registration No. ICAI/FRN/107122W/W100672 have been appointed as the Statutory Auditors of the Company for the period of 5 years until the conclusion of 33rd Annual General Meeting of the Company.

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

| (₹ in Lakhs) | |
|---|--------------|
| Particulars | Amount |
| Services as statutory auditors (including quarterly audits) | 10.50 |
| Re-imbursment of out-of-pocket expenses | 0.00 |
| Total | 10.50 |

M. M. Nissim & Co. LLP, Mumbai (Firm Registration No. ICAI/FRN/107122W/W100672), Chartered Accountants, proposed to be appointed as the Statutory Auditors of the Company for the second term of 5 (five) years to hold office from the conclusion of this 33rd Annual General Meeting until the conclusion of the 38th Annual General Meeting of the Company subject to the approval of Shareholders in the ensuing Annual General Meeting of the Company.

14. PERFORMANCE EVALUATION

In terms of the requirement of the Companies Act, 2013 and the SEBI (LODR) Regulations, during the year under review, the Board has carried out an annual performance evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

17. GENERAL SHAREHOLDER INFORMATION

a. Annual General meeting Date, Time & Venue

Date : September 14, 2022

Time : 11.00 p.m. (IST)

Venue : Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with general circulars dated April 8, 2020, April 13, 2020, January 13, 2021 and December 14, 2021 as such there is no requirement to have a venue for the AGM.

The Evaluation process focuses on various aspects of the functioning of the Board and Committees such as composition of the Board / Committees, improving Board effectiveness, performance of Board Committees, time allocation for various topics as per terms of reference, etc. The evaluation of individual Directors is on parameters such as attendance, contribution and independent judgment.

For Independent Directors, evaluation is carried out based on defined criteria viz. contribution made to the Board / Committees, attendance at the Board / Committee meetings, review of independence conditions, inputs and discussions which helped the Company in gaining external independent view and enhancing Company's standard of compliance, etc.

15. MEANS OF COMMUNICATION

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

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

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

16. COMPLIANCE OFFICER

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



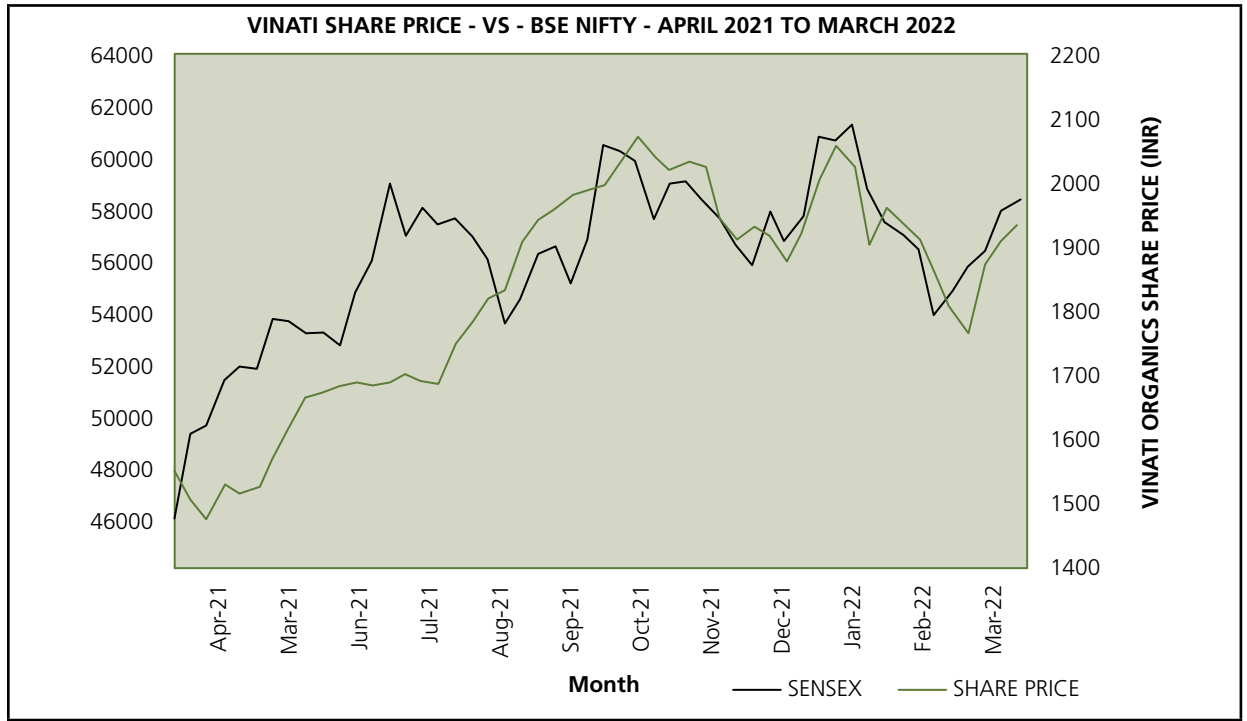
| | |
|--|--|
| b. Financial Calendar | September 14, 2022 |
| Annual General Meeting | |
| Unaudited results for the quarter ending June 30, 2022 | Within 45/60 days from the end of reporting quarter |
| Unaudited results for the quarter/half year ending September 30, 2022 | |
| Unaudited results for the quarter ending December 31, 2022 | |
| Audited results for the quarter ending March 31, 2023 | |
| Date of book Closure | Thursday, September 08, 2022 to Wednesday, September 14, 2022 |
| Final Dividend payment date | September 16, 2022 |
| c. Listing on Stock exchange | The Company's Securities are listed on the following stock exchanges in India: BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001, Maharashtra. National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra. |
| d. Stock Code : | Bombay Stock Exchange Ltd. 524200 National Stock Exchange of India Ltd. VINATIORGA Demat ISIN in NSDL and CDSL for Equity Shares INE410B01037 |
| The Company has paid Annual Listing Fees for FY 2022-23 to above Stock Exchanges and Custodial Charges to NSDL & CDSL. | |

e. Market Price Data:

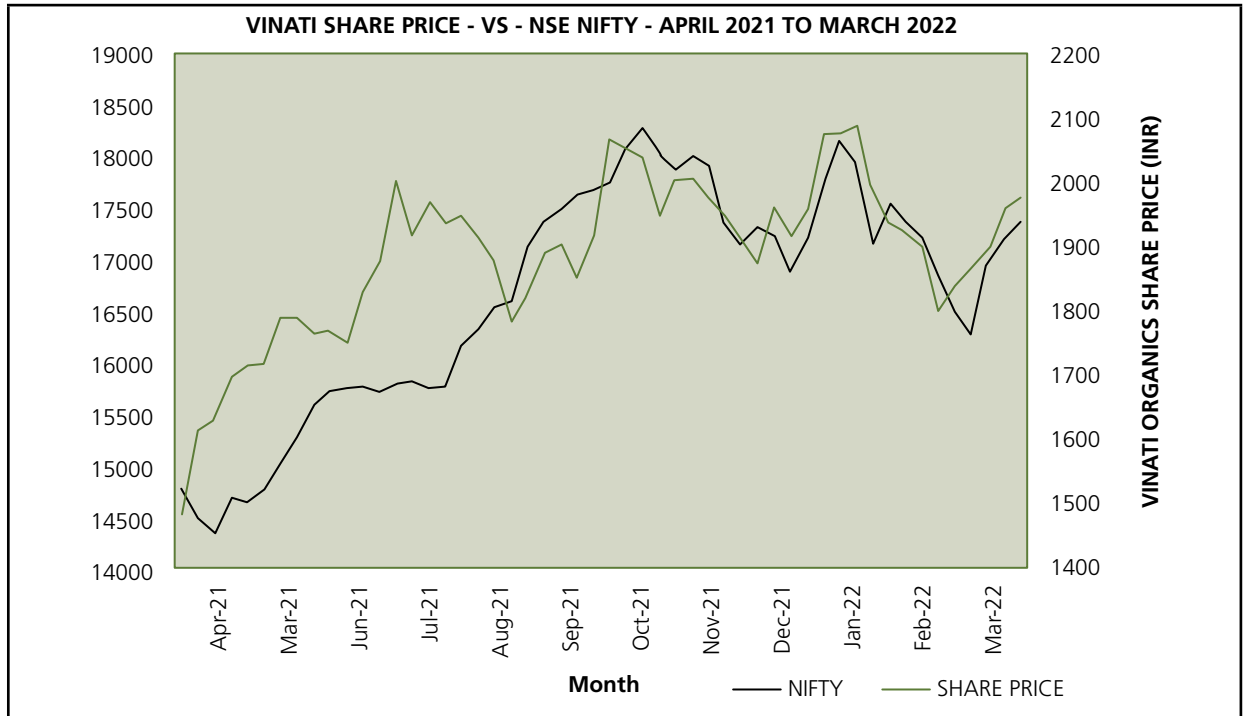
(in ₹)

| Month & Year | Bombay Stock Exchange Ltd. | | National Stock Exchange of India Ltd. | |
|--------------|----------------------------|------|---------------------------------------|------|
| | High | Low | High | Low |
| Apr – 2021 | 1795 | 1377 | 1794 | 1373 |
| May – 2021 | 1870 | 1563 | 1859 | 1542 |
| Jun – 2021 | 1944 | 1708 | 1944 | 1709 |
| Jul – 2021 | 2130 | 1821 | 2132 | 1836 |
| Aug – 2021 | 2017 | 1750 | 2015 | 1755 |
| Sep – 2021 | 1994 | 1773 | 1995 | 1766 |
| Oct – 2021 | 2180 | 1893 | 2184 | 1891 |
| Nov – 2021 | 2066 | 1820 | 2075 | 1830 |
| Dec – 2021 | 2028 | 1839 | 2025 | 1848 |
| Jan – 2022 | 2146 | 1901 | 2151 | 1901 |
| Feb – 2022 | 2028 | 1675 | 2030 | 1674 |
| Mar – 2022 | 2061 | 1770 | 2066 | 1766 |

f. The performance of the Company's shares relating to the BSE Index for the year 2021 – 2022 is given below:



g. The performance of the Company's shares relating to the NSE Index for the year 2021 – 22 is given below:



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

| | | |
|---|------------------|---|
| Add.: C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083. Maharashtra | Tel | 022 – 4918 2349 |
| | Toll-free number | 1800 1020 878 |
| | Fax | 022 – 4918 6060 |
| | E-mail | rnt.helpdesk@linkintime.co.in |
| | Website | www.linkintime.co.in |
| | Business Hours | 11.00 a.m. to 1.00 p.m. & 2.00 p.m. to 4.00 p.m. (Monday to Friday) |
| | Contact Person | Mr. Ali Shaikh |

i. Share Transfer System:

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

j. Distribution of Shareholding as on March 31, 2022:

| Category | No. of Shares | No. of share holders | % of holders | Total Shares | % of Shares |
|------------------|---------------|----------------------|----------------|------------------|----------------|
| 1 To 100 | | 62221 | 85.776 | 1148981 | 1.118 |
| 101 To 200 | | 3444 | 4.748 | 533430 | 0.519 |
| 201 To 500 | | 2511 | 3.462 | 852703 | 0.830 |
| 501 To 1000 | | 1340 | 1.847 | 1032273 | 1.004 |
| 1001 To 5000 | | 2688 | 3.706 | 4918517 | 4.785 |
| 5001 To 10000 | | 170 | 0.234 | 1202186 | 1.170 |
| 10001 To 100000 | | 135 | 0.186 | 3722823 | 3.622 |
| 100001 and above | | 30 | 0.041 | 89371137 | 86.952 |
| Total | | 72539 | 100.000 | 102782050 | 100.000 |

k. Category of shareholders as on March 31, 2022:

| Category | No. of share holders | Voting strength (%) | No. of ordinary shares |
|---|----------------------|---------------------|------------------------|
| Individuals | 68985 | 11.006 | 11312577 |
| Promoters | 5 | 74.061 | 76121192 |
| Other Companies | 398 | 0.617 | 634011 |
| Non-Resident Individuals | 1916 | 0.360 | 370163 |
| Mutual funds, Trusts & Charitable Inst. | 21 | 7.484 | 7691820 |
| FII & FPI Category II - Corp | 97 | 4.592 | 4720167 |
| Clearing Members | 44 | 0.013 | 13162 |
| HUF | 1063 | 0.286 | 294271 |
| IEPF MCA Account | 1 | 1.205 | 1238106 |
| Insurance Companies | 3 | 0.330 | 339137 |
| NBFCs Registered with RBI | 4 | 0.009 | 9758 |
| Alternate Investment Fund | 2 | 0.037 | 37686 |
| Total | 72539 | 100.000 | 102782050 |

l. Dematerialization of shares and liquidity:

10,16,75,940 (Total shares demated with NSDL is 6,59,34,525 & CDSL is 3,57,41,415) of the Company's share capital is dematerialized as on 31.03.2022. The Company's shares are regularly traded on BSE Limited and National Stock Exchange of India Ltd. as indicated in the Table containing market information.

m. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity : NIL

n. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:

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

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

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

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

The details of unclaimed dividends amount and shares transferred to IEPF during FY 21-2022 are as follows:

| Financial Year | Amount of Unclaimed Divided transferred (₹ in lakhs) | Number of Shares Transferred |
|----------------|--|------------------------------|
| 2013-2014 | 33.16 | 53084 |

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website: www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the

Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

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

| Financial Year | Date of Declaration | Last date of Claiming unpaid dividend |
|---------------------|---------------------|---------------------------------------|
| 2014-2015 | 12-08-2015 | 10-09-2022 |
| 2015-2016 (Interim) | 28-03-2016 | 27-04-2023 |
| 2015-2016 (Final) | 10-08-2016 | 09-09-2023 |
| 2016-2017 | 02-08-2017 | 01-09-2024 |
| 2017-2018 | 01-08-2019 | 31-08-2025 |
| 2018-2019 | 31-07-2019 | 30-08-2026 |
| 2019-2020 (Interim) | 18-03-2020 | 17-04-2027 |
| 2019-2020 (Final) | 30-09-2020 | 29.10.2027 |
| 2020-2021 | 07.07.2021 | 06.08.2028 |

(a) Address of Registered Office:

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

(b) Address of Plant Locations:

Mahad Works:

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

Lote Works:

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

(c) Investor's Correspondence Address:

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

o. Reappointment of Directors:

Information on directors retiring by rotation, subject to members approval at the ensuing Annual General Meeting is provided in the Notice.

p. Commodity price risk/foreign exchange risk and hedging activities:

The Company has Risk Management Policy and is available on Company's website (www.vinatiorganics.com). During the period under review Two Meeting of Risk Management Committee was held. Risk Management Committee reviews various risks in their meetings.

**q. Credit Rating:**

Details of Credit Ratings issued by CARE RATINGS LIMITED are as under:

CARE AA; Stable (Double AA; Outlook: Stable) for its Long-term/Short-term Bank facilities and CARE A 1+ (A One Plus) for its Short-term Bank facilities.

18. OTHER DISCLOSURES**a. Related Party Transactions:**

The details of all transactions with related parties are placed before the Audit Committee periodically, with justification wherever required.

No material transaction has been entered into by the Company with related parties that may have a potential conflict with interest of the Company. The details of related party transactions have been given in Financial Statements.

The Company has formulated a policy on dealing with related party transactions and has been uploaded on the website of the Company (<https://vinatiorganics.com/wp-content/uploads/2021/05/Policy-on-Related-Party-Transaction.pdf>).

b. Non-compliance/strictures/penalties imposed:

The Company has paid a fine of ₹ 40,000/- (plus applicable taxes) each to BSE Limited and National Stock Exchange of India Limited due to delay in filling of Disclosure of Related Party Transactions under Reg. 23(9) of SEBI (LODR) Reg. 2015 for half year ended as on March 31, 2021 due to COVID-19 disruption in operations.

c. Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee:

In accordance with the requirements of the Act, read with SEBI (LODR) Regulations, the Company has a Whistle Blower Policy approved by the Board of Directors. The objectives of the policy are:

- To provide a mechanism for employees and directors of the Company and other persons dealing with the Company to report to the Audit Committee; any instances of unethical behavior, actual or suspected fraud or violation of the Company's Ethics Policy.
- To safeguard the confidentiality and interest of such employees/directors/other persons dealing with the Company against victimization, who notice and report any unethical or improper practices.
- To appropriately communicate the existence of such mechanism, within the organization and to outsiders.

Whistle Blower Policy is available on Company's website (<https://vinatiorganics.com/wp-content/uploads/2021/05/Whistle-Blower-Policy.pdf>).

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

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

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

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

e. The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, in respect of Corporate Governance:

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

- Auditor's Report does not contain any qualifications.
- The Company has appointed separate persons to the posts of Chairman and Managing Director.
- The Internal Auditors report directly to the Audit Committee.

The policy for determining 'material' subsidiaries is available on Company's website (<https://vinatiorganics.com/wp-content/uploads/2022/06/material-subsidiaries-policy.pdf>).

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2019 is not applicable.

There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI (LODR) Regulations.

The Company has complied with all the applicable requirements of Corporate Governance specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations.

- Acceptance of recommendations of Committees by the Board of Directors - In terms of the SEBI (LODR) Regulations, there have been no instances during the year under review, when the recommendations of any of the Committees were not accepted by the Board.

f. MD & CEO /CFO Certification:

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

g. Risk Management:

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

h. Disclosure of accounting treatment different from accounting standards: None.**i. Equity shares in the Suspense Account:** None.**j. Code of Conduct for Board Members and Senior Management:**

Pursuant to Regulation 17 of the SEBI Listing Regulations, the Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is also placed on the Company's website – <https://vinatiorganics.com/>. A certificate from the Managing Director, affirming compliance of the said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this report.

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

k. Company's Policy on Prohibition of Insider Trading:

Company has adopted a "Code of Internal procedure and conduct for regulating, monitoring and reporting of trading in securities by Insiders" as required under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company formulated a Code of Conduct to Regulate, Monitor, and Report trading by Insiders to deter the Insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages

procedures to be followed and disclosures to be made while dealing in the securities of the Company. During the year under review there has been due compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

l. SEBI Complaints Redress System (SCORES):

SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online at www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment, and the status of every complaint can be viewed online at any time.

The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint. During the year, the Company has received one investor complaints through SCORES, which is resolved.

m. Compliance Certificate from Practicing Company Secretary pursuant to the requirements of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

A compliance certificate from Mr. Vijay Kumar Mishra, Practising Company Secretary, holding Membership No. 5023 and C.P. No. 4279 pursuant to the requirements of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed hereto.

n. Compliance Certificate:

A Certificate from the Auditors of the Company regarding compliance of condition of corporate governance for the year ended on March 31, 2022, as stipulated in chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.

For and on behalf of the Board of Directors

Vinod Saraf

Executive Chairman
(DIN: 00076708)

Registered Office:

B-12 & B-13/1, MIDC Industrial Area,
Mahad – 402 309, Dist. Raigad, Maharashtra.
Tel No.: 022-61240444/428, Fax No.: 022-61240438
Email : shares@vinatiorganics.com
Website: www.vinatiorganics.com
CIN: L24116MH1989PLC052224
Mumbai, May 14, 2022

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

On the basis of examination and verification, we hereby state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Securities Exchange Board of India / MCA or any such statutory authority for the Financial Year ending on March 31, 2022.

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

| Sr No | Name of the Director | DIN | Type of the Director | Status of the Director |
|--------------|-----------------------------|------------|---|-------------------------------|
| 1 | Jagdish Chandra Laddha | 00118527 | Non-Executive and Independent Director | Active |
| 2 | Vinod Banwarilal Saraf | 00076708 | Whole Time Director designated as “Executive Chairman” | Active |
| 3 | Jayesh Ajitkumar Ashar | 00041532 | Whole Time Director designated as “Director – Operations” | Active |
| 4 | Vinati Saraf Mutreja | 00079184 | Whole Time Director designated as “Managing Director and Chief Executive Officer” | Active |
| 5 | Viral Mittal Saraf | 02666028 | Whole time Director designated as “Executive Director – CSR” | Active |
| 6 | Mona Mukund Bhide | 05203026 | Non-Executive and Independent Director | Active |
| 7 | Adesh Kumar Gupta | 00020403 | Non-Executive and Independent Director | Active |
| 8 | M. Lakshmi Kantam | 07831607 | Non-Executive and Independent Director | Active |

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

For **VKM & Associates**
Practising Company Secretaries

(Vijay Kumar Mishra)

Partner

COP No. : 4279

UDIN: F005023D000320569

Place: Mumbai

Date: May 14, 2022

CEO / CFO Certificate

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 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
May 14, 2022

Vinati Saraf Mutreja
MD & CEO

N. K. Goyal
CFO

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

I, Vinati Saraf Mutreja, Managing Director & CEO of Vinati Organics Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2022.

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

For the purpose of this declaration, senior management team means the Chief Financial officer, Executive President, Sr. Vice President and the Company Secretary as on March 31, 2022.

On behalf of the Board of Directors

Mumbai
May 14, 2022

Vinati Saraf Mutreja
Managing Director & CEO

Annexure 'C'

Management Discussion and Analysis

Global Economy

The Global economy recorded a GDP growth of 6.1% demonstrating a strong rebound in a pandemic dominated year. This was majorly due to a widespread vaccination coverage across economies, a pick-up in consumption as well as the strong policy support by the world central banks. Even though 2021 proved to be a year of rebound, it had been more volatile as was anticipated. Although the pandemic waves did not cause economic damage like it did in 2021, the impacts persisted throughout the year in the form of supply chain disruptions and inflation.

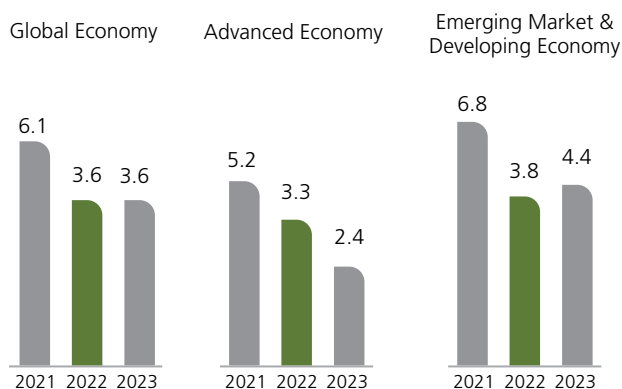
The global economy is anticipated to witness a slowdown in 2022 with a GDP growth of 2.9% on account of the multiple headwinds clouding the outlook. With the Russia-Ukraine conflict persisting, Europe has announced a sanction on Russian energy, leading to Brent crude oil and other commodity prices remaining elevated. Major central banks are indicating aggressive monetary tightening to combat inflation, which is predicted to reduce demand. Additionally, China's zero-Covid policy has impacted the trade of its major partners (e.g., Japan) as well as domestic consumption and is putting more strain on the supply chain.

favorable monetary and fiscal policy and notable structural reform advancements. As per the National Statistical Office, India recorded a GDP growth of 8.7% which has been the fastest growth rate among major economies. The year also witnessed strong growth momentum in exports that grew 43.1% to \$416.3 billion¹ on the back of a low base, strong external demand, and higher oil prices, that benefited petroleum exports — India's second largest export item. There has also been a significant improvement in credit uptake driven by agricultural and industrial sectors.

The GDP for India is estimated to grow by 7.3% in 2022-23. Having recovered significantly during the fiscal, the year did come with its set of challenges which have been exacerbated since the onset of the Russia Ukraine war. The inflationary pressures that persisted throughout the year, have been intensified as the price of commodity and oil have been elevating. Supply chain disruptions owing to the sanctions in Europe are also impacting India, similar to other major economies. As a result RBI has revised inflation projection upwards by 100 bps to 6.7% for FY23 from 5.7% estimated earlier in April 2022.

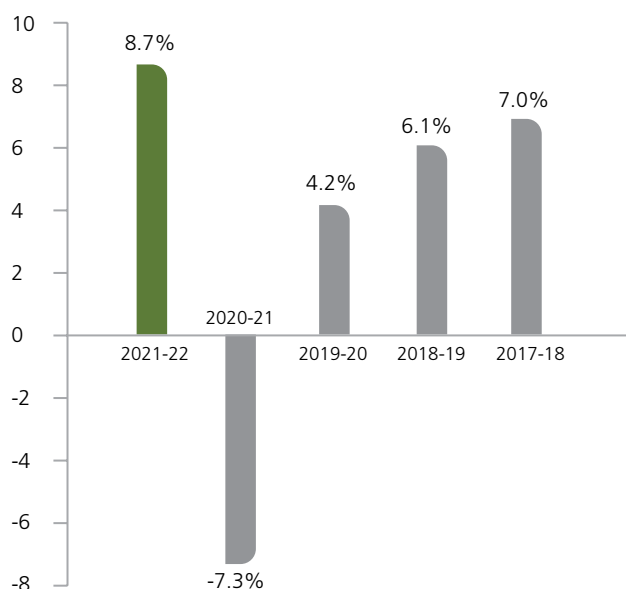
World Economic Outlook April 2022

Growth Projections



IMF World Economic Outlook, April 2022

GDP %



Indian Economy

The Indian economy registered a strong rebound post the pandemic induced shock. The recovery was led by a mass vaccination coverage,

¹ <https://www.crisil.com/en/home/our-analysis/reports/2022/05/crisil-insights-indian-economy-widening-deficits-in-a-slowdown.html>

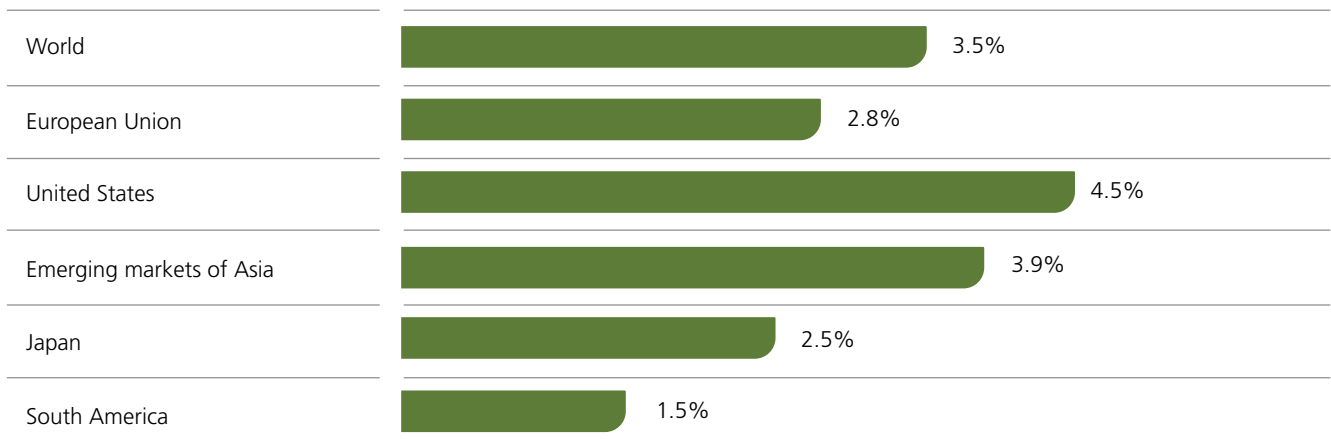
Global Chemicals

The global chemicals industry was estimated to be worth \$5,027 billion, with China accounting for a substantial market share (39%) and the US (15%) following closely behind (13 percent). India held a 4% market share in the world's chemicals market in CY20. The F&S Report predicts that the worldwide chemicals industry would increase from US\$5,027 billion in CY20 to US\$6,780 billion in CY25, with a CAGR of 6.2 percent².

The global chemical production (excluding pharmaceuticals) grew by 6.1% in 2021 and is anticipated to grow by 3.5% in 2022, slower than in 2021, but still above the average for the years prior to the coronavirus pandemic. In the advanced economies, growth is anticipated to grow by 3.1% over 3.9% in 2021, and is above the average for the pre-crisis years. Growth in the emerging markets is expected to slow at a much stronger rate (2022: +3.7%; 2021: 7.2%). Based on these forecasts, global chemical production at the end of the year will be almost 10% above the 2019 level³.

Outlook for chemical production 2022 (excluding pharmaceuticals)

Real change compared with previous year



Indian Chemicals

The Chemical Industry in India is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilisers. The pandemic had shaken the industry similar to other industries. In the second half of FY22, most businesses saw a decline in their operating margins. China cutting down production due to energy prices and unavailability of major raw materials due to supply chain constraints. Gross margins contracted and operating costs jumped significantly. All of this led to impacting gross margins of businesses. In addition, operating costs were affected due to higher freight costs because of the shortage of containers and higher power and fuel costs due to a significant jump in coal and gas prices⁴.

According to government statistics, the Indian chemical industry had a 2019 market value of USD 178 billion and is projected to reach a 2025 market value of USD 304 billion at a CAGR of 9.3 percent. By 2025, it is anticipated to draw investments around Rs. 8 lakh crore⁵. As per reports in the international press, the United

States will reportedly impose export and investment sanctions against more Chinese businesses, including biotechnology, healthcare, and technology enterprises. As multinationals are looking for an alternative to China to avoid further disruptions in supply, India's chemical industry stands in a good position to profit from this change and take home a sizable share of the market.

Specialty Chemicals overview

Specialty chemicals are particular chemical products which provide a wide variety of effects on which many other industry sectors rely. They are low-volume high-value products used across a number of consumer facing industries. They can be some kind of formulation or single chemical entities whose chemical composition influences the end product. Most specialty chemical formulations are patent protected and not easy to replicate, which gives them better pricing and higher yields. In addition, specialty chemicals have potential to generate higher revenues and margins compared to the commodity businesses.

² <https://mintgenie.livemint.com/news/markets/analysis-chemical-sector-in-india-grows-by-leaps-and-bounds-151654864038594>

³ <https://report.basf.com/2021/en/managements-report/forecast/economic-environment/chemical-industry.html>

⁴ <https://www.moneycontrol.com/news/business/markets/indias-chemical-industry-will-continue-on-growth-path-says-jm-financial-7841371.html>

⁵ <https://www.moneycontrol.com/news/business/markets/indias-chemical-industry-will-continue-on-growth-path-says-jm-financial-7841371.html>

Indian Specialty Chemicals

The Indian specialty chemicals industry has been playing a crucial role in driving the chemical industry's growth. In terms of value, it accounts for approximately 20%⁶ of the total chemicals market in India. India is ascending as a preferred manufacturing hub including contract and custom synthesis for specialty chemicals both for domestic as well as international markets. There is a continuous evolution towards sustainable products and processes, circular economy and end of life material recovery. As a result the industry is witnessing an increasing scope of servicing new sectors with products and solutions along with an increasing need for specialty chemicals and materials. The Indian specialty chemicals industry is expected to grow from ~\$40 bn. in FY 2020 to ~\$60 bn. in FY 2023 at a 13% compounded annual growth rate (CAGR), outpacing the global average growth of ~5% CAGR⁷.

The industry is also anticipated to gain in the medium term from potential changes in the global supply chain as major chemical producers strive to reduce their reliance on China. Indian companies are well positioned to benefit from this opportunity. The medium to long-term outlook is favourable for the industry supported by robust demand across end-user industries led by rising domestic consumption, strong export growth and rising import.

Policy support

- The Indian Government is supporting the chemical Industry through research & development and initiatives like reducing basic customs duty on several imported products and promoting the 'Make in India' campaign.
- The Department of Chemicals and Petrochemicals received Rs. 209 crores from the government under the Union Budget 2022-23.
- The Gati Shakti Master Plan in the Union Budget 2022, will come as a massive boost to the consumption of specialty and construction chemicals.
- The government has permitted industrial licensing and 100% FDI in the chemical sector, under the automatic route, with exception to few hazardous chemicals. Total FDI inflows in the chemicals sector (other than fertilisers) has reached US\$ 19.09 billion between April 2000 to December 2021.

Scenario in the key end user industries

a) Water treatment - Increasing urbanisation and population is driving the demand for safe drinking water. Moreover, rising awareness of hygiene among the people is leading to excessive water consumption.

- b) Construction-** Smart City' projects by the Indian government are driving growth of chemical companies in India. Availability of essential raw materials at low cost is anticipated to increase demand for construction chemicals.
- c) Paints & coatings-** Increase in urbanisation, increase in middle-income households, high replacement demand, increase in per capita income, shortening of repainting cycles and the launch of innovative products at quicker pace are the factors driving the paints and coatings industry.
- d) Personal care-** Industries such as cosmetics, fashion, and FMCG are poised for robust growth with the pandemic receding and consumer spending levels increasing. This augurs well for segments such as perfumery cosmetics, essential oils, and products that are linked to the senses, where India has an edge. While this would increase the consumption of specialty chemicals, it would also increase the usage of chemicals used in packaging of the products.
- e) Agrochemical-** The agrochemical industry is being driven by a robust demand from both domestic as well as export market. Growth drivers like high population and subsequent increase in the demand for food, soil degradation, limited agricultural land, and increase in awareness in the consumers regarding the benefits of agrochemicals will further aid the growth of the agrochemical industry. Additionally, the government is encouraging the growth of the agrochemical manufacturing in India through the 'Make in India' initiative.

Opportunities

- **China plus one strategy** - Multinational companies across the world are increasingly adopting the 'China+1'. The pandemic and its consequential impacts have propelled many companies to de-risk their supply chains. Increased reliance on a single manufacturing source, elevating costs in China and intensifying US-China competition, stringent environment regulations, and compliance expenses have led to firms diversifying supply chains outside of China. In this scenario, the Indian chemical industry is uniquely positioned to benefit due to its competitive cost advantage, emphasis on quality and sustainability, favourable business environment fueled by reforms, and incentivized government policies. In addition the rising availability of low-cost feedstock for Indian players and India's strong IP protection and improving R&D expertise will also enable India to become the key beneficiary of the rise if the global chemical industry.

⁶ https://www.indianchemicalnews.com/assets/compendium_assets/Compendium-2022-ICN-Latest.pdf

⁷ <https://www.tickertape.in/blog/outlook-chemical-industry/>

- The concept of distributed manufacturing systems is emerging as an attractive option for manufacturers. To shift manufacturing from a single-country dominant setup to a multi-country operation is being considered as a means to reduce the risks associated with international supply chain interruptions and political headwinds. This may represent a viable future path for Indian specialty Chemicals Company with international ambitions.
- India's middle class is fast expanding, leading to a dramatic change in demand for items like food, clothing and transportation. This growth in the end-user industry will continue to drive demand for specialty chemicals in India.
- The increase in the use of technology and data analytics to improve margins will benefit the industry and key players. As per a McKinsey report, chemical companies will see an increase of 3-5% in earnings from using Industry 4.0 technologies.
- Research and Development is of utmost importance in this sector. The government has realised the importance of R&D and is therefore anticipated to come up with a National Chemical Policy that will strive to streamline and promote R&D within the sector.
- The government also has plans to bring move Production Linked Incentive schemes in the Chemicals sector.

Challenges

- 35% of the total raw materials needed by Indian chemical firms are procured from outside India. Further, the companies which produce pharmaceutical intermediates have been obtaining raw material mainly from China. So, there is procurement risk considering the current global situation on account of disruptions worldwide.

Business Overview

Vinati Organics Limited (VOL) is a leading specialty chemical company, manufacturing specialty chemicals and organic intermediaries. With more than three decades of experience,

the Company has grown from a single product manufacturer to an integrated player. The Company with its two state-of-the-art manufacturing units in Maharashtra now provides diverse innovative solutions to more than 35 countries and to some of the largest industrial and chemical companies across US, Europe and Asia.

Core strengths

Research – The Company's focus on research and development and insight into complex chemistry has enabled it to improve productivity and efficiency of operations.

Market Leadership – The Company enjoys global leadership in IBB and ATBS as well as domestic leadership in Butyl Phenols, IB and HPMTBE, making it a market leader in the industrial categories it serves.

Product Portfolio – the product portfolio consists of niche products with integration and synergy in operating facilities.

Strong Collaborations – the Company has well-founded technical partnerships with renowned national and global players.

Synergy – the Company lays great emphasis on synergic integration which has augmented its quest for global leadership and retain its competitive advantage.

Human Resources

The company believes its human resources to be one of its most valuable asset. The Company therefore provides an environment that fosters people to have a strong sense of belonging and places emphasis on the training and development of its employees. The Company's human resources department has been working tirelessly to find the best individuals, help them grow in their abilities and skills, and support them by creating a culture and workplace that is supportive. The Company has one of the lowest attrition rates in its sector. The Company continues to attract and retain the qualified and skilled, and have the potential to develop into tomorrow's leaders.

Risk Management

Macroeconomic risk

Risks and definition

The Company's operations are impacted by various macroeconomic factors, incidents and trends which include, but not limited to, geo-political uncertainties, supply risks and the Covid-19, which caused severe disruptions to our operations and supply chain. Additionally, widening gap in supply and demand, changes in the technological landscape and evolving consumer preferences might also have an adverse impact on our operations.

Mitigation strategy

Monitoring the evolving business context and assessing the impact of it on the Company's operations is a regular practice at VOL. The Company has also developed robust business policies, practices and strategies that empowers it to overcome challenges. The management team and BOD also makes strategic interventions that ensures smooth conduct of operations.

Customer satisfaction and retention risk

Risks and definition

The success of the Company depends on our ability to fulfil the needs of our customers and stay ahead of our competitors. Our inability to provide products that exceeds our customers' expectations may result in loss of revenue, customer retention capabilities and may dent our brand value.

Mitigation strategy

The Company's long-standing relationship with its customers and its robust research capabilities enables it to understand the evolving needs of the customers to create enduring value. It also constantly invests towards improving the existing and developing new products that meet the expectations of the customers. The Company also constantly reviews its strategies to serve customers better which has enabled it to maintain its leadership position.

Sustainability and environmental risk

Risks and definition

The Company's operations might have a negative impact on the environment at large. The Company's inability to maintain its environmental footprint within the prescribed limit might have financial and non-financial implications on its operations.

Mitigation strategy

VOL goes beyond the legislative requirements to ensure minimum impact on the environment through its operations. It also works towards developing eco-friendly products and invests in sustainable technologies. The Company's plants are ISO 14001 certified for strict adherence to Environmental Management System standards.

People risk

Risks and definition

In today's competitive environment, it is vital to attract, train and retain qualified and committed employees in order to create value for customers and achieve strategic goals.

Mitigation strategy

The Company strives to create a work environment that nurtures and motivates its employees. It strives to provide growth opportunities to all its employees and invests towards their upskilling in line with changing market dynamics.

Foreign Exchange Risk

Risks and definition

Given the scale of its operations, the Company is exposed to foreign exchange fluctuation. Its inability to manage the risk might have adverse impact on the financial position of the Company.

Mitigation strategy

The Company undertakes effective financial control and treasury management systems. Additionally, it also undertakes forward contracts with the intention to minimise the foreign exchange risk.

Financial Review

The Company registered a 71% growth in its Total Income from Rs. 98011 Lakhs in FY21 to Rs. 167647 Lakhs, while its EBITDA grew by 23% from Rs. 35253 Lakhs in FY21 to Rs. 43409 Lakhs in FY22.

(Rs. in Lakhs)

| Particulars | 2021-22 | 2020-21 | YoY Change(%) |
|--------------|---------|----------|---------------|
| Total income | 167647 | 98,011 | 71% |
| EBITDA | 43409 | 35253 | 23% |
| PAT | 34668 | 26,934 | 29% |
| Net Worth | 182814 | 1,54,341 | 18% |

Key Ratios

| Particulars | 2021-22 | 2020-21 |
|--------------------------------|---------|---------|
| Net Debt Equity Ratio (X) | 0.00 | 0.00 |
| Current Ratio (X) | 4.64 | 6.10 |
| Interest Coverage Ratio (X) | 1737.78 | 3773.53 |
| Receivables Turnover Ratio (X) | 4.39 | 3.98 |
| Inventory Turnover Ratio (X) | 7.45 | 5.36 |
| Operating Profit Margin (%) | 27% | 34% |
| Net Profit Margin (%) | 21% | 27% |
| Net Worth (Rs Lakhs) | 182814 | 154341 |

Outlook

The encouraging volumes seen during the last quarter of FY22 is expected to continue in FY23 as well. We expect all our key products to perform well and contribute to the overall revenue growth in FY23.

Disclaimer

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

Annexure 'C'

Independent Auditor's Certificate on Compliance with the Corporate Governance

Requirements Under Sebi (Listing Obligations And Disclosure Requirements) Regulations, 2015

To the members of Vinati Organics Limited

1. We, M M Nissim & Co LLP, Chartered Accountants, the Statutory Auditors of VINATI ORGANICS LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

2. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose

of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

RESTRICTIONS ON USE

9. The Certificate is addressed and provided to the Members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for any event or circumstances occurring after the date of this Certificate.

For **M. M. NISSIM & CO LLP**

Chartered Accountants
Firm Regn. No. 107122W/W100672

N. Kashinath

Partner

Mem. No.: 036490

UDIN:- 22036490AIZEXO5991

Mumbai, May 14, 2022

Annexure 'E'

Statement of Particulars of Employees

pursuant to Section 134 of the Companies Act, 2013 and forming part of the Directors' Report for the year ending March 31, 2022 employed for whole of the year.

| Sr. No. | Mr. Name | Designation & nature of duties (as at March 31, 2022) | Qualification | Age (Yrs.) | Date of Joining/ Appointment | Total Experience | Gross Remuneration received (₹ in Lacs) | Previous employer | Designation |
|---------|----------------------------|---|---|------------|------------------------------|------------------|---|--|--------------------------------------|
| 1 | Mr. Vinod Banwarilal Saraf | Chairman | Master of Business Administration from BITS, Pilani | 72 | 15.06.1989 | 52 | 184.30 | Mangalore Refinery & Petrochemicals Ltd. | Managing Director (Finance & Admin.) |
| 2 | Ms. Vinati Saraf Mutreja | Managing Director & CEO | Bachelor's of Science in Economics (Finance) from The Wharton School and Bachelors in Applied Science from the School of Engineering (University of Pennsylvania) | 38 | 20.05.2006 | 17 | 137.01 | Mercer Oliver Wyman | Consultant |
| 3 | Mr. Jayesh Ashar | Director - Operations | Bachelor of Engineering (Chemical) and Master in Management Studies (operation) from Mumbai University | 58 | 02.02.2021 | 31 | 112.45 | Mr. Jayesh Ashar having about 30 years experience mostly in chemical plants. Worked in area of operations & projects for diversification and enhancement of capacity of existing products. | Chief Operating Officer (COO) |

Annexure 'F'

Annexure - II Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

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

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

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy of the Company is available on website of the Company at <https://vinatiorganics.com/wp-content/uploads/2022/02/CSR-Policy.pdf>.

2. Composition of CSR Committee:

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

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - www.vinatiorganics.com
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) – Impact Assessment is not applicable for FY 2021-22.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|--------------|----------------|--|---|
| 1 | 2018-19 | – | – |
| 2 | 2019-20 | – | – |
| 3 | 2020-21 | – | – |
| TOTAL | | – | – |

- Average net profit of the company as per section 135(5) – ₹ 3,95,03,77,333/-.
- Two percent of average net profit of the company as per section 135(5) – ₹ 7,90,07,547/-.
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL.
 - Amount required to be set off for the financial year, if any - NIL.
 - Total CSR obligation for the financial year (7a+7b- 7c) – ₹ 7,90,07,547/-.

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

| | | Amount Unspent (in ₹) | |
|--|---|---|------------------|
| Total Amount Spent for the Financial Year (in ₹) | Total Amount transferred to Unspent CSR Account as per section 135(6) | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | Date of transfer |
| 4,48,45,357 | 3,41,75,000 | NA | 26-04-2022 |
| | | Nil | NA |

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

| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Location of the project | | | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of implementation - Direct (Yes / No) | Mode of implementing Agency | |
|---------|--|---|-------------------------|-------------|-------------------|------------------|---|---|--|--|------------------------------------|---------------------|
| | | | Local area (Yes /No) | State | District | | | | | | Name | Registration number |
| 1 | Eradicating hunger, poverty and malnutrition, and sanitation and making available safe drinking water. | i. | Yes | Maharashtra | Raigad, Ratnagiri | 1 year | 1,00,00,000 | 2,00,000 | 98,00,000 | No | Collective Good Foundation | CSR00001648 |
| | Promoting gender quality | iii. | | | | | | | | | | |
| 2 | Rural Development | iii. | No | Rajasthan | Shekhawati | 1 Year | 2,40,00,000 | 59,000 | 2,39,41,000 | No | Mrs. Kavita Vinod Saraf Foundation | CSR00001295 |
| 3 | Drinking Water Project | i. | Yes | Maharashtra | Ratnagiri | 1 Year | 4,34,000 | - | 434,000 | Yes | - | - |
| | TOTAL | | | | | | 3,44,34,000 | 2,59,000 | 3,41,75,000 | | | |

(c) Details of CSR amount spent against other than on-going projects for the financial year:

| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | State | District | Amount spent for the project (in ₹) | Mode of implementation - Direct (Yes/No) | Mode of implementing Agency | CSR Registration number |
|---------|--|---|---------------------|-------------|-----------|-------------------------------------|--|------------------------------------|-------------------------|
| | | | | | | | | | |
| 1 | Social Fund - Water Charges | i. | Yes | Maharashtra | Ratnagiri | 2,43,400 | Yes | - | - |
| 2 | Construction of Water well | i. | Yes | Maharashtra | Raigad | 5,00,000 | No | Mrs. Kavita Vinod Saraf Foundation | CSR00001295 |
| 3 | Food Packets to flood affected families | i. | Yes | Maharashtra | Raigad | 2,94,460 | Yes | - | - |
| 4 | Promoting Preventive health care | i. | Yes | Maharashtra | Ratnagiri | 37,000 | No | Mrs. Kavita Vinod Saraf Foundation | CSR00001295 |
| 5 | Mobile Vans & Swades Mitras for Raigad i.e. 2 mobile vision care vans for vision care needs, distribution of spectacles & early identification & referral for cataract surgeries | i. | Yes | Maharashtra | Raigad | 27,89,440 | No | Swades Foundation | CSR00000440 |

| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project (in ₹) | Mode of implementation – Direct (Yes/No) | Mode of implementation – Through implementing Agency | |
|--------------|---|---|---------------------|-------------------------|-----------|-------------------------------------|--|---|---------------------|
| | | | | State | District | | | Name | Registration number |
| 6 | Principal & Teacher Training | ii. | Yes | Maharashtra | Raigad | 37,94,312 | No | Swades Foundation | CSR00000440 |
| 7 | Solar street lights in Dream Villages | x. | Yes | Maharashtra | Raigad | 6,97,755 | No | Swades Foundation | CSR00000440 |
| 8 | Solar lighting in homes | x. | Yes | Maharashtra | Raigad | 30,87,750 | No | Swades Foundation | CSR00000440 |
| 9 | Paediatric Surgery of underprivileged Kids | i. | Yes | Maharashtra | Mumbai | 30,00,000 | No | The Society For The Rehabilitation Of Crippled Children | CSR000003225 |
| 10 | Construction of School building in Aasanpoi village | ii. | Yes | Maharashtra | Raigad | 3,50,000 | Yes | - | - |
| 11 | Tuition fees of underprivileged school children. | ii. | Yes | Maharashtra | Mumbai | 4,83,000 | No | Indian Development Foundation | CSR00001585 |
| 12 | Chemical Laboratory | ii. | Yes | Rajasthan | Sikar | 18,25,000 | No | Shri Rishikul Vidyapeeth | CSR000019985 |
| 13 | Provide Education and other facilities to the under privileged and needy students | ii. | No | Rajasthan | Jhunjhunu | 1,00,00,000 | No | Jhunjhunu Academy Sansthan | CSR000002854 |
| 14 | Sponsorship of Ph.D student, Mr. Shehal Gajbhiye | ii. | Yes | Maharashtra | Mumbai | 7,51,440 | No | Institute Of Chemical Technology | CSR000006632 |
| 15 | Garden Work | iv. | Yes | Maharashtra | Raigad | 11,50,000 | No | Mrs. Kavita Vinod Saraf Foundation | CSR000001295 |
| 16 | Protection of Wildlife Sahyadri-Kokan Corridor | iv. | Yes | Maharashtra | Thane | 35,43,000 | No | Wildlife Conservation Trust | CSR000003682 |
| 17 | Road from Khariwali Grampanchayat | x. | Yes | Maharashtra | Raigad | 18,00,000 | No | Mrs. Kavita Vinod Saraf Foundation | CSR000001295 |
| 18 | Constructions of Aanganwadi of Temghar Village. (Civil Works) | x. | Yes | Maharashtra | Pune | 5,00,000 | No | Mrs. Kavita Vinod Saraf Foundation | CSR000001295 |
| 19 | Solar water pumps & Solar lighting of Street | x. | Yes | Maharashtra | Thane | 5,99,800 | No | Rotary Club Of Borivali Charitable Trust | CSR000020560 |
| 20 | Purchase of Garbage Tipper for Grampanchayat | xii. | Yes | Maharashtra | Raigad | 6,00,000 | Yes | - | - |
| 21 | AIM Covid Fund' for MATA Devi Ahilya Covid Care Centre, Khandwa Road Indore | xii. | No | Madhya Pradesh | Indore | 5,00,000 | Yes | - | - |
| 22 | Contribution for construction of Covid Centre | xii. | Yes | Maharashtra | Raigad | 3,30,000 | Yes | - | - |
| 23 | Purchase of Garbage Tipper for Grampanchayat Kambale Tarfe Raigad | xii. | Yes | Maharashtra | Raigad | 6,00,000 | Yes | - | - |
| 24 | Oxygen machine, Life saving injection, sanitisers etc. as per request letter from Sub Division Office | xii. | Yes | Maharashtra | Ratnagiri | 6,00,000 | Yes | - | - |
| 25 | Covid Care Centre as per request letter from Sub Divisional Magistrate, Ratnagiri | xii. | Yes | Maharashtra | Ratnagiri | 6,00,000 | Yes | - | - |
| 26 | Purchase of Garbage Tipper for Raigad | xii. | Yes | Maharashtra | Raigad | 6,00,000 | Yes | - | - |
| 27 | Help of people affected by Kokan flood | xii. | Yes | Maharashtra | Ratnagiri | 35,000 | Yes | - | - |
| 28 | General Donation & creating positive social impact and other related incidental expenses as part of venture philanthropy. | xii. | Yes | Maharashtra | Mumbai | 2,50,000 | Yes | - | - |
| 29 | Capacity building and consulting for educational NGOs | xii. | Yes | Maharashtra | Mumbai | 12,00,000 | No | Atma Education | CSR000006270 |
| TOTAL | | | | | | 4,07,61,357 | | | |

| | |
|---|-----------------|
| (d) Amount spent in Administrative Overheads | ₹ 38,25,000/- |
| (e) Amount spent on Impact Assessment, if applicable | Nil |
| (f) Total amount spent for the Financial Year (8b+8c+8d+8e) | ₹ 4,48,45,357/- |
| (g) Excess amount for set off | ₹ 12,810/- |

| Sr. No. | Particular | Amount (in ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 7,90,07,547 |
| (ii) | Total amount spent for the Financial Year | 7,90,20,357 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 12,810 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 12,810 |

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

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|--------------|--------------------------|--|---|--|---------------|------------------|--|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| 2 | 2018-19 | - | - | | | | 1,16,23,751 |
| 3 | 2019-20 | - | - | | | | 1,88,53,638 |
| 4 | 2020-21 | 4,17,65,000 | 3,96,11,352 | | | | 21,53,648 |
| TOTAL | | - | 3,96,11,352 | | | | 3,26,31,037 |

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

| Sr. No. | Project ID. | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year (in ₹) | Status of the project -Completed / Ongoing |
|---------|-------------|---|---|------------------|---|--|---|--|
| 1 | ii. vii. | Education Employment enhancing vocational skills | 2020-21 | 2 years | 2,50,00,000 | 2,25,00,000 | 2,50,00,000 | Completed |
| 2 | x. i. | Rural Development Eradicating hunger, poverty and malnutrition, and sanitation and making available safe drinking water. | 2020-21 | 1 year | 2,00,00,000 | 1,60,75,000 | 2,00,00,000 | Completed |
| 3 | i. | Drinking Water Project | 2020-21 | 1 year | 32,17,900 | 10,36,352 | 10,64,252 | Ongoing |



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : None

(Asset-wise details)

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

During the financial year 2021-22, the Company has spent Rs. 4.48 Crore on various CSR projects and transferred Rs. 3.42 Crore related to ongoing CSR projects to the Unspent CSR account pursuant to the provisions of the Act.

Sd/-
Ms. Vinati Saraf Mutreja
Managing Director & CEO

Sd-
Prof. M. Lakshmi Kantam
Chairperson CSR Committee

Sd-
Mr. N. K. Goyal
Chief Finance Officer

Place: Mumbai
Date : May 14, 2022

Annexure 'G'

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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL.
2. Details of material contracts or arrangements or transactions at arm's length basis:

| Sr. No. | Name(s) of the related party & nature of relationship | Nature of contracts/ arrangements/ transactions | Transactions Value (₹ in Lakhs) | Duration of the contracts / arrangements / transactions | Salient terms of the contracts or arrangements or transaction including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|---------|---|---|--|---|--|--|---------------------------------|
| 1 | Veeral Additives Pvt. Ltd. | Sales of Goods Purchase Rent of Immovable property Interest Income Loan given | 1,635.53 25.31 5.40 1203.78 12048.00 | FY: 2021-22 | Purchase, sale, rental, remuneration, interest & loans etc. are of repetitive in nature and at arm's length price. | 13.05.2021 | NA |

The above-mentioned transaction was entered into by the Company in its ordinary course of business. The materiality threshold is as prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014.

**Annexure 'H'****Evaluation of the Non-Independent Executive Directors:**

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

Annexure 'I'

Secretarial Audit Report

FORM MR-3

FOR THE FINANCIAL YEAR ENDED ON March 31, 2022

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

To,

The Members,

VINATI ORGANICS LIMITED

B-12 & B-13, MIDC Indl. Area,

Mahad – 402 309, Dist. Raigad,

Maharashtra.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 (SEBI Act);
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable to the Company during the audit period;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable to the Company during the audit period;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the audit period;
 - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the audit period;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the audit period;
6. Other Laws applicable to the Company;
 - i. The Factories Act, 1948.
 - ii. The Payment of Wages Act, 1936.



- iii. The Minimum Wages Act, 1948.
- iv. The Employee Provident Fund and Miscellaneous Provisions Act, 1952.
- v. The Payment of Gratuity Act, 1972.
- vi. The Bombay Shops and Establishments Act, 1948.
- vii. The Environment (Protection) Act, 1986.
- viii. The Industrial Dispute Act, 1947

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

- I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Company has filled disclosure of Related Party Transactions under Reg. 23(9) of SEBI (LODR) Reg. 2015 after 8 days from due date of filling and has paid a fine of ₹40,000/- (plus applicable taxes) each to BSE Limited and National Stock Exchange of India Limited.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the Board Meetings and Committee Meetings were taken unanimously and are captured and recorded as part of the minutes of the meetings.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **VKM & Associates**
Practising Company Secretaries

(Vijay Kumar Mishra)

Partner

COP No. : 4279

UDIN : F005023D000320569

PR : 1846/2022

Place: Mumbai

Date : 14/05/2022

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

“ANNEXURE A”

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

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

Management’s Responsibility

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

Auditor’s Responsibility

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

Disclaimer

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

For **VKM & Associates**
Practising Company Secretaries

(Vijay Kumar Mishra)

Partner

COP No. : 4279

UDIN : F005023D000320569

PR : 1846/2022

Place: Mumbai

Date : 14/05/2022

Annexure 'J'

Business Responsibility Report for FY 2021-22

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | |
|---|---|
| 1. Corporate Identity Number (CIN) of the company: | L24116MH1989PLC052224 |
| 2. Name of the Company: | Vinati Organics Limited |
| 3. Registered address: | B-12 & B-13/1, MIDC Indl. Area, Mahad – 402309, Dist. Raigad, Maharashtra. |
| 4. Website: | www.vinatiorganics.com |
| 5. E-mail id: | shares@vinatiorganics.com |
| 6. Financial Year reported: | April 1, 2021 – March 31, 2022. |
| 7. Sector(s) that the Company is engaged in (industrial activity code-wise): | Manufacture of organic & inorganic chemical compounds n.e.c. 20119. |
| 8. List three key products / services that the company manufactures / provides (as in balance sheet): | Iso Butyl Benzene (IBB), 2-Acrylamido 2-methylpropane Sulfonic Acid (ATBS), Sodium salt of 2-Acrylamido 2-methylpropane Sulfonic Acid (NaATBS) & Isobutylene (IB) & others. |
| 9. Total number of locations where business activity is undertaken by the Company: | Mahad & Lote, Parshuram. |
| 10. Markets served by the Company: | India, USA, Australia, China, Germany, France, Italy, Japan, South Korea, Thailand, Malaysia, Latvia, México etc. |

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON MARCH 31, 2022

| Sl. No. | Particulars | FY 2020-21 ₹ in Lacs |
|---------|---|----------------------|
| 1 | Paid up capital | 1027.82 |
| 2 | Total turnover | 161263.31 |
| 3 | Total profit after taxes | 34667.51 |
| 4 | Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 1.29% |

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

(i) CSR Activities:

- The Company had spent ₹448.45 Lacs for various CSR activities such as health, education, society upliftment, wildlife protection, environment preservation, sectorial industrial research etc.

SECTION C: OTHER DETAILS

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

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR:

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

b) Details of the BR head:

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

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

| Sl. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|--|----|----|----|----|----|----|----|----|
| 1 | Do you have a policy / policies for | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy been formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3 | Does the policy conform to any national / international standards? If Yes, specify? | All the policies have been developed as a result of detailed consultation, experience and research on the best practices adopted in the industry. The Company has got certification under various categories like ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 etc. | | | | | | | | |
| 4 | Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board of Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5 | Does the Company have a specified committee of the Board/director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6 | Indicate the link for the policy to be viewed online? | www.viniatororganics.com | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8 | Does the Company have in-house structure to implement the policy / policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10 | Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency? | All the policies of the Company are reviewed / evaluated internally | | | | | | | | |

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

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

* Please refer the explanation given for principle 7 above

4. Governance related to BR:

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year 3-6 months. **Annually**
- b) Does the Company publish a BR or a sustainability report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the BR Report in the Annual Report, on the website of the Company (www.viniatororganics.com) and files the same online on NSE & BSE websites.

SECTION E - PRINCIPLE-WISE PERFORMANCE

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

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

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

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

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

As mentioned in the Corporate Governance Report, 27 complaints were received from investors during the year FY2021-22 and all but 3 have been resolved. Complaints/ grievances from other stakeholders are dealt with on an ongoing basis by the respective departments within the Company.

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

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

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

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

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

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

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

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

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

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

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

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

1. Please indicate the total number of employees: 1009
2. Please indicate the total number of employees hired on temporary/ contractual/casual basis: 692
3. Please indicate the number of permanent women employees: 32
4. Please indicate the number of permanent employees with disabilities: 4
5. Do you have an employee association that is recognised by management? No employee association exists

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

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

Not Applicable.

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

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

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

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

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

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

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

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

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

Yes

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

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

PRINCIPLE 5 - BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

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

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

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

During the year 27 complaints were received from investors and all but 3 complaints have been resolved, as on March 31, 2022.

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

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

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

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

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



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

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

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

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

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

- Company has done Energy Audits in both plants to identify excess energy consumption and means to reduce the same to the best possible extent
- Company has implemented scheme for increasing condensate recovery and recycle of DM Water in its Co-Gen Power plant so as to reduce the coal and DM Water consumption
- Company has also installed energy efficient pumping system to reduce overall load on utilities like power
- Company is implementing Waste Heat Recovery Based Chilled water plant to cater the chilled water requirement of Process Plant thus reducing the electricity consumption
- Company has implemented Rain Water Harvesting in both of its units to reduce the water consumption to some extent
- Company has commissioned solar power plant. The power generated is given to Mahad plant which reduces the dependence on MSEB and more importantly converts major part of electricity generated from coal to renewable energy thereby reducing green house emissions.

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

Yes.

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

NIL.

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

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

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

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

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

PRINCIPLE 8 - BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

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

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

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

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

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

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

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

INR and the details of the projects undertaken?

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

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

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

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

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

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

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

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

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

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

There is no such instance.

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

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

Independent Auditor's Report

To the Members of
Vinati Organics Limited

Opinion

We have audited the Separate financial statements (also known as Standalone Financial Statements) of VINATI ORGANICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2022, and its profit(financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

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

| Sr. No. | Key Audit Matter | Our Response |
|---------|---|---|
| 1 | <p>Defined benefit obligation</p> <p>The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.</p> | <p>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <p>We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p> |

| Sr. No. Key Audit Matter | Our Response |
|---|---|
| <p>2 Evaluation of uncertain tax positions</p> <p>The Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> | <p>Principal Audit Procedures</p> <p>We performed the following substantive procedures:</p> <p>Obtained details of completed tax assessments and demands upto March 31, 2022 from management. We involved our internal experts to examine the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2022 to evaluate whether any change was required to management's position on these uncertainties.</p> <p>Conclusion</p> <p>We agree with management's evaluation.</p> |

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility Report, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, Changes in Equity and Cash Flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the

Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
 - g) As required by section 197(16) of the Act, based on our audit, we report that the Company has paid and

provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 28 (i) to the Standalone financial statements;
 - ii. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company
 - iv. (a) As represented to us by the management and to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (b) As represented to us by the management and to the best of its knowledge and belief, no

funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has complied with the provisions with respect to Section 123 of the Companies Act, 2013 in respect of final dividend proposed in the previous year and paid during the year and the proposed final dividend for the year which is subject to the approval of members at the ensuing Annual General Meeting.

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

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

Mumbai, 14th May, 2022
UDIN : 22036490AIZEIS5434



Annexure "A"

to the Independent Auditor's Report of even date on The Standalone Financial Statements of **Vinati Organics Limited**

- i) a) A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- B) The company has maintained proper records showing full particulars of Intangible Assets;
- b) The Property, Plant & equipment have been physically verified by the management in accordance with a regular programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification;
- c) Based on our examination of the registered sale deed / transfer deed / conveyance deed / property tax paid documents (which evidences title) provided to us, we report that, the title deeds of all the immovable properties disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- d) The company has not revalued its Property, Plant & Equipment and Intangible Assets during the year. Accordingly, provisions clause (i)(d) of Para 3 of the Order are not applicable to the Company.
- e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988, as amended and rules made thereunder.
- ii) a) The inventory, except for goods in transit, has been physically verified by the management during the year at reasonable intervals. In our opinion, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operation. For goods in transit, the goods have been received subsequent to the year-end or confirmation have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventory when compared with books of account.
- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors / other receivables, and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the respective quarters except for the following;

| Particulars | Nature of Security | (₹ in Lacs) | | |
|---|--------------------|------------------|------------------|------------------|
| | | Jun-21 | Sep-21 | Dec-21 |
| Current Assets as per Statement filed with State Bank of India | Refer Note Below | 45,759.84 | 45,086.40 | 46,616.99 |
| Add: Reconciliation of Items not considered in the Statement filed with the bank | | | | |
| Slow Moving Stock | | 1,777.25 | 2,062.62 | 2,533.12 |
| Stock at different location | | 103.13 | 132.78 | 239.60 |
| Raw Material in Transit | | – | 3,073.99 | 6,202.66 |
| Valuation Difference | | 444.77 | 2,085.85 | 594.90 |
| Balance as per Financial Statements | | 48,084.99 | 52,441.64 | 56,187.27 |

The Company has subsequently revised the statements filed with the Bank. Refer Note 14 to Standalone financial statements.

Note: Secured by hypothecation of inventories, all the present and future book debts and other receivables, first charge on all present and future Property, Plant And Equipment at

Mahad Works and residential building at Mahad and second charge on all property, plant And equipment situated at Lote Works.

- iii) The company has made investments in its wholly owned subsidiary company. The Company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties during the year.

- a) The Company has provided loans or advances in the nature of loans during the year and details of which are given below;

| (₹ in Lacs) | |
|--|-----------|
| Particulars | Loans |
| A. Aggregate amount granted during the year | |
| – Wholly Owned Subsidiary | 169.75 |
| – a Company (proposed to be amalgamated with the Company) | 12,048.00 |
| B. Balance outstanding as at balance sheet date in respect of above cases: | |
| – Wholly Owned Subsidiary | Nil |
| – a Company (proposed to be amalgamated with the Company) | 25234.40 |

- b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- c) In respect of loan granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loan granted to settle the overdues of existing loan given to the same party.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 of the Companies Act, 2013; in respect of loan granted to a Company (proposed to be amalgamated with the Company) during the year amounting to ₹ 25,000 Lacs. In addition, a loan of ₹ 234.40 Lacs has been granted during the year for which approval of the Shareholders is sought in the ensuing Annual General Meeting (Refer Note 28(m) to the Standalone Financial Statements). The Company has complied with provisions of Section 186 of the Companies Act, 2013 with respect of investments made by the Company.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits Accordingly, provisions clause (v) of Para 3 of the Order are not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) In our opinion, the company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Goods & Services Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.
- b) According to the records of the company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

| (₹ in Lacs) | | | |
|--|---|------------------------------------|--------|
| Statute and nature of dues | Financial year to which the matter pertains | Forum where the dispute is pending | Amount |
| CUSTOMS ACT, 1962 | | | |
| Customs Duty and penalty | March, 2012 to May 2012 | Appellate Tribunal | 45.08 |
| CENTRAL EXCISE ACT, 1944 and Finance Act 1994 | | | |
| Service Tax | Jan., 2012 to Nov., 2012 | Appellate Tribunal | 2.36 |
| INCOME TAX, 1961 | | | |
| Income Tax | 2009-10 | Appellate Commissioner | 0.86 |



- viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year
- ix) a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Accordingly, provisions clause (ix)(c) of Para 3 of the Order are not applicable to the Company.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year. Accordingly, provisions clause (ix)(f) of Para 3 of the Order are not applicable to the Company.
- x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, provisions clause (x)(a) of Para 3 of the Order are not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of share or fully convertible debentures (fully, partially or optionally convertible) during the year and accordingly provisions of clause (x)(b) of Para 3 of the Order are not applicable to the Company.
- xi) a) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the company has been noticed or reported during the year, nor have we been informed of any such case by the management.
- b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) The company is not a nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.
- xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Financial statements in Refer Note 28(f) as required by the applicable accounting standards.
- xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non -cash transactions with directors or persons connected with the directors and hence provisions of Sec 192 of the Companies Act, 2013 are not applicable to the company.
- xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions of clause (xvi) of Para 3 of the Order are not applicable to the Company.
- b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, provisions of clause (xvi)(b) of Para 3 of the Order are not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by the Reserve Bank of India and accordingly the provisions of clause (xvi) of Para 3 of the Order is not applicable to the Company.
- d) The group does not have any CIC as a part of the group and accordingly reporting under clause (xvi)(d) of Para 3 of the Order is not applicable to the Company.
- xvii) The Company has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding Financial Year.

- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects

requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year

- b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For **M M NISSIM & CO LLP**

Chartered Accountants

(Firm Regn. No. 107122W/W100672)

(N. Kashinath)

Partner

Mem. No.: 036490

Mumbai, 14th May, 2022

UDIN : 22036490AIZEIS5434

Annexure "B"

to the Independent Auditor's Report of even date on The Standalone Financial Statements of **Vinati Organics Limited**

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

Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of **VINATI ORGANICS LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such controls were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI).

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards

on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that

the degree of compliance with the policies or procedures may deteriorate.

For **M M NISSIM & CO LLP**

Chartered Accountants

(Firm Regn. No. 107122W/W100672)

(N. Kashinath)

Partner

Mem. No.: 036490

Mumbai, 14th May, 2022

UDIN : 22036490AIZEIS5434

Standalone Balance Sheet as at 31 March 2022

(₹ in Lacs)

| Particulars | Note | As at 31 March 2022 | As at 31 March 2021 |
|---|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 2 (a) | 87,193.50 | 75,565.49 |
| Capital Work-in-Progress | 2 (b) | 4,728.85 | 5,469.03 |
| Other Intangible Assets | 2 (c) | 123.20 | 117.98 |
| Financial Assets; | | | |
| – Investments | 3 | 9,776.70 | 10,776.25 |
| – Loans | 4 | 25,234.40 | 13,287.89 |
| – Other financial assets | 5 | 633.72 | 126.06 |
| Other non-current assets | 6 | 3,721.82 | 2,511.72 |
| Current Assets | | | |
| Inventories | 7 | 17,615.88 | 12,193.96 |
| Financial Assets; | | | |
| – Investments | 3 | 11.58 | 18,091.18 |
| – Trade Receivables | 8 | 45,838.11 | 27,716.03 |
| – Cash and cash Equivalents | 9 | 93.57 | 167.47 |
| – Bank balances other than cash and cash equivalents | 10 | 334.48 | 517.07 |
| – Loans | 4 | 28.68 | 8.30 |
| – Others financial assets | 5 | 2,741.03 | 1,378.82 |
| Current Tax Assets (Net) | | 1,745.31 | 651.56 |
| Other current assets | 6 | 9,155.69 | 4,770.59 |
| TOTAL ASSETS | | 2,08,976.52 | 1,73,349.40 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | SOCE | 1,027.82 | 1,027.82 |
| Other Equity | SOCE | 1,81,785.89 | 1,53,313.58 |
| Total Equity | | 1,82,813.71 | 1,54,341.40 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| – Other Financial Liabilities | 11 | 46.25 | 121.80 |
| Deferred Tax Liabilities (Net) | 12 | 9,002.19 | 7,792.74 |
| Other non-current liabilities | 13 | 399.75 | 352.90 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| – Borrowings | 14 | 1,839.89 | 202.49 |
| – Trade Payables | | | |
| (A) total outstanding dues of micro & small enterprises | 15 | 691.21 | 299.62 |
| (B) total outstanding dues other than micro & small enterprises | 15 | 10,765.71 | 6,337.53 |
| – Other Financial Liabilities | 11 | 594.32 | 454.65 |
| Other Current Liabilities | 13 | 2,231.09 | 2,245.36 |
| Provisions | 16 | 536.58 | 469.92 |
| Current Tax Liabilities (Net) | | 55.82 | 730.99 |
| Total Liabilities | | 26,162.81 | 19,008.00 |
| TOTAL EQUITY AND LIABILITIES | | 2,08,976.52 | 1,73,349.40 |
| Significant Accounting Policies | 1 | | |

Accompanying Notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For M.M.Nissim & Co

 Chartered Accountants
 Firm Reg.No. 1107122W/W100672

N.Kashinath

 Partner
 Mem.No.036490
 UDIN: 22036490AIZEIS434

Mumbai, Dated 13th May, 2022

For and on behalf of Board of Directors

Millind Wagh
 Company Secretary

Nand Kishor Goyal
 Chief Financial Officer

Vinod Saraf
 Chairman
 DIN: 00076708

Vinati Saraf Mutreja
 Managing Director & CEO
 DIN: 00079184

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in Lacs)

| Particulars | Note | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|--------|-----------------------------|------------------------------|
| INCOME | | | |
| Revenue from Operations | 17 | 1,61,551.18 | 95,425.81 |
| Other Income | 18 | 6,096.24 | 2,585.55 |
| TOTAL INCOME | | 1,67,647.42 | 98,011.36 |
| EXPENSES | | | |
| Cost of materials consumed | 19 | 85,532.03 | 41,585.56 |
| Purchase of Stock in Trade | | 581.30 | |
| Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 20 | (40.98) | (2,819.64) |
| Employee Benefits expense | 21 | 8,398.54 | 7,264.25 |
| Finance Costs | 22 | 25.87 | 21.19 |
| Depreciation and Amortisation expense | 23 | 4,548.63 | 4,291.45 |
| Other Expenses | 24 | 23,671.44 | 14,143.04 |
| TOTAL EXPENSES | | 1,22,716.83 | 64,485.85 |
| PROFIT BEFORE TAX | | 44,930.59 | 33,525.51 |
| TAX EXPENSE | | | |
| Current Tax | | 10,146.00 | 7,574.33 |
| Deferred Tax | | 1,209.45 | 744.42 |
| Earlier year Adjustments (Refer Note 28(k)) | | (1,092.37) | (1,726.89) |
| TOTAL TAX EXPENSE | | 10,263.08 | 6,591.86 |
| PROFIT FOR THE YEAR | | 34,667.51 | 26,933.65 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to Profit or Loss | | | |
| Remeasurements of Defined benefit plans | | (37.80) | (25.27) |
| Income Tax relating to items that will not be reclassified to Profit or Loss | | 9.51 | 6.36 |
| TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | | (28.29) | (18.91) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 34,639.22 | 26,914.74 |
| EARNINGS PER EQUITY SHARE | 28 (a) | | |
| Basic | | 33.73 | 26.20 |
| Diluted | | 33.73 | 26.20 |
| Significant Accounting Policies | 1 | | |

Accompanying Notes are an integral part of these financial statements

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

For M.M.Nissim & Co

Chartered Accountants

Firm Reg.No. 1107122WW/100672

N.Kashinath

Partner

Mem.No.036490

UDIN: 22036490AIZEIS434

For and on behalf of Board of Directors

Millind Wagh

Company Secretary

Vinod Saraf

Chairman

DIN: 00076708

Nand Kishor Goyal

Chief Financial Officer

Vinati Saraf Mutreja

Managing Director & CEO

DIN: 00079184

Mumbai, Dated 13th May, 2022

Standalone Cash Flow Statement

for the year ended 31 March 2022

(₹ in Lacs)

| Particulars | Year Ended 31 March 2022 Audited | Year Ended 31 March 2021 Audited |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| NET PROFIT BEFORE TAX | 44,930.59 | 33,525.51 |
| Adjustment for : | | |
| Depreciation | 4,548.63 | 4,291.45 |
| Unrealised foreign exchange loss/(gain) | (560.56) | (231.60) |
| Finance Cost (including fair value change in financial instruments) | 25.87 | 21.19 |
| Interest Income | (1,371.43) | (212.69) |
| Dividend Income | (31.44) | - |
| Net gains on fair value changes on financial assets classified as FVTPL | (1,072.29) | (630.71) |
| Net gain on sale of Investments classified as FVTPL | (378.12) | (233.43) |
| Loss / (Gain) on Sale / Disposal of Property, Plant and Equipment | (0.80) | (1.82) |
| | 1,159.86 | 3,002.39 |
| OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES | 46,090.45 | 36,527.90 |
| Trade receivables | (17,529.29) | (7,301.07) |
| Other Non Current Financial assets | 46.86 | 102.23 |
| Other Current Financial assets | (291.69) | 205.53 |
| Other Non Current Assets | 14.76 | (49.59) |
| Other Current Assets | (4,385.10) | (692.77) |
| Inventories | (5,421.92) | (2,876.89) |
| Trade Payable | 4,809.24 | 1,058.85 |
| Provisions | 28.86 | 1.00 |
| Other non-current liabilities | 46.85 | 98.87 |
| Other Current Financial Liabilities | 152.09 | 184.16 |
| Other current liabilities | (38.38) | 707.25 |
| | (22,567.72) | (8,562.43) |
| CASH GENERATED FROM OPERATIONS | 23,522.73 | 27,965.47 |
| Direct Taxes paid | (10,813.01) | (6,074.43) |
| NET CASH FROM OPERATING ACTIVITIES | 12,709.72 | 21,891.04 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment | (16,198.74) | (4,933.39) |
| Capital Work in Progress And Capital Advance | (484.68) | (3,285.13) |
| Proceeds from sale of Property, Plant and Equipment | 17.68 | 36.38 |
| Investment in Subsidiary (including share application money pending allotment of ₹ 425 Lacs) | (851.00) | (1.00) |
| Purchase of Investments | (4,037.65) | (13,012.20) |
| Proceeds from sale of Investments | 7,553.65 | 10,251.70 |
| Loans (Financial assets) | (11,966.89) | (13,265.85) |
| Deposits/Balances with Banks | 53.07 | 4,027.20 |
| Interest Income | 300.91 | 361.53 |
| Dividend income | 31.44 | - |
| NET CASH USED IN INVESTING ACTIVITIES | (25,582.21) | (19,820.76) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| (Repayments) / Proceeds from Working Capital Facilities (Net) | 1,637.40 | 167.84 |
| Non Current Financial Liabilities - Security Deposits | (75.55) | 97.08 |
| Interest paid | (25.87) | (21.19) |
| Dividend | (6,179.34) | (553.54) |
| NET CASH FROM FINANCING ACTIVITIES | (4,643.36) | (309.81) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (17,515.85) | 1,760.46 |

Standalone Cash Flow Statement

for the year ended 31 March 2022

(₹ in Lacs)

| Particulars | Year Ended 31 March 2022 Audited | Year Ended 31 March 2021 Audited |
|---|--|--|
| CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2021 | 17,618.60 | 15,858.13 |
| – Cash and cash Equivalents | 167.47 | 909.32 |
| – Highly Liquid Investments | 17,451.13 | 14,948.81 |
| Unrealised Gain / (Loss) on Foreign currency Cash & Cash equivalents | 2.40 | 0.01 |
| CASH AND CASH EQUIVALENTS AS AT 31 March 2022 | 105.15 | 17,618.60 |
| – Cash and cash Equivalents | 93.57 | 167.47 |
| – Highly Liquid Investments | 11.58 | 17,451.13 |

Note to Cash Flow Statement:

- The above Cash Flow Statement has been prepared under the Indirect Method.
- Reconciliation of Financing Liabilities

(₹ in Lacs)

| Particulars | 31.03.2022 | 31.03.2021 |
|---|-----------------|---------------|
| Opening Balance | 299.57 | 34.65 |
| Cash inflow / (outflow) of current borrowings | 1,637.40 | 167.84 |
| Other changes | (75.55) | 97.08 |
| Changes in unpaid dividend | (12.42) | – |
| Closing Balance | 1,849.00 | 299.57 |

- Refer note 28(e) for amount spent during the years ended March 31, 2022 and 2021 on construction / acquisition of any asset and other purposes relating to CSR activities

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

For M.M.Nissim & Co

Chartered Accountants

Firm Reg.No. 1107122W/W100672

N.Kashinath

Partner

Mem.No.036490

UDIN: 22036490AIZEIS5434

Mumbai, Dated 13th May, 2022

For and on behalf of Board of Directors

Millind Wagh

Company Secretary

Nand Kishor Goyal

Chief Financial Officer

Vinod Saraf

Chairman

DIN: 00076708

Vinati Saraf Mutreja

Managing Director & CEO

DIN: 00079184

Standalone Statement of Changes in Equity (SOCE)

for the year ended 31 March 2022

(₹ in Lacs)

| EQUITY SHARE CAPITAL | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|------------------------|------------------------|
| | Number | Number | Amount | Amount |
| Authorised Share Capital | 15,00,00,000 | 15,00,00,000 | 1,500.00 | 1,500.00 |
| Issued Share Capital | 10,27,82,050 | 10,27,82,050 | 1,027.82 | 1,027.82 |
| Subscribed Share Capital | 10,27,82,050 | 10,27,82,050 | 1,027.82 | 1,027.82 |
| Fully Paid-up Share Capital | 10,27,82,050 | 10,27,82,050 | 1,027.82 | 1,027.82 |
| Balance at the beginning of the reporting year | 10,27,82,050 | 10,27,82,050 | 1,027.82 | 1,027.82 |
| Changes in equity share capital due to prior period errors | - | - | - | - |
| Restated balance as at the beginning of the reporting year | 10,27,82,050 | 10,27,82,050 | 1,027.82 | 1,027.82 |
| Changes in Equity Share Capital during the reporting year | - | - | - | - |
| Balance at the end of the reporting year | 10,27,82,050 | 10,27,82,050 | 1,027.82 | 1,027.82 |

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

The company has one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

| Shares held by promoters at the end of the year | As at 31 March 2022 | | % Change during the year | As at 31 March 2021 | | % Change during the year |
|---|------------------------|--------|--------------------------|------------------------|--------|--------------------------|
| | No. | % | | No. | % | |
| Promoter Name | | | | | | |
| Vinod Saraf | 1,39,00,582 | 13.52% | NIL | 1,39,00,582 | 13.52% | NIL |
| Kavita Saraf | 1,24,14,456 | 12.08% | NIL | 1,24,14,456 | 12.08% | NIL |
| Suchir Chemicals Pvt. Ltd. | 4,75,53,168 | 46.27% | NIL | 4,75,53,168 | 46.27% | 0.01% |
| Vinati Saraf Mutreja | 12,10,620 | 1.18% | NIL | 12,10,620 | 1.18% | NIL |
| Viral Saraf Mittal | 10,42,366 | 1.01% | NIL | 10,42,366 | 1.01% | NIL |

| Shares in the Company held by each shareholder holding more than five percent shares | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|--------|---------------------|--------|
| | No. | % | No. | % |
| Vinod Saraf | 1,39,00,582 | 13.52% | 1,39,00,582 | 13.52% |
| Kavita Saraf | 1,24,14,456 | 12.08% | 1,24,14,456 | 12.08% |
| Suchir Chemicals Pvt. Ltd. | 4,75,53,168 | 46.27% | 4,75,53,168 | 46.27% |

| OTHER EQUITY | Reserves and Surplus | | | | | | |
|---|----------------------|-----------------|-----------------|----------------------------|--------------------|---|--------------------|
| | Securities Premium | General Reserve | Capital Reserve | Capital Redemption Reserve | Retained Earnings | Remeasurements of Defined Benefit Plans | TOTAL |
| Balance at the beginning of the comparative reporting year - 1st April 2020 | 636.28 | 5,947.60 | 30.40 | 4.00 | 1,20,488.82 | (194.35) | 1,26,912.75 |
| Changes in Accounting Policy or Correction of Prior Period Errors | - | - | - | - | - | - | - |
| Restated balance as at 1st April 2020 | 636.28 | 5,947.60 | 30.40 | 4.00 | 1,20,488.82 | (194.35) | 1,26,912.75 |
| Profit for the Comparative Year ending 31st March 2021 | | | | | 26,933.65 | | 26,933.65 |
| Other Comprehensive Income for the Current Reporting year ending 31 March 2021* | | | | | | (18.91) | (18.91) |

Standalone Statement of Changes in Equity (SOCE)

for the year ended 31 March 2022

| OTHER EQUITY | Reserves and Surplus | | | | | | TOTAL |
|---|----------------------|-----------------|-----------------|----------------------------|--------------------|---|--------------------|
| | Securities Premium | General Reserve | Capital Reserve | Capital Redemption Reserve | Retained Earnings | Remeasurements of Defined Benefit Plans | |
| Total Comprehensive Income for the Comparative year | - | - | - | - | 26,933.65 | (18.91) | 26,914.74 |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Dividends; | | | | | (513.91) | | (513.91) |
| Balance at the beginning of the reporting year | 636.28 | 5,947.60 | 30.40 | 4.00 | 1,46,908.56 | (213.26) | 1,53,313.58 |
| Changes in Accounting Policy or Correction of Prior Period Errors | | | | | | | |
| Restated balance as at 1st April 2021 | 636.28 | 5,947.60 | 30.40 | 4.00 | 1,46,908.56 | (213.26) | 1,53,313.58 |
| Profit for the reporting year ending 31st March 2022 | | | | | 34,667.51 | | 34,667.51 |
| Other Comprehensive Income for the Current Reporting year ending 31 March 2022* | - | - | - | - | - | (28.29) | (28.29) |
| Total Comprehensive Income for the Reporting year | - | - | - | - | 34,667.51 | (28.29) | 34,639.22 |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Dividends; | | | | | (6,166.92) | | (6,166.92) |
| Balance at the end of the reporting year ending 31st March 2022 | 636.28 | 5,947.60 | 30.40 | 4.00 | 1,75,409.15 | (241.55) | 1,81,785.89 |

*Loss of ₹ 28.29 Lacs and ₹ 18.91 Lacs on re-measurement of defined benefit plans (net of tax) is recognised as part of Reserves and Surplus for the year ended 31st March 2022 and 31st March 2021, respectively

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

Significant Accounting Policies 1

Accompanying Notes are an integral part of these Financial Statements

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

For M.M.Nissim & Co

Chartered Accountants

Firm Reg.No. 1107122WW/100672

N.Kashinath

Partner

Mem.No.036490

UDIN: 22036490AIZEIS5434

Mumbai, Dated 13th May, 2022

For and on behalf of Board of Directors

Millind Wagh

Company Secretary

Nand Kishor Goyal

Chief Financial Officer

Vinod Saraf

Chairman

DIN: 00076708

Vinati Saraf Mutreja

Managing Director & CEO

DIN: 00079184



Notes to the Standalone Financial Statements

as at 31 March 2022

Note 1 : Significant Accounting Policies

A General Information

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

B Basis of preparation of Financial Statements

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

i Statement of Compliance

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

ii Basis of preparation and presentation

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

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

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

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

The financial statements of the Company for the year ended 31 March 2022 were authorised for issue in accordance with a resolution of the board of directors on 14th May, 2022

iii Major Sources of Estimation Uncertainty

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

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

Property, Plant and Equipment:

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

Impairment of Non-financial Assets:

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

Notes to the Standalone Financial Statements

as at 31 March 2022

Impairment of Financial Assets:

The company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.”

Defined Benefit Plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.”

Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Income taxes

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

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

C Summary of Significant Accounting Policies

1 Property, Plant and Equipment

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

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

Spare parts procured along with the Plant and Equipment or subsequently individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use



Notes to the Standalone Financial Statements

as at 31 March 2022

or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any gain or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when the asset is derecognised.

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

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

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

Depreciation on property plant and equipment added/ disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

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

2 Research and Development Assets

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

3 Intangible Assets

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

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

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

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

Notes to the Standalone Financial Statements

as at 31 March 2022

4 Impairment of tangible (PPE) and intangible assets

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

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

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

5 Inventories

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

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

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

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

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

6 Lease

Where the Company is a Lessee -

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

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

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce



Notes to the Standalone Financial Statements

as at 31 March 2022

a constant periodic rate of interest on the remaining balance of the liability for each period.

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

Where the Company is a Lessor -

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

7 Government Grants

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

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

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

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

8 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

9 Foreign Currency Transactions

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

Notes to the Standalone Financial Statements

as at 31 March 2022

10 Share capital and Securities Premium

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

11 Dividend Distribution to equity shareholders

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

12 Statement of Cash Flows and Cash and Cash Equivalents

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

13 Revenue Recognition and Other Income

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

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

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

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

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover discounts to

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

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

Use of significant judgements in revenue recognition

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

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

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

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



Notes to the Standalone Financial Statements

as at 31 March 2022

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

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

14 Borrowing costs

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

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

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

15 Employee Benefits

Short-term Employees Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries,

wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefits

The Company provides the following post-employment benefits:

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

Defined benefits plans

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

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

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

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

Defined Contribution Plans

Payments to defined contribution retirement benefit plans, viz., Provident Fund and National Pension Fund for

Notes to the Standalone Financial Statements

as at 31 March 2022

eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.

16 Income Taxes

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

Current tax

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

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects

the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

17 Earnings per Share

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

18 Current versus non-current classification

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

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

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.



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as at 31 March 2022

- c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

19 Fair value measurement

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

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

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

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

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

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

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

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

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

20 Financial Instruments

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

a) Financial Assets

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

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

Initial recognition and measurement

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

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as at 31 March 2022

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

Subsequent measurement

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

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

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

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

Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

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

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

Derecognition

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

Impairment of financial assets

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

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

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

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

Notes to the Standalone Financial Statements

as at 31 March 2022

- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

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

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

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

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

b) Financial Liabilities

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

Initial recognition and measurement

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

period of the borrowings using the Effective interest rate ('EIR') method.

Subsequent measurement

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

Financial Liabilities classified as Amortised Cost

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Notes to the Standalone Financial Statements

as at 31 March 2022

Derivatives

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

D Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) on 23rd March, 2022 through companies (Indian Accounting Standards) Amendment Rules, 2022 has notified the following amendments to IND AS which are applicable on 1st April 2022

Ind AS 16 – Property, Plant and equipment –

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be

recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the profit or loss

The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (examples depreciation charge). The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 2 (a) Property, Plant and Equipment

| Particulars | (₹ in Lacs) | | | | | | | | Total | |
|--|---------------|------------------|---------------------|------------------------|---------------|------------------|--------------|------------------|--------------------|--|
| | Freehold Land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Air Conditioners | | |
| Gross Block | | | | | | | | | | |
| At cost as at 31 March 2020 | 26.18 | 23,159.60 | 61,037.23 | 479.91 | 230.07 | 36.11 | 56.52 | 53.05 | 85,078.67 | |
| Additions | 87.53 | 948.41 | 3,831.21 | 21.25 | 26.60 | 3.19 | 4.66 | 3.27 | 4,926.12 | |
| Disposals / Discarded | | | (42.22) | | (10.98) | | | | (53.20) | |
| At cost as at 31 March 2021 | 113.71 | 24,108.01 | 64,826.22 | 501.16 | 245.69 | 39.30 | 61.18 | 56.32 | 89,951.59 | |
| Additions | 326.99 | 1,593.44 | 14,072.24 | 8.58 | 71.00 | 0.85 | 36.32 | 2.91 | 16,112.33 | |
| Disposals / Discarded | | | (0.33) | | (31.25) | | | (0.31) | (31.89) | |
| At cost as at 31 March 2022 | 440.70 | 25,701.45 | 78,898.13 | 509.74 | 285.44 | 40.15 | 97.50 | 58.92 | 1,06,032.03 | |
| Depreciation Block | | | | | | | | | | |
| Accumulated depreciation / amortisation as at 31 March 2020 | | 1,967.11 | 7,783.97 | 203.01 | 121.68 | 25.64 | 35.73 | 32.09 | 10,169.23 | |
| Depreciation / Amortisation for the year | | 698.10 | 3,442.91 | 53.27 | 25.06 | 2.95 | 7.39 | 5.83 | 4,235.51 | |
| Disposals / Discarded | | | (11.08) | | (7.56) | | | | (18.64) | |
| Accumulated depreciation / amortisation as at 31 March 2021 | | 2,665.21 | 11,215.80 | 256.28 | 139.18 | 28.59 | 43.12 | 37.92 | 14,386.10 | |
| Depreciation / Amortisation for the year | | 723.86 | 3,648.17 | 51.80 | 26.45 | 3.04 | 9.15 | 4.97 | 4,467.44 | |
| Disposals / Discarded | | | | | (15.01) | | | | (15.01) | |
| Accumulated depreciation / Amortisation as at the 31 March 2022 | | 3,389.07 | 14,863.97 | 308.08 | 150.62 | 31.63 | 52.27 | 42.89 | 18,838.53 | |
| Net Block | | | | | | | | | | |
| As at 31 March 2021 | 113.71 | 21,442.80 | 53,610.42 | 244.88 | 106.51 | 10.71 | 18.06 | 18.40 | 75,565.49 | |
| As at 31 March 2022 | 440.70 | 22,312.38 | 64,034.16 | 201.66 | 134.82 | 8.52 | 45.23 | 16.03 | 87,193.50 | |

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

| Particulars | (₹ in Lacs) | | Total |
|------------------------------------|-----------------|---------------------|-----------------|
| | Buildings | Plant and equipment | |
| At cost as at 31 March 2020 | 221.75 | 2,875.32 | 3,097.07 |
| Additions | 742.40 | 5,701.02 | 6,443.42 |
| Capitalised during the year | (742.45) | (3,329.01) | (4,071.46) |
| At cost as at 31 March 2021 | 221.70 | 5,247.33 | 5,469.03 |
| Additions | 3172.29 | 11,697.02 | 14,869.31 |
| Capitalised during the year | (1,593.44) | (14,016.05) | (15,609.49) |
| At cost as at 31 March 2022 | 1,800.55 | 2,928.30 | 4,728.85 |

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 2 (c) Intangibles

(₹ in Lacs)

| Particulars | Computer Software | Technical Know How | Total |
|--|-------------------|--------------------|---------------|
| Gross Block | | | |
| At cost as at 31 March 2020 | 116.43 | 453.50 | 569.93 |
| Additions | 7.27 | – | 7.27 |
| Disposals /Discarded | – | – | – |
| At cost as at 31 March 2021 | 123.70 | 453.50 | 577.20 |
| Additions | 36.41 | 50.00 | 86.41 |
| Disposals /Discarded | – | – | – |
| At cost as at 31 March 2022 | 160.11 | 503.50 | 663.61 |
| Depreciation Block | | | |
| Accumulated depreciation / amortisation as at 31 March 2020 | 98.14 | 305.14 | 403.28 |
| Depreciation / Amortisation for the year | 7.77 | 48.17 | 55.94 |
| Disposals /Discarded | – | – | – |
| Accumulated depreciation / amortisation as at 31 March 2021 | 105.91 | 353.31 | 459.22 |
| Depreciation / Amortisation for the year | 8.58 | 72.61 | 81.19 |
| Disposals /Discarded | – | – | – |
| Accumulated depreciation / Amortisation as at the 31 March 2022 | 114.49 | 425.92 | 540.41 |
| Net Block | | | |
| As at 31 March 2021 | 17.79 | 100.19 | 117.98 |
| As at 31 March 2022 | 45.62 | 77.58 | 123.20 |

Notes:

- Title deeds of Freehold Land are held in the name of the Company. Title deeds in respect of Buildings on immovable properties which are constructed on company's Freehold/Leasehold Land is based on documents constituting evidence of legal ownership of the Buildings.
- During the year, the company has capitalised the following expenses of revenue nature to the cost of Property, Plant and Equipment/ Capital Work-In-Progress;

(₹ in Lacs)

| Particulars | 31-Mar-22 | 31-Mar-21 |
|--------------------------------|--------------|--------------|
| Legal and Professional Charges | 40.34 | 16.25 |
| Travelling Expenses | 0.83 | – |
| Rates & Taxes | 34.35 | 22.39 |
| Insurance Charges | 7.71 | 10.69 |
| | 83.23 | 49.33 |

CWIP aging schedule

As at 31 March 2022

(₹ in Lacs)

| CWIP | Amount in CWIP for a period of | | | | | Total |
|--------------------------------|--------------------------------|-------------------|---------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | |
| Projects in progress | 2,827.51 | 727.18 | 869.86 | 73.36 | 6.00 | 4,503.91 |
| Projects temporarily suspended | – | – | 224.94 | 224.94 | – | 449.88 |
| Total | 2,827.51 | 727.18 | 869.86 | 73.36 | 230.94 | 4,728.85 |

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 2 (c) Intangibles (Contd..)

As at 31 March 2021

(₹ in Lacs)

| CWIP | Amount in CWIP for a period of | | | | | Total |
|--------------------------------|--------------------------------|------------------|-----------------|---------------|-------------------|-----------------|
| | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| Projects in progress | 2,708.58 | 636.39 | 1,190.42 | 700.45 | 8.25 | 5,244.09 |
| Projects temporarily suspended | | | 224.94 | 224.94 | | |
| Total | 2,708.58 | 636.39 | 1,190.42 | 700.45 | 233.19 | 5,469.03 |

Note:

There were no material projects which have exceeded their original planned cost and timelines.

Note 3 : Investments

(₹ in Lacs)

| Particulars | Non Current | | Current | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Fully paid up - Unquoted - Trade | | | | |
| Subsidiary Company: (At Cost) | | | | |
| 42,70,000 (10,000) Shares of Veeral Organics Limited of ₹ 10 each fully paid up | 427.00 | 1.00 | – | – |
| Fully paid up - Quoted - Non Trade | | | | |
| Units (at fair value through Profit or Loss) | | | | |
| 0 (P.Y. 3,56,000) Units of Brookfield India Real Estate Investment Trust Limited of Face Value of ₹ 275 each fully paid up | – | 794.59 | | |
| investment Infrastructure Trust (at fair value through Profit or Loss) | | | | |
| 10,82,400(P.Y. 0) Units of Power Grid Infrastructure Investment Trust Limited of Face Value of ₹ 100 each fully paid up | 1,454.53 | | | |
| 3,72,519(P.Y. 0) Units of India Grid Infrastructure Investment Trust of Face Value of ₹ 100 each fully paid up | 550.02 | | | |
| Fully paid up - Unquoted - Non Trade | | | | |
| i) In Mutual Fund Units: (at fair value through Profit or Loss) | | | | |
| Income Plan: Growth Option | 4,328.98 | – | 11.58 | 17,451.13 |
| ii) In Exchange Traded Funds (at fair value through Profit or Loss) | | | | |
| | 1,432.22 | 3,342.30 | – | – |
| iii) In Alternate Investment Funds (at fair value through Profit or Loss) | | | | |
| | 509.77 | | | |
| iv) In Non Convertible Debentures: (at fair value through Profit or Loss) | | | | |
| | 1,074.18 | 6,638.36 | – | 640.05 |
| Total | 9,776.70 | 10,776.25 | 11.58 | 18,091.18 |
| Aggregate amount of quoted investment and net asset value | 9,349.70 | 10,775.25 | 11.58 | 18,091.18 |
| Aggregate amount of unquoted investment | 427.00 | 1.00 | – | – |

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 4 : Loans (Unsecured, considered good)

(₹ in Lacs)

| Particulars | Non Current | | Current | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Carried at Amortised cost : | | | | |
| Loans to related parties (Refer Note 28(f)&(h)) | 25,234.40 | 13,287.89 | | |
| Loans and Advances to employees | | | 28.68 | 8.30 |
| Total | 25,234.40 | 13,287.89 | 28.68 | 8.30 |

Note 5 : Other Financial Assets

(₹ in Lacs)

| Particulars | Non Current | | Current | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Carried at Amortised cost : | | | | |
| Share Application Money Pending Allotment in a Subsidiary | 425.00 | – | | |
| Bank deposits with more than 12 months maturity (excludes Interest accrued and due ₹ Nil, Previous year ₹ Nil) | 142.41 | 12.89 | – | – |
| Others; | | | | |
| Security Deposits | 66.31 | 113.17 | – | – |
| Interest Accrued on Loans and Deposits | – | – | 1,160.33 | 89.81 |
| Export Benefits receivables | – | – | 367.48 | 1,002.97 |
| Others | – | – | 1,213.22 | 286.04 |
| Total | 633.72 | 126.06 | 2,741.03 | 1,378.82 |

Note 6 : Other Assets

(₹ in Lacs)

| Particulars | Non Current | | Current | |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Capital Advances | 2,654.64 | 1,429.78 | | |
| Advances other than capital advances; | | | | |
| Security Deposits | – | – | 869.86 | 534.20 |
| Advances to suppliers | | 3,326.23 | 1,458.09 | |
| Sub Total | 2,654.64 | 1,429.78 | 4,196.09 | 1,992.29 |
| Others | | | | |
| Balance with Statutory authorities | | 4,554.26 | 2,264.35 | |
| Advances recoverable in cash or kind | | 297.08 | 393.59 | |
| Prepaid Expenses | 1,067.18 | 1,081.94 | 108.26 | 120.36 |
| Sub Total | 1,067.18 | 1,081.94 | 4,959.60 | 2,778.30 |
| Total | 3,721.82 | 2,511.72 | 9,155.69 | 4,770.59 |

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 7 : Inventories

| Particulars | (₹ in Lacs) | |
|--------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Raw Materials | 2,447.37 | 2,098.01 |
| Raw Materials in transit | 3,850.60 | 1,146.36 |
| Work-in-progress | 3,015.09 | 1,954.00 |
| Finished goods | 2,446.43 | 3,466.55 |
| Stores and spares | 5,856.39 | 3,529.04 |
| Total | 17,615.88 | 12,193.96 |

Note 8 : Trade Receivables

| Particulars | (₹ in Lacs) | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Trade receivables | | |
| Secured, Considered good | 3,195.28 | 3,302.31 |
| Unsecured Considered good | 42,642.83 | 24,413.72 |
| Trade Receivables - credit impaired | 110.43 | - |
| Less: Allowance for bad and doubtful debts | -110.43 | - |
| Total | 45,838.11 | 27,716.03 |

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

Trade Receivables ageing schedule

As at 31 March 2021

| Particulars | (₹ in Lacs) | | | | | | As at 31 March 2022 |
|---|--|-----------------------|---------------------|-----------|-----------|----------------------|---------------------------|
| | Outstanding for following periods from due date of payment | | | | | | |
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Undisputed Trade receivables – considered good | 31,943.68 | 13,820.79 | 7.65 | 64.23 | 1.77 | - | 45,838.11 |
| Disputed Trade Receivables – credit impaired | - | - | 14.13 | 87.78 | - | 8.52 | 110.43 |

As at 31 March 2021

| Particulars | (₹ in Lacs) | | | | | | As at 31 March 2021 |
|---|--|-----------------------|---------------------|-----------|-----------|----------------------|---------------------------|
| | Outstanding for following periods from due date of payment | | | | | | |
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Undisputed Trade receivables – considered good | 22,304.60 | 5,308.64 | 87.78 | 1.77 | - | 13.23 | 27716.03 |

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 9 : CASH AND CASH EQUIVALENTS (as per Cash Flow Statement)

(₹ in Lacs)

| Particulars | As at | As at |
|-----------------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Balances with Banks | | |
| – In Current accounts | 92.33 | 166.12 |
| Cash on hand | 1.24 | 1.35 |
| Total | 93.57 | 167.47 |

Note 10 : Bank Balances other than Cash and Cash Equivalents

(₹ in Lacs)

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Deposits with original maturity of more than 3 months but less than 12 months | 104.88 | 293.13 |
| Others: | | |
| – Unspent CSR Account | 18.08 | – |
| – Unclaimed Dividend Account | 211.52 | 223.94 |
| Total | 334.48 | 517.07 |

Note 11 : Other Financial Liabilities

(₹ in Lacs)

| Particulars | Non Current | | Current | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | As at | As at | As at | As at |
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| Carried at Amortised Cost : | | | | |
| Unclaimed dividends | | | 211.52 | 223.94 |
| Others : | | | | |
| – Security Deposit | 46.25 | 121.80 | | |
| – Liabilities for expenses | | | 382.80 | 230.71 |
| Total | 46.25 | 121.80 | 594.32 | 454.65 |

Note 12 : Deferred Tax Liabilities - (Net)

(₹ in Lacs)

| Particulars | As at | As at |
|---|-----------------|-----------------|
| | 31 March 2022 | 31 March 2021 |
| Deferred Tax Liabilities (Net); | | |
| – Arising on account of difference in carrying amount and tax base of PPE and Intangibles | 8,920.66 | 7,705.95 |
| – Unrealised gain/(loss) on FVTPL debt Mutual Funds and equity instruments | 170.18 | 195.68 |
| Deferred Tax Asset: | | |
| – Accrued Expenses allowable on Actual Payments | (88.65) | (108.89) |
| Total | 9,002.19 | 7,792.74 |

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 13 : Other Liabilities

(₹ in Lacs)

| Particulars | Non Current | | Current | |
|--------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Contract Liabilities | | | 82.60 | 47.73 |
| Others; | | | | |
| Retention Money | 399.75 | 352.90 | 147.37 | 128.62 |
| Statutory Dues | – | – | 422.74 | 416.81 |
| Liabilities for expenses | – | – | 1,565.75 | 1,648.89 |
| Others | | | 12.63 | 3.31 |
| Total | 399.75 | 352.90 | 2,231.09 | 2,245.36 |

During the year ended 31 March 2022, the Company recognised revenue of ₹ 47.73 Lacs (Previous year ₹ 93.14 Lacs) arising from opening unearned revenue (contract liabilities).

Movement of contract liabilities is as under ;

(₹ in Lacs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| As at beginning of the year | 47.73 | 93.14 |
| Recognised as revenue from contracts with customers | (10,324.81) | (6,731.55) |
| Advance from customers received during the year | 10,359.68 | 6,686.14 |
| Balance at the close of the year | 82.60 | 47.73 |

Note 14 : Borrowings

(₹ in Lacs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|------------------------------------|------------------------|------------------------|
| CURRENT | | |
| Secured (At amortised cost) | | |
| Loans repayable on demand | | |
| – from banks | 1,839.89 | 202.49 |
| Total | 1,839.89 | 202.49 |

Nature of Borrowings

Working Capital Advances from Banks

Interest rate

Loans repayable on demand is secured by hypothecation of inventories, all the present and future book debts and other receivables, first charge on all present and future Property, Plant And Equipment at Mahad Works and residential building at Mahad and second charge on all property, plant And equipment situated at Lote Works.

Rupee Loan carries interest ranging from 5.00% to 7.10% (Previous Year 7.10% to 8.20%).

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 14 : Borrowings (Contd..)

The Quarterly returns/statements of current assets filed by the Company with the State Bank of India are in agreement with the books of accounts except for the following;

(₹ in Lacs)

| Particulars | Jun-21 | Sep-21 | Jun-21 |
|--|------------------|------------------|------------------|
| Current Assets as per Statement filed with Bank | 45,759.84 | 45,086.40 | 46,616.99 |
| Add: Reconciliation of Items not considered in the Statement filed with the bank | | | |
| Slow Moving Stock | 1,777.25 | 2,062.62 | 2,533.12 |
| Stock at different location | 103.13 | 132.78 | 239.60 |
| Raw Material in Transit | – | 3,073.99 | 6,202.66 |
| Valuation Difference | 444.77 | 2,085.85 | 594.90 |
| Balance as per Financial Statements | 48,084.99 | 52,441.64 | 56,187.27 |

* The Company has subsequently revised the statements filed with the Bank.

Note 15 : Trade Payables

(₹ in Lacs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Outstanding due of Micro and Small Enterprises | 691.21 | 299.62 |
| Outstanding due of Creditors other than Micro and Small Enterprises | 10,765.71 | 6,337.53 |
| Total | 11,456.92 | 6,637.15 |
| Of the above; | | |
| - Acceptances | 317.42 | 395.32 |

Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under and have been relied upon by the auditors:

(₹ in Lacs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Principal amounts remaining unpaid to suppliers as at the end of the accounting year | 691.21 | 299.62 |

Note: Other information/ disclosures relating to payments made beyond appointed date, interest accrued And paid and cumulative interest are not applicable, being NIL.

Trade Payables aging schedule

(₹ in Lacs)

| Particulars | Outstanding for following periods from due date of payment | | As at |
|--------------|--|------------------|------------------|
| | Not due | Less than 1 year | 31 March 2022 |
| i) MSME | 247.47 | 443.74 | 691.21 |
| (ii) Others | 3,065.73 | 7,699.98 | 10,765.71 |
| Total | 3,313.20 | 8,143.72 | 11,456.92 |

(₹ in Lacs)

| Particulars | Outstanding for following periods from due date of payment | | As at |
|--------------|--|------------------|-----------------|
| | Not due | Less than 1 year | 31 March 2021 |
| i) MSME | 130.44 | 169.18 | 299.62 |
| (ii) Others | 3,464.61 | 2,872.92 | 6,337.53 |
| Total | 3,595.05 | 3,042.10 | 6,637.15 |

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 16 : Provisions

| Particulars | (₹ in Lacs) | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Provision for employee benefits (Refer Note 28(g)) | 536.58 | 469.92 |
| Total | 536.58 | 469.92 |

Note 17 : Revenue from Operations

| Particulars | (₹ in Lacs) | |
|--------------------------------|-----------------------------|------------------------------|
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Sale Of Products | 1,61,263.31 | 94,218.06 |
| Other Operating Revenues: | | |
| Export Incentives | 118.91 | 1,132.51 |
| Scrap Sales | 168.96 | 75.24 |
| Revenue from operations | 1,61,551.18 | 95,425.81 |

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

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

| Particulars | (₹ in Lacs) | |
|---|-----------------------------|------------------------------|
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Gross Sales (Contracted Price) | 1,74,579.91 | 99,188.10 |
| Reductions towards variable consideration (Turnover discount, Other Expenses) | (13,316.60) | (4,970.04) |
| Revenue recognised | 1,61,263.31 | 94,218.06 |

Note 18 : Other Income

| Particulars | (₹ in Lacs) | |
|--|-----------------------------|------------------------------|
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Interest Income | 1,371.43 | 212.69 |
| Dividend Income from Non Current Investment | 31.44 | - |
| Net gain on sale of Investments classified as FVTPL | 695.24 | 775.72 |
| Net gains/(losses) on fair value changes on financial assets classified as FVTPL | 1,072.31 | 1,084.52 |
| Gain on Foreign Exchange Translations | 2,744.05 | 408.80 |
| Other Non-Operating Income; | | |
| Miscellaneous Income | 181.77 | 103.82 |
| Total | 6,096.24 | 2,585.55 |

Net gains (losses) on fair value changes

| Particulars | (₹ in Lacs) | |
|---|-----------------------------|------------------------------|
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Debt Mutual Fund Investments designated at FVTPL | 0.01 | 453.81 |
| Debt Investments designated at FVTPL | 690.40 | 820.21 |
| Other Financial Instruments classified at FVTPL | 381.90 | (189.50) |
| Total Net gains (Losses) on fair value changes | 1,072.31 | 1,084.52 |

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 19 : Cost of Materials consumed

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|--------------------------------|-----------------------------|------------------------------|
| Opening Stock of Raw Materials | 3,244.37 | 2,760.42 |
| Purchases during the year | 88,585.62 | 42,069.51 |
| Closing Stock of Raw Materials | (6,297.96) | (3,244.37) |
| Total | 85,532.03 | 41,585.56 |

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

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|-----------------------------|-----------------------------|------------------------------|
| Closing Stock: | | |
| Finished Goods | 2,446.43 | 3,466.55 |
| Work-in-Progress | 3,015.09 | 1,953.99 |
| | 5,461.52 | 5,420.54 |
| Less: Opening Stock: | | |
| Finished Goods | 3,466.55 | 1,537.21 |
| Work-in-Progress | 1,953.99 | 1,063.69 |
| | 5,420.54 | 2,600.90 |
| Total | (40.98) | (2,819.64) |

Note 21 : Employee Benefits Expense

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|-----------------------------|------------------------------|
| Salaries and Wages | 7,453.37 | 6,501.01 |
| Contribution to provident, gratuity and other funds | 679.80 | 586.10 |
| Staff welfare expenses | 265.37 | 177.14 |
| Total | 8,398.54 | 7,264.25 |

Note 22 : Finance Costs

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|--|-----------------------------|------------------------------|
| Interest on Working Capital Facilities | 25.87 | 8.89 |
| Other Borrowing Costs; | | |
| Unwinding of discount | – | 12.30 |
| | 25.87 | 21.19 |

Note 23 : Depreciation and Amortisation expense

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|-----------------------------|------------------------------|
| Depreciation on Property, Plant And Equipment | 4,467.44 | 4,235.51 |
| Amortisation on Intangible Assets | 81.19 | 55.94 |
| | 4,548.63 | 4,291.45 |

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 24 : Other Expenses

| Particulars | (₹ in Lacs) | |
|---|-----------------------------|------------------------------|
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Stores and Spares Consumed | 5,355.50 | 3,063.83 |
| Power and Fuel | 11,745.49 | 6,105.42 |
| Processing Expenses | 2,274.94 | 1,536.45 |
| Rent | 16.89 | 16.16 |
| Rates and Taxes | 113.58 | 92.44 |
| Insurance | 414.96 | 443.04 |
| Printing and Stationery | 30.35 | 21.59 |
| Water Charges | 280.48 | 232.12 |
| Repairs and Renewals: | | |
| Buildings | 141.82 | 102.00 |
| Plant and Machinery | 684.75 | 496.00 |
| Other Assets | 89.92 | 68.18 |
| Travelling and Conveyance | 283.73 | 229.24 |
| Communication Expenses | 24.33 | 26.84 |
| Corporate Social Responsibility Expenses (Refer Note 28(e)) | 790.20 | 702.22 |
| Provision for Doubtful Debts | 110.43 | – |
| Vehicle Expenses | 58.73 | 55.98 |
| Auditors' Remuneration: | | |
| As Auditors: | | |
| Audit fee | 8.50 | 7.50 |
| Other Services | 2.00 | 2.00 |
| | 10.50 | 9.50 |
| Cost Auditors Remuneration: | | |
| Audit fee | 0.60 | 0.60 |
| Directors' Fees | 16.25 | 13.50 |
| Directors' Travelling Expenses | 0.60 | 0.07 |
| Security Expenses | 205.56 | 163.82 |
| Commission | 189.69 | 244.06 |
| Bank Charges | 139.35 | 73.63 |
| Miscellaneous Expenses | 692.79 | 446.35 |
| Total | 23,671.44 | 14,143.04 |

Note 25

A. Capital Management

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

As at 31 March 2022, the Company has only one class of equity shares and has no long term debt. Consequent to such capital structure, there are no externally imposed capital requirements. The Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

B. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, investments in mutual funds/equity shares & debt instruments and cash and short term deposits.

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 25 (Contd..)

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i) Market Risk

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

Interest Rate Risks

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

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31 March 2022 would have been decreased/increased by ₹ 18.40 Lacs. (PY 2020-21 : ₹ 2.02 Lacs)

Foreign Currency Risks

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

| Unhedged Short Term Exposures : | | Amount (In Million) | | (Rupees in Lacs) | |
|---------------------------------|------|---------------------|-----------|------------------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| Financial Assets | USD | 33.75 | 24.11 | 25,551.52 | 17,633.11 |
| | EURO | 1.43 | 0.74 | 1,206.37 | 636.21 |
| Financial Liabilites | USD | 2.83 | 2.56 | 2,146.49 | 1,873.79 |
| | EURO | 0.02 | 0.00 | 14.02 | 3.74 |
| Net exposure | USD | 30.92 | 21.55 | 23,405.03 | 15,759.32 |
| | EURO | 1.42 | 0.74 | 1,192.35 | 632.47 |

The company is mainly exposed to changes in US Dollar. The sensitivity to a 1% increase or decrease in US Dollar against INR with all other variables held constant will be ₹ 234.05 Lacs (Previous Year - ₹ 157.59 Lacs)

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

Derivatives - Forward Contracts

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

The outstanding position and exposures are as under :

| | Currency | Amount (In Million) | Rupees Lacs | Nature | Cross Currency |
|----------------------------|----------|------------------------|-------------|--------------|-------------------|
| Forward Contract (2021-22) | USD | 7.75 | 5,904.87 | Export Sales | INR |
| Forward Contract (2020-21) | USD | - | - | - | - |



Notes to the Standalone Financial Statements

as at 31 March 2022

Note 25 (Contd..)

Price Risks

More than two-third of the Company's revenues are generated from exports and the raw materials are procured through import and local purchases where local purchases track import parity price. The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Company enters into contract with the customers that has provision to pass on the change in the raw material prices and also the volatility in the exchange rate. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The Company is exposed to price risk due to its investments in debt instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The company manages the securities price risk through investments in debt funds and diversification by placing limits on individual and total investments. Reports on Investment Portfolio are reviewed on regular basis and all approvals of investment decisions are done in concurrence with the senior management.

As at 31st March 2022 the investments in mutual funds/Debt Instruments/ETF/Equity Shares amounts to ₹ 9,361.28 Lacs (PY 2020-21 : ₹ 28,866.43 Lacs). A 1% point increase or decrease in the NAV with all other variables held constant would have lead to approximately an additional ₹ 93.61 Lacs (PY 2020-21 : ₹ 288.66 Lacs) on either side in the statement of profit and loss.

ii) Credit Risk

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

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company also has an external credit risk insurance cover with ECGC Policy. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31 March 2022 is 0.16% (PY 2020-21: 0.45%) of the total trade receivables. The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

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

iii) Liquidity Risk

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

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

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 25 (Contd..)

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted

| (₹ in Lacs) | | | |
|---|------------|------------------|------------------|
| Particulars | Refer Note | Less than 1 year | More than 1 Year |
| Borrowings | 14 | 1,839.89 | |
| | | (202.49) | |
| Trade Payable | 15 | 11,456.92 | |
| | | (6,637.15) | |
| Other Non Current Financial Liabilities | 11 | – | 46.25 |
| | | – | (121.80) |
| Liabilities for Expenses | 11 | 382.80 | |
| | | (230.71) | |
| Unclaimed dividends | 11 | 211.52 | |
| | | (223.94) | |

Figures in brackets are in respect of Previous year

Note 26 : Fair Values and Hierarchy

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

(₹ in Lacs)

| Particulars | Hierarchy | Fair Value/Carrying Value | |
|------------------|-----------|---------------------------|------------------------|
| | | As at 31 March 2022 | As at 31 March 2021 |
| Financial Assets | | | |
| - Investments | Level One | 9,361.28 | 28,866.43 |

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

Financial assets and liabilities measured at amortised cost

(₹ in Lacs)

| Particulars | Carrying Value/Fair Value | |
|---|---------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Financial Assets | 82.60 | 47.73 |
| Investment in wholly owned Subsidiary | 427.00 | 1.00 |
| Loans | 25,234.40 | 13,287.89 |
| Security Deposits | 66.31 | 113.17 |
| Share Application Money Pending Allotment in a Subsidiary | 425.00 | – |
| Bank deposits | 142.41 | 12.89 |
| Other Assets | 2,741.03 | 1,378.82 |
| Total Financial Assets | 29,036.15 | 14,793.77 |

Notes to the Standalone Financial Statements

as at 31 March 2022

Note 26 : Fair Values and Hierarchy (Contd..)

(₹ in Lacs)

| Particulars | Carrying Value/Fair Value | |
|------------------------------------|---------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Financial Liabilities | | |
| Short Term Borrowings | 1,839.89 | 202.49 |
| Security Deposits | 46.25 | 121.80 |
| Other liabilities | 594.32 | 454.65 |
| Total Financial Liabilities | 2,480.46 | 778.94 |

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

NOTE 27

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

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|--|-----------------------------|------------------------------|
| Accounting Profit before Income Tax | 44,930.59 | 33,525.51 |
| At statutory income tax rate of 25.168% (31 March 2021: 25.168%) | 11,308.13 | 8,437.70 |
| Additional deduction for Depreciation & Chapter VI A Deductions | (1,291.14) | (646.70) |
| Income taxable at different rates | 102.58 | 58.38 |
| Effect of exempt/non taxable income | (273.22) | (463.72) |
| Effect of non-deductible expenses | 297.33 | 189.13 |
| Others | 2.32 | (0.46) |
| Total | 10,146.00 | 7,574.33 |

NOTE 28 : ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings Per Share

| Particulars | | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|--------|-----------------------------|------------------------------|
| Profit after taxation | ₹ Lacs | 34,667.51 | 26,933.65 |
| Weighter Average Number of equity shares (Face Value ₹ 1/-) | Nos. | 10,27,82,050 | 10,27,82,050 |
| Earnings per share | ₹ | 33.73 | 26.20 |

b) The Company has taken certain facilities under operating lease arrangements. The lease can be terminated at the option of either parties by giving due notice. The rental expenses under operating leases "Other expenses" in the statement of profit and loss. The Company does not have any non-cancellable leasing arrangements. The lease rentals recognised in the Statement of Profit and Loss for the year are ₹ 2.13 Lacs/- (previous year ₹ 2.18 Lacs/-).

c) Disclosures under Ind AS 108 - "Operating Segment" - (Refer Note below)

(i) Entity wide disclosure required by Ind AS 108 are as detailed below:

(₹ in Lacs)

| Particulars | 2021-22 | 2020-21 |
|----------------------|--------------------|------------------|
| Speciality Chemicals | 1,58,578.32 | 92,060.03 |
| Others | 2,684.99 | 2,158.03 |
| | 1,61,263.31 | 94,218.06 |

Notes to the Standalone Financial Statements

as at 31 March 2022

NOTE 28 : ADDITIONAL/EXPLANATORY INFORMATION (Contd..)

(ii) Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

| | | | (₹ in Lacs) | |
|--|--------------------|------------------|-------------|--|
| Particulars | 2021-22 | 2020-21 | | |
| Revenue from External Customers: | | | | |
| India | 50,871.95 | 29,760.91 | | |
| Outside India | 1,10,391.36 | 64,457.15 | | |
| | 1,61,263.31 | 94,218.06 | | |
| Non-current assets (other than financial instruments) | | | | |
| India | 95,767.37 | 83,664.22 | | |
| Outside India | - | - | | |

(iii) There are no transactions with single external customer which amounts to 10% or more of the Company's revenue.

Note:-

The Company is engaged interalia in the manufacture of Chemicals. These in the context of Ind AS 108 " Operating Segment " is considered to constitute one single primary segment.

| | | | | (₹ in Lacs) | | |
|---------------------------------------|------------------------------------|--|---------|-------------|--|--|
| d) Ratios | Numerator | Denominator | 2021-22 | 2020-21 | | |
| (a) Current Ratio, | Current Assets | Current Liabilities | 4.64 | 6.10 | | |
| (b) Debt-Equity Ratio, | Long Term Borrowings | Shareholder's Equity | NA | NA | | |
| (c) Debt Service Coverage Ratio, | Earning for Debt Service | Debt service = Interest + Principal repayments of Long Term Borrowings | NA | NA | | |
| (d) Return on Equity Ratio, | Net Profit After Taxes | Average Shareholder's Equity | 20.56% | 19.08% | | |
| (e) Inventory turnover ratio, | Sales | Average Inventory | 10.83 | 8.77 | | |
| (f) Trade Receivables turnover ratio, | Revenue | Average Trade Receivables | 4.39 | 3.94 | | |
| (g) Trade payables turnover ratio* | Purchases | Average Trade Payables | 11.47 | 7.81 | | |
| (h) Net capital turnover ratio** | Revenue | Working Capital | 2.65 | 1.72 | | |
| (i) Net profit ratio, | Net Profit After Taxes | Revenue | 21.47% | 28.56% | | |
| (j) Return on Capital employed, | Earnings before interest and taxes | Capital Employed | 23.44% | 20.68% | | |
| (k) Return on investment | | | | | | |
| Debt - Liquid Mutual Fund | Income generated from investments | Time weighted average investments | 3.39% | 3.56% | | |
| Debt - Others*** | | | 14.39% | 9.14% | | |
| Equity - Nifty linked / ETF**** | | | 11.82% | 5.73% | | |

Note:

*There is an improvement in Trade payables turnover ratio on account of better payment and higher turnover.

**Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

***There is an improvement in the return on investment on account of diversified investments with longer tenure.

****Impact of market dynamics

Notes to the Standalone Financial Statements

as at 31 March 2022

NOTE 28 : ADDITIONAL/EXPLANATORY INFORMATION (Contd..)

- e) As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed by the Company. The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013.

| Particulars | (₹ in Lacs) | |
|--|---|---------|
| | 2021-22 | 2020-21 |
| Gross amount required to be spent by the Company | 790.19 | 702.22 |
| Amount spent by the Company during the year on purpose other than construction/ acquisition of assets | 448.45 | 284.57 |
| Shortfall at the end of the year | 341.74 | 417.65 |
| Total of previous year short fall | 18.08 | - |
| Reason for shortfall | Pertains to ongoing Projects | |
| Nature of CSR Activities | promoting education, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects | |
| Details of related party transactions in relation to CSR Expenditure as per relevant Accounting Standard | | |
| Contribution to Kavita Saraf Foundation in relation to CSR Expenditure | 40.46 | |
| Remuneration to Ms. Viral Saraf Mittal - Director Corporate Strategy & CSR | 38.25 | |

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

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

| | |
|---|---|
| Wholly owned Subsidiary | i) Veeral Organics Private Limited |
| Key Management Personnel: | i) Mr. Vinod Saraf - Chairman |
| | ii) Mrs. Vinati Saraf Mutreja - Managing Director and CEO |
| | iii) Mr. Jayesh Ashar - Director - Operations |
| | iv) Mrs. Viral Saraf Mittal - Director CSR |
| | v) N. K. Goyal - Chief Financial Officer (CFO) |
| | vi) Milind Wagh - Company Secretary |
| Relatives of Key Management Personnel: | i) Mr. Sunil Saraf - Brother of Mr. Vinod Saraf |
| | ii) Kavita Saraf - Wife of Mr. Vinod Saraf |
| Enterprise owned or significantly influenced by any key management personnel or their relatives | i) Viral Alkalis Limited |
| | ii) Suchir Chemicals Private Ltd. |
| | iii) Veeral Additives Pvt. Ltd. |
| Other Related Parties | i) Vinati Organics Limited - Group Gratuity Trust |
| | ii) Mrs. Kavita Vinod Saraf Foundation |

Notes to the Standalone Financial Statements

as at 31 March 2022

NOTE 28 : ADDITIONAL/EXPLANATORY INFORMATION (Contd..)

(b) Transactions with related parties (excluding reimbursements)

Nature of Transactions

| Particulars | (₹ in Lacs) | | | |
|--|-------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| | Transactions for the year 31-Mar-22 | Closing balance as on 31-Mar 22 | Transactions for the year 31-Mar-21 | Closing balance as on 31-Mar 21 |
| i) Wholly Owned Subsidiary | | | | |
| Subscription to Equity Share Capital | 426.00 | 427.00 | 1.00 | 1.00 |
| Share Application money | 851.00 | 425.00 | – | – |
| Loan given | 169.75 | – | 101.49 | 101.49 |
| Interest received | 5.03 | – | 1.12 | 1.03 |
| Sales | 1.93 | | | |
| Reimbursement of Capital Expenditure | 21.09 | 21.09 | | |
| ii) Key Management Personnel: | | | | |
| Managerial Remuneration (Short Term Employee Benefits)* | | | | |
| Directors | 515.92 | | 381.37 | |
| CFO | 90.88 | | 79.49 | |
| Company Secretary | 34.63 | | 30.46 | |
| Dividend paid during the year | | | | |
| Vinod Saraf | 834.03 | | 64.29 | |
| Vinati Saraf Mutreja | 72.64 | | 5.60 | |
| Viral Saraf Mittal | 62.54 | | 4.82 | |
| iii) Relatives of Key Management Personnel: | | | | |
| Sitting Fees | | | | |
| Mr. Sunil Saraf | – | | 1.50 | |
| Dividend paid during the year | | | | |
| Kavita Saraf | 744.87 | | 57.42 | |
| iv) Enterprise owned or significantly influenced by any management personnel or their relatives | | | | |
| Sales - Viral Alkalis Ltd | 1.49 | – | 4.57 | 0.08 |
| Purchase - Viral Alkalis Ltd | 128.61 | – | 677.88 | 111.44 |
| Rent of Immovable property-Viral Alkalis Ltd | 4.80 | – | 5.80 | – |
| Sales - Veeral Additives Pvt. Ltd. | 1,635.53 | 618.39 | 1,088.15 | 157.28 |
| Purchase - Veeral Additives Pvt. Ltd. | 25.31 | 0.23 | 98.61 | – |
| Rent of Immovable property- Veeral Additives Pvt. Ltd. | 5.40 | – | 4.80 | – |
| Interest Income - Veeral Additives Pvt. Ltd. | 1,203.78 | 1,153.59 | 75.87 | 75.87 |
| Loan given to - Veeral Additives Pvt. Ltd. | 12,048.00 | 25,234.40 | 13,186.40 | 13,186.40 |
| Dividend Payment - Suchir Chemicals Private Ltd | 2,853.19 | – | 219.93 | – |
| iv) Other Related Parties | | | | |
| Contributions paid | 155.84 | | 164.58 | |
| Contributions payable | | 184.34 | | 155.39 |
| CSR paid | 40.46 | – | – | – |

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

c) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



Notes to the Standalone Financial Statements

as at 31 March 2022

NOTE 28 : ADDITIONAL/EXPLANATORY INFORMATION (Contd..)

g) Disclosures as per IND AS - 19 - Employee Benefits

During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|--|-----------------------------|------------------------------|
| i) Employer's contribution to Provident Fund and Family Pension Fund* *Included in "Contribution to Provident and other Funds" (Note 21). | 443.61 | 398.45 |
| ii) Defined benefit obligation: | | |
| a)\Leave Encashment - Unfunded | 224.29 | 194.85 |

iii) The valuation results for the defined benefit gratuity plan as at 31-3-2022 are produced in the tables below:

i) Changes in the Present Value of Obligation

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|-----------------------------|------------------------------|
| Present Value of Obligation as at the beginning | 1,405.40 | 1,219.65 |
| Current Service Cost | 141.47 | 124.89 |
| Interest Expense or Cost | 98.02 | 76.01 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | |
| – change in financial assumptions | (4.79) | 6.46 |
| – experience variance (i.e. Actual experience vs assumptions) | 34.36 | 27.35 |
| – change in demographic Assumptions | – | – |
| Benefits Paid | (57.24) | (48.96) |
| Present Value of Obligation as at the end | 1,617.22 | 1,405.40 |

ii) Changes in the Fair Value of Plan Assets

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|-----------------------------|------------------------------|
| Fair Value of Plan Assets as at the beginning | 1,250.00 | 1,055.06 |
| Investment Income | 92.51 | 70.78 |
| Adjustment to opening Fair Value of Plant Asset | | |
| Return on Plan Assets excluding interest income | (8.23) | 8.54 |
| Employer's Contribution | 155.84 | 164.58 |
| Benefits Paid | (57.24) | (48.96) |
| Fair Value of Plan Assets as at the end | 1,432.88 | 1,250.00 |

iii) Expenses Recognised in the Income Statement

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|-----------------------------|------------------------------|
| Current Service Cost | 141.47 | 124.89 |
| Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 5.51 | 5.23 |
| Expenses Recognised in the Income Statement | 146.98 | 130.12 |

Notes to the Standalone Financial Statements

as at 31 March 2022

NOTE 28 : ADDITIONAL/EXPLANATORY INFORMATION (Contd..)

iv) Other Comprehensive Income

| Particulars | (₹ in Lacs) | |
|---|-----------------------------|------------------------------|
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Actuarial (gains) / losses | | |
| – change in financial assumptions | (4.79) | 6.46 |
| – experience variance (i.e. Actual experience vs assumptions) | 34.36 | 27.35 |
| – change in demographic Assumptions | – | – |
| Return on Plan Assets excluding interest income | 8.23 | (8.54) |
| Components of defined benefit costs recognised in other comprehensive income | 37.80 | 25.27 |

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

| Particulars | (₹ in Lacs) | |
|--------------------------|---|------------------------------|
| | (Vinati Organics Limited group gratuity cash accumulation trust) | |
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Funds managed by Insurer | 100% | 100% |

- In the absence of detailed information regarding Plan assets which is funded with Insurance Company, the composition of each major category of Plan assets, the percentage or amount for each category to the fair value of Plan assets has not been disclosed.

vi) Actuarial Assumptions

a. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

| Particulars | (₹ in Lacs) | |
|--------------------------------|-----------------------------|------------------------------|
| | As on | |
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Discount rate (per annum) | 7.12% | 6.36% |
| Salary growth rate (per annum) | 6.75% | 6.00% |

b. Demographic Assumptions

| Particulars | (₹ in Lacs) | |
|---|-----------------------------|------------------------------|
| | As on | |
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Mortality Rate (% of IALM 06-08) | 100% | 100% |
| Withdrawal rates, based on age: (per annum) | | |
| Up to 42 years | 5.00% | 5.00% |

vii) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:



Notes to the Standalone Financial Statements

as at 31 March 2022

NOTE 28 : ADDITIONAL/EXPLANATORY INFORMATION (Contd..)

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|-----------------------------------|-----------------------------|------------------------------|
| Defined Benefit Obligation (Base) | 1,617.22 | 1,405.40 |

| Unhedged Short Term Exposures : | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|----------|---------------------|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 1,737.74 | 1,510.25 | 94.29 | (83.30) |
| (% change compared to base due to sensitivity) | 7.45% | -6.61% | -92.27% | -106.83% |
| Salary Growth Rate (- / + 1%) | 1,523.25 | 1,719.25 | (73.87) | 80.84 |
| (% change compared to base due to sensitivity) | -5.81% | 6.31% | -106.06% | -93.37% |
| Attrition Rate (- / + 50%) | 1,617.18 | 1,617.32 | (0.54) | 0.55 |
| (% change compared to base due to sensitivity) | 0.00% | 0.01% | -100.04% | -99.95% |

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

b. Asset Liability Matching Strategies

The scheme is managed on funded basis.

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

– Funding arrangements and Funding Policy

The scheme is managed on funded basis.

| | |
|---|------------------|
| – Expected Contribution during the next annual reporting period | (Rupees in Lacs) |
| The Company's best estimate of Contribution during the next year | 141.29 |
| – Maturity Profile of Defined Benefit Obligation | |
| Weighted average duration (based on discounted cash flows) | 9.83 Years |
| – Expected cash flows over the next (valued on undiscounted basis): | (Rupees in Lacs) |
| 1 year | 119.99 |
| 2 to 5 years | 573.43 |
| 6 to 10 years | 832.35 |
| Above 10 Years | 1,436.10 |

(₹ in Lacs)

viii) Movement of Liability : Employee Benefit

Amount

| | |
|------------------------------|---------------|
| Opening balance | 469.92 |
| Add : Provision for the year | 212.50 |
| Less : Paid during the year | -155.84 |
| Closing Balance | 526.58 |

Notes to the Standalone Financial Statements

as at 31 March 2022

NOTE 28 : ADDITIONAL/EXPLANATORY INFORMATION (Contd..)

h) Commitment

- (i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for ₹ 6682.40 Lacs (Previous Year ₹ 8440.95 Lacs).
- (ii) Other Commitments
- a Bank Guarantees - ₹ 1921.84 Lacs (Previous Year - ₹ 860.34 Lacs).
- b Letters of Credit issued by the Banks - ₹ 762.72 Lacs (Previous Year - ₹ 4458.70 Lacs).

i) Contingent Liabilities not provided for:

- (a) Disputed Excise/Customs Duty/Service tax demands pending before the Appellate Authorities/High Court - ₹ 49.32 Lacs (Previous Year ₹ 49.32 Lacs) against which payment of ₹ 1.88 lacs (Previous Year ₹ 1.88 lacs) has been made.
- (b) Disputed Income Tax Demands - ₹0.86 Lacs ((Previous Year ₹ 3.48 Lacs).
- (c) Disputed demand by The Tahasildar, Mahad for Royalty and Penalty on Sand/Metal of ₹23.25 Lacs (Previous Year ₹23.25 Lacs). The Company had filed the Appeal to The Additional Commissioner, Kokan Division against demand of ₹2.02 Lacs and appeal for Balance amount of ₹21.23 Lacs to Minister of Revenue. Company is hopeful for the demand likely to be waived off against which payment of ₹ 6.99 Lacs (Previous Year - ₹ 6.99 Lacs) has been made.
- (d) Delayed Payment Charges (DPC) of Water bill demanded by MIDC, Mahad for Plot No. B-5/6 ₹14.39 Lacs (Previous Year ₹14.39 Lacs). The Company requested MIDC to waive the DPC and hopeful to be waived off.

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

(₹ in Lacs)

| Particulars | Purpose | Amount outstanding | | Maximum outstanding during the year | |
|----------------------------------|-----------------------------------|--------------------|-----------|-------------------------------------|-----------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Wholly Owned Subsidiary Company | | | | | |
| Veeral Organics Private Limited | Setting up manufacturing facility | - | 101.49 | 271.24 | 101.49 |
| Other Parties | | | | | |
| Veeral Additives Private Limited | Capital Expenditure | 25,234.40 | 13,186.40 | 25,234.40 | 13,186.40 |

Notes:

- i) Loans given to employees as per the policy of the Company are not considered.
- ii) The loanees did not hold any shares in the share capital of the Company.
- k) Income tax adjustments for earlier years represent accrued tax benefits based on judicial pronouncement (net off ₹ 562.72 Lacs towards additional tax liability) amounting to ₹ 1092.37 (P. Y. ₹ 1726.89 Lacs for accrued tax benefits) for year ended on March 2022.
- l) The Company has subscribed to additional 42,60,000 fully paid up equity shares of the face value of ₹10/- each at par by way of subscription towards the right issue of Veeral Organics Pvt. Ltd., a wholly owned subsidiary of the company.
- m) i) The Board of Directors of the Company have approved a scheme of amalgamation of Veeral Additives Private Limited into Vinati Organics Limited in their meeting held on February 2, 2021. The scheme provides April 1, 2021 as appointed date. Pending approval of the Scheme, no effect has been given to the Scheme in preparing accounts of the year ended March 31, 2022



Notes to the Standalone Financial Statements

as at 31 March 2022

NOTE 28 : ADDITIONAL/EXPLANATORY INFORMATION (Contd..)

ii) This is to facilitate forward integration to the existing product lines of the company. To expedite the completion of the project in time, and to avoid delays in the execution due to ongoing pandemic, the company has advanced loans of ₹ 12,048 (P.Y. ₹ 13186.40 Lacs) Lacs to the proposed amalgamating company with a reference made in the scheme that Veeral Additives Private Limited will conduct all activities as trustees for the Company. Approval of the shareholders is sought in the ensuing general meeting”

n) Events Occuring after the Balance Sheet date

The proposed final dividend for FY 2021-22 amounting to ₹ 6,680.83 Lacs (PY 2020-21 : 6,166.92 Lacs) will be recognised as distribution to owners during the financial year 2021-22 on its approval by Shareholders. The proposed final dividend per share amounts to ₹ 6.50/- (PY 2020-21 : ₹ 6/-)

o) The company did not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the financial year.

p) Previous year's figures have been re-grouped/re-classified to confirm to the requirements of the amended schedule III to the Companies Act, 2013 effective 01st, April 2021.

For M.M.Nissim & Co

Chartered Accountants

Firm Reg.No. 1107122W/W100672

N.Kashinath

Partner

Mem.No.036490

UDIN: 22036490AIZEIS434

Mumbai, Dated 13th May, 2022

For and on behalf of Board of Directors

Millind Wagh

Company Secretary

Nand Kishor Goyal

Chief Financial Officer

Vinod Saraf

Chairman

DIN: 00076708

Vinati Saraf Mutreja

Managing Director & CEO

DIN: 00079184

Independent Auditor's Report

To the Members of
Vinati Organics Limited

Report on the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of **VINATI ORGANICS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2022 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the Consolidated Cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us and based on other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2022, and their consolidated profit (financial performance including other comprehensive income), the consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis of Opinion

3. We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

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

| Sr. No. | Key Audit Matter | Our Response |
|---------|---|---|
| 1 | <p>Defined benefit obligation</p> <p>The valuation of the retirement benefit schemes in the Holding Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.</p> | <p>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <p>We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p> |



| Sr. No. | Key Audit Matter | Our Response |
|---------|---|---|
| 2 | <p>Evaluation of uncertain tax positions</p> <p>The Holding Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> | <p>Principal Audit Procedures</p> <p>We performed the following substantive procedures:</p> <p>Obtained details of completed tax assessments and demands upto March 31, 2022 from management. We involved our internal experts to examine the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2022 to evaluate whether any change was required to management's position on these uncertainties.</p> <p>Conclusion</p> <p>We agree with management's evaluation.</p> |

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

5. The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.
6. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
8. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act

that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated Changes in Equity and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company which is a company incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the Consolidated Financial Statements of which we are the independent auditors.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

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

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

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

Report on Other Legal and Regulatory Requirements

14. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account, as required by the law relating to preparation of the aforesaid Consolidated Financial Statements, have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of Consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read together with Rules thereon.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) As required by section 197(16) of the Act, based on our audit, we report that the Holding Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 26(f) to the consolidated financial statements.
 - ii) The Group did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses during the year ended 31st March, 2022.
- iii) There has been no delay in transferring amount required to be transferred, to the Investor Education Protection Fund by the Holding Company during the year ended 31st March, 2022.
- iv) (a) The respective Managements of the Company and its subsidiary which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us that to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and its subsidiary company incorporated in India to or in any other person(s) or entity(ies), including foreign entities (Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of its subsidiary, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective Managements of the Company and its subsidiary which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us that to the best of their knowledge and belief, no funds have been received by the Company and its subsidiary company incorporated in India, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of its subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary, which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that causes us to believe that the above representations under sub-clause (i) and (ii) of Rule 11(e) as provided

under (a) and (b) above, contain any material misstatement.

- v) The Holding Company has complied with the provisions with respect to Section 123 of the Companies Act, 2013 in respect of final dividend proposed in the previous year, and paid by the company during the year and the proposed final dividend for the year which is subject to the approval of members at the ensuing Annual General Meeting, as applicable.
- vi) With respect to the matters specified in paragraphs 3(xxi) and 4 of the companies (Auditor's Report) order, 2020 (the order/CARO) issued by the central government in terms of section 143 (11) of the act, to be included in the Auditor's Report, according to the information and explanation given to us, and based on CARO reports issued by us for the company and

its subsidiary incorporated in India included in the consolidated financial statements of the company, to which the reporting under CARO is applicable., we report that there are no qualifications or adverse remarks in these CARO reports.

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

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

Place: Mumbai
Date: 14th May, 2022
UDIN:- 22036490AIZEMP6301

Annexure "A"

to the Independent Auditor's Report of even date on The Consolidated Financial Statements of **Vinati Organics Limited**

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

Opinion

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the financial statements of **VINATI ORGANICS LIMITED** ("the Holding Company") and its subsidiary company which is a company incorporated in India, as of that date.
2. In our opinion, the Holding Company and its subsidiary company which is a company incorporated in India have, in all material respects, an adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal controls with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

3. The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

4. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial

statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

7. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation of management

and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

8. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject

to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M M NISSIM & CO LLP**

Chartered Accountants

(Firm Regn. No. 107122W/W100672)

(N. Kashinath)

Partner

Mem. No.: 036490

Place: Mumbai

Date: 14th May, 2022

UDIN:- 22036490AIZEMP6301

Consolidated Balance Sheet as at 31 March 2022

(₹ in Lacs)

| Particulars | Note | As at 31 March 2022 | As at 31 March 2021 |
|--|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 2 (a) | 87,193.50 | 75,565.49 |
| Capital Work-in-Progress | 2 (b) | 5,147.56 | 5,580.19 |
| Other Intangible Assets | 2 (c) | 123.20 | 117.98 |
| Financial Assets; | | | |
| – Investments | 3 | 9,349.70 | 10,775.25 |
| – Loans | 4 | 25,234.40 | 13,186.40 |
| – Other financial assets | 5 | 208.72 | 126.06 |
| Other non-current assets | 6 | 4,118.76 | 2,511.72 |
| Current Assets | | | |
| Inventories | 7 | 17,615.88 | 12,193.96 |
| Financial Assets; | | | |
| – Investments | 3 | 11.58 | 18,091.18 |
| – Trade Receivables | 8 | 45,838.11 | 27,716.03 |
| – Cash and cash Equivalents | 9 | 95.14 | 168.32 |
| – Bank balances other than cash and cash equivalents | 10 | 334.48 | 517.07 |
| – Loans | 4 | 28.68 | 8.30 |
| – Others financial assets | 5 | 2,741.03 | 1,377.79 |
| Current Tax Assets (Net) | | 1,745.31 | 651.56 |
| Other current assets | 6 | 9,189.32 | 4,790.40 |
| TOTAL ASSETS | | 2,08,975.37 | 1,73,377.70 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | SOCE | 1,027.82 | 1,027.82 |
| Other Equity | SOCE | 1,81,773.99 | 1,53,313.14 |
| Total Equity | | 1,82,801.81 | 1,54,340.96 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| – Other Financial Liabilities | 11 | 46.25 | 121.80 |
| Deferred Tax Liabilities (Net) | 12 | 9,002.19 | 7,792.74 |
| Other non-current liabilities | 13 | 399.75 | 352.90 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| – Borrowings | 14 | 1,839.89 | 202.49 |
| – Trade Payables | | | |
| (A) total outstanding dues of micro & small enterprises | 15 | 691.21 | 299.62 |
| (B) total outstanding dues otherthan micro & small enterprises | 15 | 10,765.82 | 6,363.49 |
| – Other Financial Liabilities | 11 | 594.32 | 454.65 |
| Other Current Liabilities | 13 | 2,241.75 | 2,248.14 |
| Provisions | 16 | 536.58 | 469.92 |
| Current Tax Liabilities (Net) | | 55.80 | 730.99 |
| Total Liabilities | | 26,173.56 | 19,036.74 |
| TOTAL EQUITY AND LIABILITIES | | 2,08,975.37 | 1,73,377.70 |
| Significant Accounting Policies | 1 | | |

Accompanying Notes are an integral part of these financial statements

This is the Consolidated Balance Sheet referred to in our report of even date

For M.M.Nissim & Co

 Chartered Accountants
 Firm Reg.No. 1107122W/W100672

N.Kashinath

 Partner
 Mem.No.036490
 UDIN: 22036490AIZEIS434

Mumbai, Dated 13th May, 2022

For and on behalf of Board of Directors

Millind Wagh
 Company Secretary

Nand Kishor Goyal
 Chief Financial Officer

Vinod Saraf
 Chairman
 DIN: 00076708

Vinati Saraf Mutreja
 Managing Director & CEO
 DIN: 00079184

Statement of Consolidated Profit and Loss

for the year ended 31 March 2022

(₹ in Lacs)

| Particulars | Note | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|--------|-----------------------------|------------------------------|
| INCOME | | | |
| Revenue from Operations | 17 | 1,61,551.18 | 95,425.81 |
| Other Income | 18 | 6,091.21 | 2,584.43 |
| TOTAL INCOME | | 1,67,642.39 | 98,010.24 |
| EXPENSES | | | |
| Cost of materials consumed | 19 | 85,532.03 | 41,585.56 |
| Purchase of Stock in Trade | | 581.30 | |
| Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 20 | (40.98) | (2,819.64) |
| Employee Benefits expense | 21 | 8,398.54 | 7,264.25 |
| Finance Costs | 22 | 25.87 | 21.19 |
| Depreciation and Amortisation expense | 23 | 4,548.63 | 4,291.45 |
| Other Expenses | 24 | 23,672.06 | 14,143.48 |
| TOTAL EXPENSES | | 1,22,717.45 | 64,486.29 |
| PROFIT BEFORE TAX | | 44,924.94 | 33,523.95 |
| TAX EXPENSE | | | |
| Current Tax | | 10,146.00 | 7,574.33 |
| Deferred Tax | | 1,209.45 | 744.42 |
| Earlier year Adjustments (Refer Note 26(g)) | | (1,092.37) | (1,726.89) |
| TOTAL TAX EXPENSE | | 10,263.08 | 6,591.86 |
| PROFIT FOR THE YEAR | | 34,661.86 | 26,932.09 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to Profit or Loss | | | |
| Remeasurements of Defined benefit plans | | (37.80) | (25.27) |
| Income Tax relating to items that will not be reclassified to Profit or Loss | | 9.51 | 6.36 |
| TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | | (28.29) | (18.91) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 34,633.57 | 26,913.18 |
| EARNINGS PER EQUITY SHARE | 26 (b) | | |
| Basic | | 33.72 | 26.20 |
| Diluted | | 33.72 | 26.20 |
| Significant Accounting Policies | 1 | | |

Accompanying Notes are an integral part of these Financial Statements

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

For M.M.Nissim & Co

Chartered Accountants

Firm Reg.No. 1107122WW100672

N.Kashinath

Partner

Mem.No.036490

UDIN: 22036490AIZEIS434

Mumbai, Dated 13th May, 2022

For and on behalf of Board of Directors

Millind Wagh

Company Secretary

Nand Kishor Goyal

Chief Financial Officer

Vinod Saraf

Chairman

DIN: 00076708

Vinati Saraf Mutreja

Managing Director & CEO

DIN: 00079184

Consolidated Cash Flow Statement

for the year ended 31 March 2022

(₹ in Lacs)

| Particulars | Year Ended 31 March 2022 Audited | Year Ended 31 March 2021 Audited |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| NET PROFIT BEFORE TAX | 44,924.94 | 33,523.95 |
| Adjustment for : | | |
| Depreciation | 4,548.63 | 4,291.45 |
| Unrealised foreign exchange loss/(gain) | (560.56) | (231.60) |
| Finance Cost (including fair value change in financial instruments) | 25.87 | 21.19 |
| Interest Income | (1,366.40) | (210.45) |
| Dividend Income | (31.44) | - |
| Net gains on fair value changes on financial assets classified as FVTPL | (1,072.29) | (630.71) |
| Net gain on sale of Investments classified as FVTPL | (378.12) | (233.43) |
| Remeasurements of Defined benefit plans | (37.80) | (25.27) |
| Loss / (Gain) on Sale / Disposal of Property, Plant and Equipment | (0.80) | (1.82) |
| | 1,127.09 | 2,979.36 |
| OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES | 46,052.03 | 36,503.31 |
| Trade receivables | (17,529.29) | (7,301.07) |
| Other Non Current Financial assets | 46.86 | 102.23 |
| Other Current Financial assets | (291.69) | 205.53 |
| Other Non Current Assets | 14.76 | (49.59) |
| Other Current Assets | (4,398.92) | (712.58) |
| Inventories | (5,421.92) | (2,876.89) |
| Trade Payable | 4,783.39 | 1,084.81 |
| Provisions | 66.66 | 26.27 |
| Other non-current liabilities | 46.85 | 98.87 |
| Other Current Financial Liabilities | 152.09 | 184.16 |
| Other current liabilities | (30.49) | 710.03 |
| | (22,561.70) | (8,528.23) |
| CASH GENERATED FROM OPERATIONS | 23,490.33 | 27,975.08 |
| Direct Taxes paid | (10,813.04) | (6,074.43) |
| NET CASH FROM OPERATING ACTIVITIES | 12,677.29 | 21,900.65 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment | (16,198.74) | (4,933.39) |
| Capital Work in Progress And Capital Advance | (1,189.17) | (3,396.29) |
| Proceeds from sale of Property, Plant and Equipment | 17.68 | 36.38 |
| Purchase of Investments | (4,037.65) | (13,012.20) |
| Proceeds from sale of Investments | 7,553.65 | 10,251.70 |
| Loans (Financial assets) | (12,068.38) | (13,164.36) |
| Deposits/Balances with Banks | 53.07 | 4,027.20 |
| Interest Income | 299.88 | 361.44 |
| Dividend income | 31.44 | - |
| NET CASH USED IN INVESTING ACTIVITIES | (25,538.22) | (19,829.52) |

Consolidated Cash Flow Statement

for the year ended 31 March 2022

(₹ in Lacs)

| Particulars | Year Ended 31 March 2022 Audited | Year Ended 31 March 2021 Audited |
|---|--|--|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| (Repayments) / Proceeds from Working Capital Facilities (Net) | 1,637.40 | 167.84 |
| Non Current Financial Liabilities - Security Deposits | (75.55) | 97.08 |
| Share Issue Expenses | (10.84) | |
| Interest paid | (25.87) | (21.19) |
| Dividend | (6,179.34) | (553.54) |
| NET CASH FROM FINANCING ACTIVITIES | (4,654.20) | (309.81) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (17,515.13) | 1,761.31 |
| CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2021 | 17,619.45 | 15,858.13 |
| - Cash and cash Equivalents | 168.32 | 909.32 |
| `- Highly Liquid Investments | 17,451.13 | 14,948.81 |
| Unrealised Gain / (Loss) on Foreign currency Cash & Cash equivalents | 2.40 | 0.01 |
| CASH AND CASH EQUIVALENTS AS AT 31 March 2022 | 106.72 | 17,619.45 |
| - Cash and cash Equivalents | 95.14 | 168.32 |
| `- Highly Liquid Investments | 11.58 | 17,451.13 |

Notes to Consolidated Cash Flow Statement:

- The above Consolidated Cash Flow Statement has been prepared under the Indirect Method. –
- Reconciliation of Financing Liabilities

| Particulars | 31.03.2022 | 31.03.2021 |
|--|--------------|---------------|
| Opening Balance | 299.57 | 34.65 |
| Cash inflow /(outflow) of current borrowings | 1,637.40 | 167.84 |
| Other changes | (75.55) | 97.08 |
| Changes in unpaid dividend | (12.42) | – |
| Closing Balance | 1,849 | 299.57 |

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

For M.M.Nissim & Co

Chartered Accountants

Firm Reg.No. 1107122W/W100672

N.Kashinath

Partner

Mem.No.036490

UDIN: 22036490AIZEIS5434

Mumbai, Dated 13th May, 2022

For and on behalf of Board of Directors

Millind Wagh

Company Secretary

Nand Kishor Goyal

Chief Financial Officer

Vinod Saraf

Chairman

DIN: 00076708

Vinati Saraf Mutreja

Managing Director & CEO

DIN: 00079184

Consolidated Statement of Changes in Equity (SOCE)

for the year ended 31 March 2022

(₹ in Lacs)

| EQUITY SHARE CAPITAL | As at | As at | As at | As at |
|---|---------------------|---------------------|-----------------|-----------------|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| | Number | Number | Amount | Amount |
| Fully Paid-up Share Capital | 10,27,82,050 | 10,27,82,050 | 1,027.82 | 1,027.82 |
| Balance at the beginning of the reporting year | 10,27,82,050 | 10,27,82,050 | 1,027.82 | 1,027.82 |
| Changes in equity share capital due to prior period errors | - | - | - | - |
| Restated balance as at the beginning of the reporting year | 10,27,82,050 | 10,27,82,050 | 1,027.82 | 1,027.82 |
| Changes in Equity Share Capital during the reporting year | - | - | - | - |
| Balance at the end of the reporting year | 10,27,82,050 | 10,27,82,050 | 1,027.82 | 1,027.82 |

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

The company has one class of equity shares having a par value of Rs.1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

| Shares held by promoters at the end of the year | As at | | % Change during the year | As at | | % Change during the year |
|---|---------------|--------|--------------------------|---------------|--------|--------------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| Promoter Name | No. | % | | No. | % | |
| Vinod Saraf | 1,39,00,582 | 13.52% | NIL | 1,39,00,582 | 13.52% | NIL |
| Kavita Saraf | 1,24,14,456 | 12.08% | NIL | 1,24,14,456 | 12.08% | 0.01% |
| Suchir Chemicals Pvt. Ltd. | 4,75,53,168 | 46.27% | NIL | 4,75,53,168 | 46.27% | NIL |
| Vinati Saraf Mutreja | 12,10,620 | 1.18% | NIL | 12,10,620 | 1.18% | NIL |
| Viral Saraf Mittal | 10,42,366 | 1.01% | NIL | 10,42,366 | 1.01% | NIL |

| Shares in the Company held by each shareholder holding more than five percent shares | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|--------|---------------------|--------|
| | No. | % | No. | % |
| Vinod Saraf | 1,39,00,582 | 13.52% | 1,39,00,582 | 13.52% |
| Kavita Saraf | 1,24,14,456 | 12.08% | 1,24,14,456 | 12.08% |
| Suchir Chemicals Pvt. Ltd. | 4,75,53,168 | 46.27% | 4,75,53,168 | 46.27% |

| OTHER EQUITY | Reserves and Surplus | | | | | | | TOTAL |
|---|----------------------|-----------------|-----------------|----------------------------|--------------------|---|--------------------|-------|
| | Securities Premium | General Reserve | Capital Reserve | Capital Redemption Reserve | Retained Earnings | "Remeasurements of Defined Benefit Plans" | | |
| Balance at the beginning of the comparative reporting year - 1st April 2020 | 636.28 | 5,947.60 | 30.40 | 4.00 | 1,20,488.82 | (194.35) | 1,26,912.75 | |
| Changes in Accounting Policy or Correction of Prior Period Errors | | | | | | | | |
| Restated balance as at 1st April 2020 | 636.28 | 5,947.60 | 30.40 | 4.00 | 1,20,488.82 | (194.35) | 1,26,912.75 | |
| Profit for the Comparative Year ending 31st March 2021 | | | | | 26,932.09 | | 26,932.09 | |
| Other Comprehensive Income for the Current Reporting year ending 31 March 2021* | - | - | - | - | - | (18.91) | (18.91) | |
| Total Comprehensive Income for the Comparative year | - | - | - | - | 26,932.09 | -18.91 | 26,913.18 | |

Consolidated Statement of Changes in Equity (SOCE)

for the year ended 31 March 2022

| OTHER EQUITY | Reserves and Surplus | | | | | | TOTAL |
|---|----------------------|-----------------|-----------------|----------------------------|--------------------|---|--------------------|
| | Securities Premium | General Reserve | Capital Reserve | Capital Redemption Reserve | Retained Earnings | "Remeasurements of Defined Benefit Plans" | |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Elimination of Transaction with subsidiary | | 1.12 | | | | | 1.12 |
| Dividends; | | | | | | (513.91) | (513.91) |
| Balance at the beginning of the reporting year | 636.28 | 5,948.72 | 30.40 | 4.00 | 1,46,907.00 | (213.26) | 1,53,313.14 |
| Changes in Accounting Policy or Correction of Prior Period Errors | | | | | | | |
| Restated balance as at 1st April 2020 | 636.28 | 5,948.72 | 30.40 | 4.00 | 1,46,907.00 | (213.26) | 1,53,313.14 |
| Profit for the reporting year ending 31st March 2022 | | | | | | 34,661.86 | 34,661.86 |
| Other Comprehensive Income for the Current Reporting year ending 31 March 2022* | | | | | | (28.29) | (28.29) |
| Total Comprehensive Income for the Reporting year | | | | | 34,661.86 | -28.29 | 34,633.57 |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Elimination of Transaction with subsidiary | | 5.03 | | | | | 5.03 |
| Share Issue Expenses | | | | | (10.84) | | (10.84) |
| Dividends; | | | | | (6,166.92) | | (6,166.92) |
| Balance at the end of the reporting year ending 31st March 2022 | 636.28 | 5,953.75 | 30.40 | 4.00 | 1,75,391.10 | (241.55) | 1,81,773.99 |

*Loss of Rs 28.29 Lacs and Rs 18.91 Lacs on re-measurement of defined benefit plans (net of tax) is recognised as part of Reserves and Surplus for the year ended 31st March 2022 and 31st March 2021, respectively

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

This is the Consolidated Statement of Equity(SOCE) referred to in our report of even date

For M.M.Nissim & Co

Chartered Accountants

Firm Reg.No. 1107122W/W100672

N.Kashinath

Partner

Mem.No.036490

UDIN: 22036490AIZEIS5434

For and on behalf of Board of Directors

Millind Wagh

Company Secretary

Nand Kishor Goyal

Chief Financial Officer

Vinod Saraf

Chairman

DIN: 00076708

Vinati Saraf Mutreja

Managing Director & CEO

DIN: 00079184

Mumbai, Dated 13th May, 2022

Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 1 : Significant Accounting Policies

A General Information

The consolidated financial statements comprise financial statements of Vinati Organics Limited (the Holding Company) and its subsidiary (collectively, the Group) for the year ended 31 March 2022. The Group is engaged in manufacturing of speciality chemicals.

B Principles of Consolidation

The consolidated financial statements comprise of the financial statements of the Vinati Organics Limited and its wholly owned subsidiary, Veeral Organics Private Limited, incorporated in India, as at 31 March, 2022

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over

the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

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

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

Notes to the Consolidated Financial Statements

as at 31 March 2022

income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

C Basis of preparation of Financial Statements

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

i Statement of Compliance

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

ii Basis of preparation and presentation

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

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

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

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

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

The financial statements of the Group for the Year Ended 31 March 2022 were authorised for issue in accordance with a resolution of the board of directors on 14th May, 2022

iii Major Sources of Estimation Uncertainty

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

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

Property, Plant and Equipment:

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

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Group is required to estimate the value-in-use



Notes to the Consolidated Financial Statements

as at 31 March 2022

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

Impairment of Financial Assets:

The Group impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

Defined Benefit Plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable

markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Income taxes

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

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

C Summary of Significant Accounting Policies

1 Property, Plant and Equipment

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

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

Notes to the Consolidated Financial Statements

as at 31 March 2022

Spares parts procured along with the Plant and Equipment or subsequently individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any gain or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when the asset is derecognised.

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

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

Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates which is in line with the useful life indicated in Schedule II to the Companies Act, 2013 except Plant and Machinery, Lab equipments and Electrical Installations which are depreciated based on

management estimate of the useful life of the assets, and is after considering the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset and anticipated technological changes. Depreciation on all assets is provided on straight line basis.

Depreciation on property plant and equipment added/ disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

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

2 Research and Development Assets

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

3 Intangible Assets

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

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

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

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from



Notes to the Consolidated Financial Statements

as at 31 March 2022

derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

4 Impairment of tangible (PPE) and intangible assets

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

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

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

5 Inventories

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

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

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

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

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

6 Lease

Where the Group is a Lessee -

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

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

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

Notes to the Consolidated Financial Statements

as at 31 March 2022

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

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

Where the Group is a Lessor -

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

7 Government Grants

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

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

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

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

8 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

9 Foreign Currency Transactions

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



Notes to the Consolidated Financial Statements

as at 31 March 2022

10 Share capital and Securities Premium

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

11 Dividend Distribution to equity shareholders

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

12 Statement of Cash Flows and Cash and Cash Equivalents

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

13 Revenue Recognition and Other Income

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

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

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

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

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover discounts to customer as specified in the contract with the customers.

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

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

Use of significant judgements in revenue recognition

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

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

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

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

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

Notes to the Consolidated Financial Statements

as at 31 March 2022

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

14 Borrowing costs

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

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

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

15 Employee Benefits

Short-term Employees Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured

at undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefits

The Group provides the following post-employment benefits:

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

Defined benefits plans

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

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

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

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

Defined Contribution Plans

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



Notes to the Consolidated Financial Statements

as at 31 March 2022

16 Income Taxes

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

Current tax

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

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

17 Earnings per Share:

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

18 Current versus non-current classification

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

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

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

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

Notes to the Consolidated Financial Statements

as at 31 March 2022

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

19 Fair value measurement

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

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

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

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

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

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

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

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

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

20 Financial Instruments

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

a) Financial Assets

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

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

Initial recognition and measurement

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

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

Notes to the Consolidated Financial Statements

as at 31 March 2022

Subsequent measurement

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

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

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

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

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

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

Derecognition

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

Impairment of financial assets

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

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

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

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

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as at 31 March 2022

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

For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Group assesses the credit risk characteristics on instrument-by-instrument basis.

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

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

b) Financial Liabilities

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

Initial recognition and measurement

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

Subsequent measurement

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

Financial Liabilities classified as Amortised Cost

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Derivatives

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value

Notes to the Consolidated Financial Statements

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depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument and is recognised in Other Comprehensive Income (OCI).

D Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) on 23rd March, 2022 through companies (Indian Accounting Standards) Amendment Rules, 2022 has notified the following amendments to IND AS which are applicable on 1st April 2022

Ind AS 16 – Property, Plant and equipment –

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the profit or loss

The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (examples depreciation charge). The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 2 (a) Property, Plant and Equipment

| Particulars | (₹ in Lacs) | | | | | | | Total | |
|--|---------------|------------------|---------------------|------------------------|---------------|------------------|--------------|--------------|--------------------|
| | Freehold Land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | | Air Conditioners |
| At cost as at 31 March 2020 | 26.18 | 23,159.60 | 61,037.23 | 479.91 | 230.07 | 36.11 | 56.52 | 53.05 | 85,078.67 |
| Additions | 87.53 | 948.41 | 3,831.21 | 21.25 | 26.60 | 3.19 | 4.66 | 3.27 | 4,926.12 |
| Disposals/ discarded | | | (42.22) | | (10.98) | | | | (53.20) |
| At cost as at 31 March 2021 | 113.71 | 24,108.01 | 64,826.22 | 501.16 | 245.69 | 39.30 | 61.18 | 56.32 | 89,951.59 |
| Additions | 326.99 | 1,593.44 | 14,072.24 | 8.58 | 71.00 | 0.85 | 36.32 | 2.91 | 16,112.33 |
| Disposals/ discarded | | | (0.33) | | (31.25) | | | (0.31) | (31.89) |
| At cost as at 31 March 2022 | 440.70 | 25,701.45 | 78,898.13 | 509.74 | 285.44 | 40.15 | 97.50 | 58.92 | 1,06,032.03 |
| Depreciation Block | | | | | | | | | |
| Accumulated depreciation / amortisation as at 31 March 2020 | | 1,967.11 | 7,783.97 | 203.01 | 121.68 | 25.64 | 35.73 | 32.09 | 10,169.23 |
| Depreciation / Amortisation for the year | | 698.10 | 3,442.91 | 53.27 | 25.06 | 2.95 | 7.39 | 5.83 | 4,235.51 |
| Disposals/ discarded | | | | | (7.56) | | | | (18.64) |
| Accumulated depreciation / amortisation as at 31 March 2021 | - | 2,665.21 | 11,215.80 | 256.28 | 139.18 | 28.59 | 43.12 | 37.92 | 14,386.10 |
| Depreciation / Amortisation for the year | | 723.86 | 3,648.17 | 51.80 | 26.45 | 3.04 | 9.15 | 4.97 | 4,467.44 |
| Disposals/ discarded | | | | | (15.01) | | | | (15.01) |
| Accumulated depreciation / Amortisation as at the 31 March 2022 | - | 3,389.07 | 14,863.97 | 308.08 | 150.62 | 31.63 | 52.27 | 42.89 | 18,838.53 |
| Net Block | | | | | | | | | |
| As at 31 March 2021 | 113.71 | 21,442.80 | 53,610.42 | 244.88 | 106.51 | 10.71 | 18.06 | 18.40 | 75,565.49 |
| As at 31 March 2022 | 440.70 | 22,312.38 | 64,034.16 | 201.66 | 134.82 | 8.52 | 45.23 | 16.03 | 87,193.50 |

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

| Particulars | (₹ in Lacs) | | Total |
|------------------------------------|-----------------|---------------------|-----------------|
| | Buildings | Plant and equipment | |
| At cost as at 31 March 2020 | 221.75 | 2,875.32 | 3,097.07 |
| Additions | 742.40 | 5,812.18 | 6,554.58 |
| Disposals /adjustments | (742.45) | (3,329.01) | (4,071.46) |
| At cost as at 31 March 2021 | 221.70 | 5,358.49 | 5,580.19 |
| Additions | 3208.61 | 11,968.25 | 15,176.86 |
| Disposals /adjustments | (1,593.44) | (14,016.05) | (15,609.49) |
| At cost as at 31 March 2022 | 1,836.87 | 3,310.69 | 5,147.56 |

Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 2 (c) Intangibles

(₹ in Lacs)

| Particulars | Computer Software | Technical Know How | Total |
|--|-------------------|--------------------|---------------|
| Gross Block | | | |
| At cost as at 31 March 2020 | 116.43 | 453.50 | 569.93 |
| Additions | 7.27 | – | 7.27 |
| Disposals/ discarded | – | – | – |
| At cost as at 31 March 2021 | 123.70 | 453.50 | 577.20 |
| Additions | 36.41 | 50.00 | 86.41 |
| Disposals/ discarded | – | – | – |
| At cost as at 31 March 2022 | 160.11 | 503.50 | 663.61 |
| Depreciation Block | | | |
| Accumulated depreciation / amortisation as at 31 March 2020 | 98.14 | 305.14 | 403.28 |
| Depreciation / Amortisation for the year | 7.77 | 48.17 | 55.94 |
| Disposals/ discarded | – | – | – |
| Accumulated depreciation / amortisation as at 31 March 2021 | 105.91 | 353.31 | 459.22 |
| Depreciation / Amortisation for the year | 8.58 | 72.61 | 81.19 |
| Disposals/ discarded | – | – | – |
| Accumulated depreciation / Amortisation as at the 31 March 2022 | 114.49 | 425.92 | 540.41 |
| Net Block | | | |
| As at 31 March 2021 | 17.79 | 100.19 | 117.98 |
| As at 31 March 2022 | 45.62 | 77.58 | 123.20 |

Notes:

- Title deeds of Freehold Land are held in the name of the Holding Company. Title deeds in respect of Buildings on immovable properties which are constructed on Holding company's Freehold/Leasehold Land is based on documents constituting evidence of legal ownership of the Buildings.
- During the year, the Group has capitalised the following expenses of revenue nature to the cost of Property, Plant and Equipment/ Capital Work-In-Progress;

(₹ in Lacs)

| Particulars | 31-Mar-22 | 31-Mar-21 |
|--------------------------------|--------------|--------------|
| Legal and Professional Charges | 40.34 | 16.25 |
| Travelling Expenses | 0.83 | – |
| Rates & Taxes | 34.35 | 22.39 |
| Insurance Charges | 7.71 | 10.69 |
| | 83.23 | 49.33 |

CWIP aging schedule

As at 31 March 2022

(₹ in Lacs)

| CWIP | Amount in CWIP for a period of | | | | | Total |
|--------------------------------|--------------------------------|-------------------|---------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | |
| Projects in progress | 3135.06 | 838.34 | 869.86 | 73.36 | 6.00 | 4,922.62 |
| Projects temporarily suspended | | | | | 224.94 | 224.94 |
| Total | 3,135.06 | 838.34 | 869.86 | 73.36 | 230.94 | 5,147.56 |

Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 2 (c) Intangibles (Contd..)

As at 31 March 2021

(₹ in Lacs)

| CWIP | Amount in CWIP for a period of | | | | | Total |
|--------------------------------|--------------------------------|------------------|-----------------|---------------|-------------------|-----------------|
| | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| Projects in progress | 2819.74 | 636.39 | 1,190.42 | 700.45 | 8.25 | 5,355.25 |
| Projects temporarily suspended | | | | | 224.94 | 224.94 |
| Total | 2,819.74 | 636.39 | 1,190.42 | 700.45 | 233.19 | 5,580.19 |

Note:

There were no material projects which have exceeded their original planned cost and timelines.

Note 3 : Investments

(₹ in Lacs)

| Particulars | Non Current | | Current | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Fully paid up - Quoted - Non Trade | | | | |
| Equity Shares (at fair value through Profit or Loss) | | | | |
| 0 (P.Y. 3,56,000) Units of Brookfield India Real Estate Investment Trust Limited of Face Value of Rs. 275 each fully paid up | – | 794.59 | | |
| investment Infrastructure Trust (at fair value through Profit or Loss) | | | | |
| 10,82,400(P.Y. 0) Units of Power Grid Infrastructure Investment Trust Limited of Face Value of Rs. 100 each fully paid up | 1,454.53 | | | |
| 3,72,519(P.Y. 0) Units of India Grid Infrastructure Investment Trust of Face Value of Rs. 100 each fully paid up | 550.02 | | | |
| Fully paid up - Unquoted - Non Trade | | | | |
| i) In Mutual Fund Units: (at fair value through Profit or Loss) | | | | |
| Income Plan: Growth Option | 4,328.98 | – | 11.58 | 17,451.13 |
| ii) In ETF (at fair value through Profit or Loss) | 1,432.22 | 3,342.30 | – | – |
| iii) In AIF (at fair value through Profit or Loss) | 509.77 | | | |
| iv) In Non Convertible Debentures: (at fair value through Profit or Loss) | 1,074.18 | 6,638.36 | – | 640.05 |
| Total | 9,349.70 | 10,775.25 | 11.58 | 18,091.18 |
| Aggregate amount of quoted investment and net asset value | 9,349.70 | 10,775.25 | 11.58 | 18,091.18 |

Note 4 : Loans (Unsecured, considered good)

(₹ in Lacs)

| Particulars | Non Current | | Current | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Carried at Amortised cost : | | | | |
| Loans to related parties (refer note 26(d)&(h)) | 25,234.40 | 13,186.40 | | |
| Loans and Advances to employees | | | 28.68 | 8.30 |
| Total | 25,234.40 | 13,186.40 | 28.68 | 8.30 |

Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 5 : Other Financial Assets

(₹ in Lacs)

| Particulars | Non Current | | Current | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Carried at Amortised cost : | | | | |
| Bank deposits with more than 12 months maturity (excludes Interest accrued and due Rs Nil, Previous year Rs Nil) | 142.41 | 12.89 | – | – |
| Others; | | | | |
| Security Deposits | 66.31 | 113.17 | – | – |
| Interest Accrued on Loans and Deposits | – | – | 1,160.33 | 88.78 |
| Export Benefits receivables | – | – | 367.48 | 1,002.97 |
| Others | – | – | 1,213.22 | 286.04 |
| Total | 208.72 | 126.06 | 2,741.03 | 1,377.79 |

Note 6 : Other Assets

(₹ in Lacs)

| Particulars | Non Current | | Current | |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Capital Advances | 3,051.58 | 1,429.78 | | |
| Advances other than capital advances; | | | | |
| Security Deposits | – | – | 869.86 | 534.20 |
| Advances to suppliers | | | 3,326.23 | 1,458.09 |
| Sub Total | 3,051.58 | 1,429.78 | 4,196.09 | 1,992.29 |
| Others | | | | |
| Balance with Statutory authorities | | | 4,608.98 | 2,284.16 |
| Advances recoverable in cash or kind | | | 275.99 | 393.59 |
| Prepaid Expenses | 1,067.18 | 1,081.94 | 108.26 | 120.36 |
| Sub Total | 1,067.18 | 1,081.94 | 4,993.23 | 2,798.11 |
| Total | 4,118.76 | 2,511.72 | 9,189.32 | 4,790.40 |

Note 7 : Inventories

(₹ in Lacs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------|------------------------|------------------------|
| Raw Materials | 2,447.37 | 2,098.01 |
| Raw Materials in transit | 3,850.60 | 1,146.36 |
| Work-in-progress | 3,015.09 | 1,954.00 |
| Finished goods | 2,446.43 | 3,466.55 |
| Stores and spares | 5,856.39 | 3,529.04 |
| Total | 17,615.88 | 12,193.96 |

Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 8 : Trade Receivables

(₹ in Lacs)

| Particulars | As at | |
|--|------------------|------------------|
| | 31 March 2022 | 31 March 2021 |
| Trade receivables | | |
| Secured, Considered good | 3,195.28 | 3,302.31 |
| Unsecured Considered good | 42,642.83 | 24,413.72 |
| Trade Receivables - credit impaired | 110.43 | |
| Less: Allowance for bad and doubtful debts | -110.43 | |
| Total | 45,838.11 | 27,716.03 |

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

Note 9 : CASH AND CASH EQUIVALENTS (as per Cash Flow Statement)

(₹ in Lacs)

| Particulars | As at | |
|-----------------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Balances with Banks | | |
| – In Current accounts | 93.85 | 166.97 |
| Cash on hand | 1.29 | 1.35 |
| Total | 95.14 | 168.32 |

Note 10 : Bank Balances other than Cash and Cash Equivalents

(₹ in Lacs)

| Particulars | As at | |
|---|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Deposits with original maturity of more than 3 months but less than 12 months | 104.88 | 293.13 |
| Others: | | |
| – Unspent CSR Account | 18.08 | – |
| – Unclaimed Dividend Account | 211.52 | 223.94 |
| Total | 334.48 | 517.07 |

Note 11 : Other Financial Liabilities

(₹ in Lacs)

| Particulars | Non Current | | Current | |
|------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Carried at Amortised Cost : | | | | |
| Unclaimed dividends | | | 211.52 | 223.94 |
| Others : | | | | |
| – Security Deposit | 46.25 | 121.80 | | |
| – Employee benefits | | | – | – |
| – Liabilities for expenses | | | 382.80 | 230.71 |
| Total | 46.25 | 121.80 | 594.32 | 454.65 |

Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 12 : Deferred Tax Liabilities - (Net)

| Particulars | (₹ in Lacs) | |
|---|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Deferred Tax Liabilities (Net): | | |
| – Arising on account of difference in carrying amount and tax base of PPE and Intangibles | 8,920.66 | 7,705.95 |
| – Unrealised gain/(loss) on FVTPL debt Mutual Funds and equity instruments | 170.18 | 195.68 |
| Deferred Tax Asset: | | |
| – Accrued Expenses allowable on Actual Payments | (88.65) | (108.89) |
| Total | 9,002.19 | 7,792.74 |

Note 13 : Other Liabilities

| Particulars | (₹ in Lacs) | | | |
|--------------------------|------------------------|------------------------|------------------------|------------------------|
| | Non Current | | Current | |
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Contract Liabilities | | | 82.60 | 47.73 |
| Others; | | | | |
| Retention Money | 399.75 | 352.90 | 147.37 | 128.62 |
| Statutory Dues | – | – | 432.05 | 419.34 |
| Liabilities for expenses | – | – | 1,567.10 | 1,649.14 |
| Others | | | 12.63 | 3.31 |
| Total | 399.75 | 352.90 | 2,241.75 | 2,248.14 |

During the year ended 31 March 2022, the Group recognised revenue of Rs. 47.73 Lacs (Previous year Rs. 93.14 Lacs) arising from opening unearned revenue (contract liabilities).

Movement of contract liabilities is as under ;

| Particulars | (₹ in Lacs) | |
|---|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| As at beginning of the year | 47.73 | 93.14 |
| Recognised as revenue from contracts with customers | (10,324.81) | (6,731.55) |
| Advance from customers received during the year | 10,359.68 | 6,686.14 |
| Balance at the close of the year | 82.60 | 47.73 |

Note 14 : Borrowings

| Particulars | (₹ in Lacs) | |
|---------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| CURRENT | | |
| Secured | | |
| Loans repayable on demand | | |
| – from banks | 1,839.89 | 202.49 |
| Total | 1,839.89 | 202.49 |

Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 14 : Borrowings (Contd..)

Nature of Borrowings

| Working Capital Advances from Banks | Interest rate |
|---|---|
| Loans repayable on demand is secured by hypothecation of inventories, all the present and future book debts and other receivables, first charge on all present and future Property, Plant And Equipment at Mahad Works and residential building at Mahad and second charge on all property, plant And equipment situated at Lote Works. | Rupee Loan carries interest ranging from 5.00% to 7.10% (Previous Year 7.10% to 8.20%.) |

Note 15 : Trade Payables

(₹ in Lacs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Outstanding due of Micro and Small Enterprises | 691.21 | 299.62 |
| Outstanding due of Creditors other than Micro and Small Enterprises | 10,765.82 | 6,363.49 |
| Total | 11,457.03 | 6,663.11 |
| Of the above; | | |
| – Acceptances | 317.42 | 395.32 |

Note 16 : Provisions

(₹ in Lacs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------|------------------------|------------------------|
| Provision for employee benefits | 536.58 | 469.92 |
| Total | 536.58 | 469.92 |

Note 17 : Revenue from Operations

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|--------------------------------|-----------------------------|------------------------------|
| Sale Of Products | 1,61,263.31 | 94,218.06 |
| Other Operating Revenues: | | |
| Export Incentives | 118.91 | 1,132.51 |
| Scrap Sales | 168.96 | 75.24 |
| Revenue from operations | 1,61,551.18 | 95,425.81 |

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

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

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|-----------------------------|------------------------------|
| Gross Sales (Contracted Price) | 1,74,579.91 | 99,188.10 |
| Reductions towards variable consideration (Turnover discount, Other Expenses) | (13,316.60) | (4,970.04) |
| Revenue recognised | 1,61,263.31 | 94,218.06 |

Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 17 : Revenue from Operations (Contd..)

Note 18 : Other Income

| Particulars | (₹ in Lacs) | |
|---|-----------------------------|------------------------------|
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Interest Income | 1,366.40 | 211.57 |
| Dividend Income from Non Current Investment | 31.44 | – |
| Net gain on sale of Investments classified as FVTPL | 695.24 | 775.72 |
| Net gains on fair value changes on financial assets classified as FVTPL | 1,072.31 | 1,084.52 |
| Gain on Foreign Exchange Translations | 2,744.05 | 408.80 |
| Other Non-Operating Income; | | |
| Miscellaneous Income | 181.77 | 103.82 |
| Total | 6,091.21 | 2,584.43 |

Net gains (losses) on fair value changes

| Particulars | (₹ in Lacs) | |
|---|-----------------------------|------------------------------|
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Debt Mutual Fund Investments designated at FVTPL | 0.01 | 453.81 |
| Debt Investments designated at FVTPL | 690.40 | 820.21 |
| Other Financial Instruments classified at FVTPL | 381.90 | (189.50) |
| Total Net gains (Losses) on fair value changes | 1,072.31 | 1,084.52 |

Note 19 : Cost of Materials consumed

| Particulars | (₹ in Lacs) | |
|--------------------------------|-----------------------------|------------------------------|
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Opening Stock of Raw Materials | 3,244.37 | 2,760.42 |
| Purchases during the year | 88,585.62 | 42,069.51 |
| Closing Stock of Raw Materials | (6,297.96) | (3,244.37) |
| Total | 85,532.03 | 41,585.56 |

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

| Particulars | (₹ in Lacs) | |
|-----------------------------|-----------------------------|------------------------------|
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Closing Stock: | | |
| Finished Goods | 2,446.43 | 3,466.55 |
| Work-in-Progress | 3,015.09 | 1,953.99 |
| | 5,461.52 | 5,420.54 |
| Less: Opening Stock: | | |
| Finished Goods | 3,466.55 | 1,537.21 |
| Work-in-Progress | 1,953.99 | 1,063.69 |
| | 5,420.54 | 2,600.90 |
| Total | (40.98) | (2,819.64) |

Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 21 : Employee Benefits Expense

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|-----------------------------|------------------------------|
| Salaries and Wages | 7,453.37 | 6,501.01 |
| Contribution to provident, gratuity and other funds | 679.80 | 586.10 |
| Staff welfare expenses | 265.37 | 177.14 |
| Total | 8,398.54 | 7,264.25 |

Note 22 : Finance Costs

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|--|-----------------------------|------------------------------|
| Interest on Working Capital Facilities | 25.87 | 8.89 |
| Other Borrowing Costs; | | |
| Unwinding of discount | – | 12.30 |
| | 25.87 | 21.19 |

Note 23 : Depreciation and Amortisation expense

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|-----------------------------|------------------------------|
| Depreciation on Property, Plant And Equipment | 4,467.44 | 4,235.51 |
| Amortisation on Intangible Assets | 81.19 | 55.94 |
| | 4,548.63 | 4,291.45 |

Note 24 : Other Expenses

(₹ in Lacs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|----------------------------|-----------------------------|------------------------------|
| Stores and Spares Consumed | 5,355.50 | 3,063.83 |
| Power and Fuel | 11,745.49 | 6,105.42 |
| Processing Expenses | 2,274.94 | 1,536.45 |
| Rent | 16.89 | 16.16 |
| Rates and Taxes | 113.58 | 92.44 |
| Insurance | 414.96 | 443.04 |
| Printing and Stationery | 30.35 | 21.61 |
| Water Charges | 280.48 | 232.12 |
| Repairs and Renewals: | | |
| Buildings | 141.82 | 102.00 |
| Plant and Machinery | 684.75 | 496.00 |
| Other Assets | 89.92 | 68.18 |
| Travelling and Conveyance | 283.73 | 229.24 |



Notes to the Consolidated Financial Statements

as at 31 March 2022

| Particulars | (₹ in Lacs) | |
|--|-----------------------------|------------------------------|
| | Year ended 31 March 2022 | Year ended 31 March, 2021 |
| Communication Expenses | 24.33 | 26.84 |
| Corporate Social Responsibility Expenses | 790.20 | 702.22 |
| Provision for Doubtful Debts | 110.43 | – |
| Vehicle Expenses | 58.73 | 55.98 |
| Auditors' Remuneration: | | |
| As Auditors: | | |
| Audit fee | 8.75 | 7.75 |
| Other Services | 2.00 | 2.00 |
| | 10.75 | 9.75 |
| Cost Auditors Remuneration: | | |
| Audit fee | 0.60 | 0.60 |
| Directors' Fees | 16.25 | 13.50 |
| Directors' Travelling Expenses | 0.60 | 0.07 |
| Security Expenses | 205.56 | 163.82 |
| Commission | 189.69 | 244.06 |
| Bank Charges | 139.35 | 73.63 |
| Miscellaneous Expenses | 693.16 | 446.52 |
| Total | 23,672.06 | 14,143.48 |

Note 25

A. Capital Management

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

As at 31 March, 2022, the Group has only one class of equity shares and has no long term debt. Consequent to such capital structure, there are no externally imposed capital requirements. The Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

B. Financial Risk Management

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Group. The principal financial assets include trade and other receivables, investments in mutual funds and cash and short term deposits.

The Group has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i) Market Risk

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

Interest Rate Risks

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

Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 25 (Contd..)

If the interest rates had been 1% higher / lower and all other variables held constant, the Group's profit for the year ended 31 March 2022 would have been decreased/increased by Rs. 18.40 Lacs. (PY 2020-21 : Rs 2.02 Lacs)

Foreign Currency Risks

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

| Unhedged Short Term Exposures : | | Amount (In Million) | | (Rupees in Lacs) | |
|---------------------------------|------|---------------------|-----------|------------------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 |
| Financial Assets | USD | 33.75 | 24.11 | 25,551.52 | 17,633.11 |
| | EURO | 1.43 | 0.74 | 1,206.37 | 636.21 |
| Financial Liabilities | USD | 2.83 | 2.56 | 2,146.35 | 1,873.79 |
| | EURO | 0.02 | 0.00 | 14.02 | 3.74 |
| Net exposure | USD | 30.92 | 21.55 | 23,405.17 | 15,759.32 |
| | EURO | 1.42 | 0.74 | 1,192.35 | 632.47 |

The Group is mainly exposed to changes in US Dollar. The sensitivity to a 1% increase or decrease in US Dollar against INR with all other variables held constant will be Rs. 234.05 Lacs (Previous Year - Rs. 157.59 Lacs)

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

Derivatives - Forward Contracts

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

The outstanding position and exposures are as under :

| | Currency | Amount (In Million) | Rupees Lacs | Nature | Cross Currency |
|----------------------------|----------|------------------------|-------------|--------------|-------------------|
| Forward Contract (2021-22) | USD | 7.75 | 5,904.87 | Export Sales | INR |
| Forward Contract (2020-21) | USD | - | - | - | - |

Price Risks

More than two-third of the Group's revenues are generated from exports and the raw materials are procured through import and local purchases where local purchases track import parity price. The Group is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Group enters into contract with the customers that has provision to pass on the change in the raw material prices and also the volatility in the exchange rate. The Group has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The Group is exposed to price risk due to its investments in debt instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Group manages the securities price risk through investments in debt funds and diversification by placing limits on individual and total investments. Reports on Investment Portfolio are reviewed on regular basis and all approvals of investment decisions are done in concurrence with the senior management.



Notes to the Consolidated Financial Statements

as at 31 March 2022

Note 25 (Contd..)

As at 31st March 2022 the investments in mutual funds/Debt Instruments/ETF/Equity Shares amounts to Rs 9,361.28 Lacs (PY 2020-21 : Rs. Rs 28,866.43 Lacs Lacs). A 1% point increase or decrease in the NAV with all other variables held constant would have lead to approximately an additional Rs 93.61 Lacs (PY 2020-21 : Rs. 288.66 Lacs) on either side in the statement of profit and loss.

ii) Credit Risk

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

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group also has an external credit risk insurance cover with ECGC Policy. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31 March 2022 is 0.16% (PY 2020-21: 0.45%) of the total trade receivables. The Group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain. Historical experience of collecting receivables of the Group is supported by low level of past default and hence the credit risk is perceived to be low

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

iii) Liquidity Risk

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

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

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted

| Particulars | Refer Note | ₹ in Lacs) | |
|---|------------|-------------------------|-------------------|
| | | Less than 1 year | More than 1 Year |
| Borrowings | 14 | 1,839.89 (202.49) | |
| Trade Payable | 15 | 11,457.03 (6,663.11) | |
| Other Non Current Financial Liabilities | 11 | | 46.25 (121.80) |
| Liabilities for Expenses | 11 | 382.80 (230.71) | |
| Unclaimed dividends | 11 | 211.52 (223.94) | |

Figures in brackets are in respect of Previous year

Notes to the Consolidated Financial Statements

as at 31 March 2022

NOTE 26 : ADDITIONAL/EXPLANATORY INFORMATION

a) The Notes to these consolidated Ind AS financial statements are disclosed to the extent relevant and material for presenting a true and fair view of the consolidated Ind AS financial statements based on section 129(4) of The Companies Act, 2013 and as clarified vide Circular No.39/2014 dated 14th October,2014.

b) Earnings Per Share

| Particulars | | Year ended 31 March 2022 | Year ended 31 March, 2021 |
|---|----------|-----------------------------|------------------------------|
| Profit after taxation | Rs. Lacs | 34,661.86 | 26,932.09 |
| Weighter Average Number of equity shares (Face Value Rs. 1/-) | Nos. | 10,27,82,050 | 10,27,82,050 |
| Earnings per share | Rs. | 33.72 | 26.20 |

c) Consolidated Employee benefit disclosures are not materially different from the employee benefit disclosures of the standalone Ind AS financial statements of the Company.

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

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

| | |
|---|---|
| Key Management Personnel: | i) Mr. Vinod Saraf - Chairman |
| | ii) Mrs. Vinati Saraf Mutreja - Managing Director and CEO |
| | iii) Mr. Jayesh Ashar - Director - Operations |
| | iv) Mrs. Viral Saraf Mittal - Director CSR |
| | v) N. K. Goyal - Chief Financial Officer (CFO) |
| | vi) Milind Wagh - Company Secretary |
| Relatives of Key Management Personnel: | i) Mr. Sunil Saraf - Brother of Mr. Vinod Saraf |
| | ii) Kavita Saraf - Wife of Mr. Vinod Saraf |
| Enterprise owned or significantly influenced by any key management personnel or their relatives | i) Viral Alkalis Limited |
| | ii) Suchir Chemicals Private Ltd. |
| | iii) Veeral Additives Pvt. Ltd. |
| Other Related Parties | i) Vinati Oragnics Limited - Group Gratuity Trust |
| | ii) Mrs. Kavita Vinod Saraf Foundation |

(b) Transactions with related parties (excluding reimbursements)

Nature of Transactions

| Particulars | (₹ in Lacs) | | | |
|---|--|------------------------------------|--|------------------------------------|
| | Transactions for the year 31-Mar-22 | Closing balance as on 31-Mar 22 | Transactions for the year 31-Mar-21 | Closing balance as on 31-Mar 21 |
| i) Key Management Personnel: | | | | |
| Managerial Remuneration (Short Term Employee Benefits)* | | | | |
| Directors | 515.92 | | 381.37 | |
| CFO | 90.88 | | 79.49 | |
| Company Secretary | 34.63 | | 30.46 | |
| Dividend paid during the year | | | | |

Notes to the Consolidated Financial Statements

as at 31 March 2022

NOTE 26 : ADDITIONAL/EXPLANATORY INFORMATION (Contd..)

| Particulars | (₹ in Lacs) | | | |
|---|-------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| | Transactions for the year 31-Mar-22 | Closing balance as on 31-Mar 22 | Transactions for the year 31-Mar-21 | Closing balance as on 31-Mar 21 |
| Vinod Saraf | 834.03 | | 64.29 | |
| Vinati Saraf Mutreja | 72.64 | | 5.60 | |
| Viral Saraf Mittal | 62.54 | | 4.82 | |
| ii) Relatives of Key Management Personnel: | | | | |
| Sitting Fees | | | | |
| Mr. Sunil Saraf | | | 1.50 | |
| Dividend paid during the year | | | | |
| Kavita Saraf | 744.87 | | 57.42 | |
| iii) Enterprise owned or significantly influenced by any management personnel or their relatives | | | | |
| Sales - Viral Alkalis Ltd | 1.49 | | 4.57 | 0.08 |
| Purchase - Viral Alkalis Ltd | 128.61 | | 677.88 | 111.44 |
| Rent of Immovable property-Viral Alkalis Ltd | 4.80 | 5.80 | | |
| Sales - Veeral Additives Pvt. Ltd. | 1,635.53 | 618.39 | 1,088.15 | 157.28 |
| Purchase - Veeral Additives Pvt. Ltd. | 25.31 | 0.23 | 98.61 | |
| Rent of Immovable property- Veeral Additives Pvt. Ltd. | 5.40 | | 4.80 | |
| Interest Income - Veeral Additives Pvt. Ltd. | 1,203.78 | 1,153.59 | 75.87 | 75.87 |
| Loan given to - Veeral Additives Pvt. Ltd. | 12,048.00 | 25,234.40 | 13,186.40 | 13,186.40 |
| Dividend Payment - Suchir Chemicals Private Ltd | 2,853.19 | | 219.93 | |
| iv) Other Related Parties | | | | |
| Contributions paid | 155.84 | | 164.58 | |
| Contributions payable | | 184.34 | | 155.39 |
| CSR paid | 40.46 | | | |

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

c) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) Commitment

- (i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for Rs. 6682.40 Lacs (Previous Year Rs. 8440.95 Lacs).
- (ii) Other Commitments
 - a Bank Guarantees - Rs. 1921.84 Lacs (Previous Year - Rs. 860.34 Lacs).
 - b Letters of Credit issued by the Banks - Rs. 762.72 Lacs (Previous Year - Rs. 4458.70 Lacs).

Notes to the Consolidated Financial Statements

as at 31 March 2022

NOTE 26 : ADDITIONAL/EXPLANATORY INFORMATION (Contd..)

f) Contingent Liabilities not provided for:

- (a) Disputed Excise/Customs Duty/Service tax demands pending before the Appellate Authorities/High Court - Rs. 49.32 Lacs (Previous Year Rs. 49.32 Lacs) against which payment of Rs. 1.88 lacs (Previous Year Rs. 1.88 lacs) has been made.
- (b) Disputed Income Tax Demands - Rs.0.86 Lacs ((Previous Year Rs. 3.48 Lacs).
- (c) Disputed demand by The Tahasildar, Mahad for Royalty and Penalty on Sand/Metal of Rs.23.25 Lacs (Previous Year Rs.23.25 Lacs). The Holding Company had filed the Appeal to The Additional Commissioner,Kokan Division against demand of Rs.2.02 Lacs and appeal for Balance amount of Rs.21.23 Lacs to Minister of Revenue. The Holding Company is hopeful for the demand likely to be waived off against which payment of Rs. 6.99 Lacs (Previous Year - Rs. 6.99 Lacs) has been made.
- (d) Delayed Payment Charges (DPC) of Water bill demanded by MIDC, Mahad for Plot No. B-5/6 Rs.14.39 Lacs (Previous Year Rs.14.39 Lacs). The Holding Company requested MIDC to waive the DPC and hopeful to be waived off.
- g) Income tax adjustments for earlier years represent accrued tax benefits based on judicial pronouncement (net off Rs. 562.72 Lacs towards additional tax liability) amounting to Rs. 1092.37 (P. Y. Rs. 1726.89 Lacs for accrued tax benefits) for year ended on March 2022.
- h) i) The Board of Directors of the Holding Company have approved a scheme of amalgamation of Veeral Additives Private Limited into Vinati Organics Limited in their meeting held on February 2, 2021. The scheme provides April 1, 2021 as appointed date. Pending approval of the Scheme, no effect has been given to the Scheme in preparing accounts of the year ended March 31, 2022
- ii) This is to facilitate forward integration to the existing product lines of the Group. To expedite the completion of the project in time, and to avoid delays in the execution due to ongoing pandemic, the Holding Company has advanced loans of Rs. 12,048 (P.Y. Rs. 13186.40 Lacs) Lacs to the proposed amalgamating company with a reference made in the scheme that Veeral Additives Private Limited will conduct all activities as trustees for the Holding Company. Approval of the shareholders is sought in the ensuing general meeting”

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

(₹ in Lacs)

| Particulars | Purpose | Amount outstanding | | Maximum outstanding during the year | |
|----------------------------------|---------------------|--------------------|-----------|-------------------------------------|-----------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Other Parties | | | | | |
| Veeral Additives Private Limited | Capital Expenditure | 25,234.40 | 13,186.40 | 25,234.40 | 13,186.40 |

Notes:

- i) Loans given to employees as per the policy of the Group are not considered.
- ii) The loanees did not hold any shares in the share capital of the Holding Company.

Notes to the Consolidated Financial Statements

as at 31 March 2022

NOTE 26 : ADDITIONAL/EXPLANATORY INFORMATION (Contd..)

- j) (i) Additional information on Net Assets and Share of Profit as at 31st March, 2022

(₹ in Lacs)

| Name of Entity | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in Other comprehensive Income (OCI) | |
|---------------------------|--|-------------------|-------------------------|-------------------|---|-------------------|
| | As % of consolidated net assets | Amount (Rs. Lacs) | As % of net Profit | Amount (Rs. Lacs) | As a % of OCI | Amount (Rs. Lacs) |
| Parent | | | | | | |
| – Vinati Ogranics Limited | 100.01% | 1,82,813.71 | 100.02% | 34,667.51 | 100% | (28.29) |
| Subsidiaries | | | | | | |
| Indian | | | | | | |
| Veeral Organics Limited | 0.46% | 840.09 | 0.00% | -0.63 | 0% | - |

k) Events Occuring after the Balance Sheet date

The proposed final dividend for FY 2021-22 amounting to Rs. 6,680.83 Lacs (PY 2020-21 : 6,166.92 Lacs) will be recognised as distribution to owners during the financial year 2021-22 on its approval by Shareholders. The proposed final dividend per share amounts to Rs. 6.50/- (PY 2020-21 : Rs. 6/-)

- l) Previous year's figures have been re-grouped/re-classified to confirm to the requirements of the amended schedule III to the Companies Act, 2013 effective 01st, April 2021.

For M.M.Nissim & Co

Chartered Accountants
Firm Reg.No. 1107122W/W100672

N.Kashinath

Partner
Mem.No.036490
UDIN: 22036490AIZEIS5434

Mumbai, Dated 13th May, 2022

For and on behalf of Board of Directors

Millind Wagh

Company Secretary

Nand Kishor Goyal

Chief Financial Officer

Vinod Saraf

Chairman
DIN: 00076708

Vinati Saraf Mutreja

Managing Director & CEO
DIN: 00079184

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

(Information in respect of each subsidiary to be presented with amounts in ₹)

| Sr. No. | Particulars | Details |
|---------|---|---------------------------|
| 1. | Name of the subsidiary | Veeral Organics Pvt. Ltd. |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A. |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A. |
| 4. | Share capital | 4,27,00,000 |
| 5. | Reserves & surplus | -11,91,459 |
| 6. | Total assets | 8,71,95,413 |
| 7. | Total Liabilities | 31,86,872 |
| 8. | Investments | - |
| 9. | Turnover | - |
| 10. | Profit before taxation | -62960 |
| 11. | Provision for taxation | - |
| 12. | Profit after taxation | -62960 |
| 13. | Proposed Dividend | - |
| 14. | % of shareholding | 100% |

For and on behalf of Board of Directors

Vinod Saraf

Chairman

DIN: 00076708

Vinati Saraf Mutreja

Managing Director & CEO

DIN: 00079184

Nand Kishor Goyal

Chief Financial Officer

Millind Wagh

Company Secretary

Membership No: FCS 7125

Place: Mumbai

Date : 14.05.2022

NOTICE

NOTICE is hereby given that the THIRTY-THIRD Annual General Meeting (AGM) of the Members of VINATI ORGANICS LIMITED ("the Company") will be held on Wednesday, September 14, 2022 at 11 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Audited Standalone and Consolidated Financial Statements.

To consider and adopt:

- a. The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
- b. The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.

2. Declaration of Dividend.

To declare a final dividend of ₹6.50 per equity share of the face value of ₹ 1/- each for the financial year 2021-22.

3. Appointment of Mr. Jayesh Ashar as Director, liable to retire by rotation.

To appoint a Director in place of Mr. Jayesh Ashar (DIN: 00041532) who retires by rotation at this meeting and being eligible, offers himself for re-appointment in terms of Section 152(6) of the Companies Act, 2013.

4. Re-appointment of M M Nissim & Co. LLP, Chartered Accountants as the statutory auditor of the Company and fix their remuneration.

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

"RESOLVED THAT pursuant to provisions of sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and other applicable rules, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company,

M M Nissim & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. ICAI/FRN/107122W/W100672), be and are hereby re-appointed as the Statutory Auditors of the Company for the second term of 5 (five) consecutive years, who shall hold office from the conclusion of this 33rd Annual General Meeting until the conclusion of the 38th Annual General Meeting of the Company to be held in the year 2027, on such terms and conditions including remuneration as shall be mutually decided between M M Nissim & Co. LLP and the Board of Directors of the Company (including its committees thereof)."

"RESOLVED FURTHER THAT the Board of Directors of the Company, (including its committees thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

SPECIAL BUSINESS:

5. Ratification of the remuneration of the Cost Auditors for the financial year 2022-23.

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

"RESOLVED THAT in accordance with the provisions of Section 148 of the Companies Act, 2013 ('the Act') and other applicable provisions, if any, of the Act, read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the remuneration of ₹ 60,000/- (Rupees Sixty Thousands only) plus out-of-pocket expenses if any, payable to M/s. N. Ritesh & Associates, Cost Accountants (Firm's Registration No. 100675) who have been appointed by the Board of Directors as the Cost Auditors of the Company, based on the recommendation of the Audit Committee to conduct the audit of the cost records of the Company, for the Financial Year 2022-23."

"RESOLVED FURTHER THAT the Board of Directors of the Company, (including its committees thereof), be and are hereby authorized to do all such acts, deeds, matters and things as

may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

6. **Approval for loan given/ to be given to Veeral Additives Private Limited (VAPL) under section 185 of the Company's Act, 2013:**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board"), which term shall be deemed to include, unless the context otherwise requires, any Committee of the Board or any Director(s) or Officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) for Loan given /to be given to, Veeral Additives Private Limited (VAPL), entity in which Promoter Directors of the Company are deemed to be interested (collectively referred to as the "Entities"), up to a sum not exceeding ₹350 Crore [Rupees Three Hundred and Fifty Crore only] at any point in time, in its absolute discretion in the best interest of the Company."

"**RESOLVED FURTHER THAT** the powers be delegated to the Board of the Company and the Board is hereby authorised to negotiate, finalise & agree the terms and conditions of the aforesaid loan and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds/documents/undertakings/agreements/papers/writings for giving effect to this Resolution."

7. **Approval of Material Related Party Transaction(s) entered with Veeral Additives Private Limited during Financial year 2021-2022:**

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

"**RESOLVED THAT** pursuant to the Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party Transaction(s), approval of Members be and are hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Veeral Additives Private Limited a related party within the meaning of Section 2(76) of the Companies Act 2013 and Regulation 2(1) (zb) of the Listing Regulations, for the Loans given and other related party transactions entered with Veeral Additives Pvt. Ltd., on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹ 159 Crore [Rupees One Hundred and Fifty Nine Crore only], at arm's length basis and in ordinary course of business."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid Resolution."

8. **Approval of Material Related Party Transaction(s) to be entered into with Veeral Additives Private Limited for the Financial Year 2022-2023:**

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

"**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s) and any other applicable laws/ statutory provisions, if any,(including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) the approval of the Members of the Company be and is hereby accorded to the Material Related Party Transaction(s) to be entered into with Veeral Additives Private Limited (VAPL), for the Financial Year 2022-2023 for a value of ₹ 500 Crore [Rupees Five Hundred Crore only] and that the Board of Directors of the Company be and is hereby authorised to perform and execute all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all

such steps as may be required and also to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to take such

steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

Registered Office:

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

Mumbai, 14th May, 2022

By order of the Board of Directors

Milind A Wagh

Company Secretary
Membership No. FCS 7125

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19 also with reference to Ministry’s General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No.02/2022 dated May 05, 2022 in relation to “Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue read with Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD2/CIR /P/2022/62 dated May 13, 2022 to provide “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (referred to as “SEBI Circular”) for dispensation from requirements of sending hard copy of annual reports to shareholders. Hence, in compliance with the MCA Circulars and SEBI Circular, companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
 2. The relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
 3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 33rd AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
 4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the 33rd AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to vkmassociates@yahoo.com with a copy marked to evoting@nsdl.co.in.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, September 8, 2022 to Wednesday, September 14, 2022, (both days inclusive). Members are requested to intimate to the Corporate Office situated at Parinee Crescenzo, 1102, A Wing, 11th Floor, “G” Block, Plot No. C38 & C39, Behind MCA, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra the changes, if any, in their registered addresses, quoting their Folio Numbers/ or their client ID number with DP ID number, as the case may be. Non-resident Indian Members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:
- (a) the change in residential status on return to India for permanent settlement.

- (b) the particulars of the NRE Account with a Bank in India, if not furnished earlier.

Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same through the prescribed nomination form which can be obtained from the Company's share department situated at Parinee Crescenzo, 1102, A Wing, 11th Floor, "G" Block, Plot No. C38 & C39, Behind MCA, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra.
6. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business in respect of Item Nos. 4 and 8 mentioned in the above Notice is annexed hereto.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available electronically for inspection by the Members during the AGM and all other documents referred to in the Notice and Explanatory Statements, will be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members can inspect the same by sending an email to shares@vinatiorganics.com.
8. Dispatch of Annual Report through Electronic Mode:
In compliance with the MCA Circulars and SEBI Circular, notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.vinatiorganics.com, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
9. Registrars and Transfer Agents:
The Company has appointed M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 as the Registrars and Transfer Agents ("R&TA") for all aspects of investor servicing relating to shares.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/

mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

- a. For shares held in electronic form: to their Depository Participants (DPs)
 - b. For shares held in physical form: the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters to all physical shareholders for furnishing the required details.
11. Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://www.vinatiorganics.com/> and on the website of the Company's Registrar and Transfer Agents (RTA), Link Intime India Pvt. Ltd. at <https://linkintime.co.in/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
 12. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd for assistance in this regard.
 13. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before September 10, 2022, through email on shares@vinatiorganics.com. The same will be replied by the Company suitably.
 14. In case of joint holders, the shareholder whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
 15. The Company's securities are listed at the BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra

and The National Stock Exchange of India Ltd., Exchange Plaza, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra. The Annual Listing Fees as prescribed has been paid to the above Stock Exchanges.

16. Pursuant to Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and therefore the Company is required to deduct tax at source/withhold tax from dividend to be paid to shareholders at the prescribed rates.

For the prescribed rates for various categories, the shareholders are requested to refer to the provisions in the Income Tax Act, 1961 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in demat mode). The voting rights on the shares outstanding in the suspense account as on March 31, 2022 shall remain frozen till the rightful owner of such shares claims the shares.

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source to Link Intime India Private Limited, the Company's RTA at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or by email to vinatidivtax@linkintime.co.in by Friday, September 2, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of as applicable.

Non-resident shareholders (including Foreign Institutional Investors -FII/ Foreign Portfolio Investors – FPIs) can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the same at <https://linkintime.co.in/formsreg/submissionof-form-15g-15h.html> or sending the same by email to vinatidivtax@linkintime.co.in. Therefore said declarations and documents need to be submitted by the shareholders by Friday, September 2, 2022.

The formats of declarations, are available on the Company's website at <https://vinatiorganics.com/other-information/>

17. Notice is being issued pursuant to the provisions of the Investor Education and protection fund Authority (Accounting, Audit, Transfer and refund) rules, 2016 ("the IEPF Rules") and any statutory amendments, modification etc. made and the notifications, circulars issued thereunder for the time being in force.

As per the said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which no dividend has been claimed by the shareholders for a consecutive period

of seven years or more to the DEMAT account of Investor Education and Protection Fund ("IEPF") Authority.

Adhering to various requirements set out in the IEPF Rules, the company has communicated individually to the shareholders whose shares are liable to be transferred to IEPF, Also, complete details of such shareholders has been uploaded on the Company's website at www.vinatiorganics.com.

Shareholders must note that both the unclaimed dividend and shares transferred to IEPF Authority including all benefits on such shares, if any can be claimed back by them from IEPF authority after following the due procedure prescribed under these rules.

As the Company did not receive any communication from the concerned shareholders by 12.09.2021, the Company with a view to adhering with the requirements of the Rules, transfer the shares to the IEPF suspense account by the due date as per the procedure set out in the Rules transferred 53084 equity shares to Investor Education and Protection Fund Authority, Ministry of Corporate Affairs on 21.09.2021 the details of shares transferred are as under:

| Shares held in : | Number of records | Number of shares (Quantity) |
|------------------|-------------------|-----------------------------|
| CDSL | 02 | 7500 |
| NSDL | 04 | 3084 |
| Physical | 29 | 42500 |
| TOTAL | 35 | 53084 |

For any queries on the above matter, shareholders are requested to contact the Company's Registrar and Share Transfer Agents: M/s. Link Intime India Pvt. Ltd. Unit: Vinati Organics Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083 Phone: 022- 49186270, Email: rnt.helpdesk@linkintime.co.in

18. Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended, dividend for the Financial Year 2014-2015, which remain unpaid or unclaimed for a period of 7 years and the dividends to be declared for the subsequent years, if any, will be transferred to the IEPF Fund. Shareholders who have so far not encashed/claimed the dividend warrant(s) for the financial year 2014-2015 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 10.09.2022, 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.
19. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular No. 17/2012 dated July 23, 2012 has directed companies to upload on the company's website information regarding unpaid and unclaimed dividend.

Pursuant to the said IEPF Rules, the Company has uploaded the details of unpaid and unclaimed dividend on its website at www.vinatiorganics.com.

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

20. The Dividend on the Equity Share as recommended by the Board of Directors is 650% on the share capital of the Company i.e. ₹ 6.50 per Equity Share of face value of ₹ 1/- each for the FY ended March 31, 2022, if declared at the meeting, will be made payable on or after Friday, September 16, 2022 to those members whose names appears on the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on Wednesday, September 07, 2022.

- a. Members are advised to avail of the facility for receipt of dividend through Electronic Clearing Service (ECS). The ECS facility is available at specified locations. Members holding shares in electronic form are requested to contact their respective DPs for availing ECS facility. Members holding shares in physical form are requested to download the ECS form from the website of the Company viz. www.vinatiorganics.com and the same duly filled up and signed along with a photocopy of a cancelled cheque may be sent to the Company or to its R&TA.
- b. Members who hold shares in electronic form and want to change/correct the bank account details should send the same immediately to their concerned DP and not to the Company. Members are also requested to give the MICR Code of their bank to their DPs. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered, as will be furnished by NSDL/CDSL to the Company.
- c. The Securities and Exchange Board of India (SEBI) vide its Circular dated March 21, 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

21. 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.

22. 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.

23. Accordingly, at the ensuing Annual General Meeting, Mr. Jayesh Ashar, DIN: 00041532 retiring by rotation and being eligible offer himself for re-appointment. The information or details pertaining

to the Director to be provided in terms of applicable Regulations of the Listing Regulations read with Secretarial Standards on General Meetings is furnished in the statement on Corporate Governance published in this Annual Report.

Details of Director seeking re-appointment:

| Particulars | Remarks |
|--|--|
| Date of Birth | 09.03.1964 |
| Date of Appointment | 02.02.2021 |
| Qualifications | Bachelor of Engineering (Chemical) and Master in Management Studies (operation) from Mumbai University |
| Directorships held in other public Company | Nil |
| Memberships / Chairman of committees of other public companies | N/A |

No other Director(s) and their relatives are interested in the said resolution.

24. The Annual Report of the Company for the Financial Year 2021–2022, circulated to the Members of the Company, is available on the Company’s website viz. www.vinatiorganics.com.
25. 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.
26. MCA, Government of India, through its Circulars Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 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.
27. A recent amendment to the SEBI Listing Regulations also permits sending the aforesaid documents through electronic mode to Members who have registered their email address with the Company for this purpose.
28. The Company supports the measures in the Green Initiative. Members are also requested to join the Company in this initiative by registering their Email ID with the Company or its RTA. A ‘Green Initiative’ Form can be downloaded from the Company’s website viz. www.vinatiorganics.com to register the email id.
29. 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 33rd Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL).

The Members who have cast their vote by remote e-voting prior to the 33rd AGM may also attend/ participate in the 33rd AGM through VC / OAVM but shall not be entitled to cast their vote again.

Voting rights are reckoned on the basis of the shares registered in the names of the Members/Beneficial Owners as on Wednesday, September 7, 2022.

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

30. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Wednesday, September 7, 2022 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, September 7, 2022 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.
31. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company’s website <https://www.vinatiorganics.com/>. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Link Intime India Pvt. Ltd. (Company’s RTA) in case the shares are held in physical form.
32. Mr. Vijay Kumar Mishra of M/s. VKM & Associates, Practising Company Secretary holding Certificate of Practice No. 4279 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

33. Since the 33rd AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

34. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. Wednesday, September 14, 2022.

35. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.vinatiorganics.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

Registered Office:

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

Mumbai, 14th May, 2022

By order of the Board of Directors

Milind A Wagh

Company Secretary

Membership No. FCS 7125

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

In conformity with the provisions of Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts in respect of Item Nos. 4 to 8.

Item No. 4:

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act.

Appointment of and payment of remuneration to Statutory Auditor for a second term of five years:

M M Nissim & Co., Chartered Accountants, Mumbai (Firm Registration No.: ICAI/FRN/107122W/W100672, were appointed as the Statutory Auditors of the Company for a term of 5 (five) years to hold office from the conclusion of 28th Annual General Meeting until the conclusion of the 33rd Annual General Meeting of the Company.

Based on the recommendations of the Audit Committee, the Board of Directors (the "Board"), approved the re-appointment of M M Nissim & Co. LLP, Chartered Accountants, as a Statutory Auditors for a second term of 5 (five) consecutive years from the conclusion of 33rd AGM till the conclusion of 38th AGM of the Company to be held in the year 2027 on such terms and conditions to be mutually agreed between the Board of Directors and Statutory Auditor.

M. M. Nissim & Co. LLP have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends this Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

Item No. 5:

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. N. Ritesh & Associates, Cost Accountants, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2023.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor need to be ratified by the Members of the Company. Accordingly, the Board recommends the remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) to be paid to the Cost Accountant for FY 2022-2023 for the ratification of Members and to pass the resolution as an Ordinary Resolution as set out at item no. 5 of the Notice of 33rd AGM.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 5 of the Notice.

Item no. 6 & 7:

Veeral Additives Pvt. Ltd. ("VAPL") is part of same promoter Group Company as Vinati Organics Limited ("VOL"). Both the Companies are engaged in similar line of business.

VAPL has set-up a plant to manufacture Anti -Oxidants (AO) for petrochemicals like HDPE, PP, PS etc. It will manufacture 3 products – AO1010, AO1076 and AO168 with a combined capacity of 24000 MT P.A. which are value addition products for VOL and will constitute forward integration of VOL's existing products – Di Tertiary Butyl phenols. The Board of Directors of VAPL and VOL in their meetings held on 02/02/2021, approved the proposed scheme to amalgamate VAPL into with VOL w. e. f. April 01, 2021 as appointed date and at present the proposed scheme is pending with National Company Law Tribunal, Mumbai Bench ("the tribunal") for their consideration and approval.

While the project work was completed in May 2022, we expect to achieve commercial production by September 2022. VAPL needs funds for meeting Capital /operational expenditure and working capital requirements till December 2022 or till such time it is formally amalgamated into VOL, whichever is earlier. In view of untimely delay for getting approval from NCLT on the proposed scheme, VAPL has requested for additional funding of upto ₹ 100 Crore during the current FY 2022-23 and accordingly lending limit needs to be raised to ₹ 350 Crore from existing approved limit of ₹ 250 Crore.

Pursuant to provisions contained in Sections 185 of the Companies Act, 2013 ('the Act') read with relevant Rules made thereunder, the Company proposes to extend financial assistance by way of loan to VAPL on following terms.

| Sr. No. | Particulars | Details |
|---------|------------------------------------|---|
| 1 | Total Loan maximum aggregate value | Sum not exceeding ₹ 350 Crore (Rupees Three Hundred and Fifty Crore only). |
| 2 | Rate of interest | 6.25% p.a. (Simple). |
| 3 | Purpose | Exclusively for its Capital/operational expenditure and working capital requirements. |
| 4 | Period | Repayable on Demand. |

In connection with the loans given/ to be given to the VAPL for the Purpose as stated above, the prior approval of Audit Committee and Board had been obtained in its respective meetings.

Further, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") till the financial year 2021-22, provides that

any transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds (10%) of the Annual Consolidated Turnover of the listed entity as per the latest Audited Financial Statements of the listed entity and shall require approval of the members through ordinary resolution and no related party shall vote to approve such resolutions.

Further the Loans given and other transactions in ordinary course of business with VAPL during the FY 2021-22 amounting to ₹ 159 Crore exceeds the 10% threshold limit. As required by the Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the prior approval of Audit Committee and Board was obtained in its respective meetings. The Board of Directors seeks consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for item no 6 and Ordinary Resolution under Regulation 23(4) of the SEBI (LODR) Regulations, 2015 for item no 7.

Particulars of the transaction(s) entered into with related party are as follows:

1. Name of the Related Party: Veeral Additives Pvt. Ltd.
2. Name of the Directors or KMPs who are related: Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja, Ms. Viral Saraf Mittal & Mr. Jayesh Ashar
3. Nature of Relationship: Promoter Group Company
4. Nature, material terms, monetary value and particulars of the Loans and other related party transactions given during financial year 2021 – 22 is ₹ 159 Crore.

Except Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja, Ms. Viral Saraf Mittal and Mr. Jayesh Ashar and their respective relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested in the Resolution set out at Item No. 6 & 7 of the Notice.

The Board recommends passing of the Special Resolution as set out at Item No. 6 and Ordinary Resolution No 7 of the notice of 33rd AGM.

Item No.8:

Approval for material related party transactions: Background:

- a. The Board of Directors of Company has approved the Scheme to Amalgamate Veeral Additives Pvt. Ltd. ("VAPL") (Promoter Group Company) into with Vinati Organics Limited ("VOL") (Scheme) on 02nd February 2021. Subsequently, Company have received approval from BSE/ NSE on 5th October 2021 and Company have filled Company Scheme Application

before National Company Law Tribunal, Mumbai Bench (“the tribunal”) NCLT on 18th November 2021. The proposed scheme is pending with NCLT for their consideration and approval.

- b. Pursuant to the amendments in the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), dated November 9, 2021, Material Related Party Transaction (‘Material RPT’) from April 1, 2022 is defined as a transaction entered/ to be entered into with a related party, individually or taken together with previous transactions, during a financial year, exceeding ₹ 1,000/- Crore or 10% of the consolidated turnover of the Company in preceding

financial year, whichever is lower, shall require prior approval of the members.

- c. In view of untimely delay for getting approval from NCLT on the proposed scheme the related party transaction with VAPL continues further in the year 2022-2023 and also the Loans and sale & purchase of goods/service in the ordinary course of business and at arm’s length price with VAPL may exceed the above mentioned 10% threshold limit in the FY 2022-23 one of the criteria prescribed above in the amended definition of material Related Party Transaction(s) and therefore it is material Related Party Transaction(s). Accordingly, it requires approval of the Company by way of passing of an Ordinary Resolution.

The relevant information pertaining to transactions with VAPL required as per SEBI Circular vide. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below:

| No. Description | Particulars |
|---|---|
| 1. Details of Summary of information provided by the management to the Audit Committee | |
| a. Name of the related party and its relationship with the listed entity | Veeral Additives Private Limited. – Promoter Group Company |
| b. Nature, duration/ tenure, material terms, terms, monetary value and particulars of contracts or arrangement | 1. Unsecured Loans upto ₹ 100 crore carrying simple interest @ 6.25% payable on demand. 2. Sale / Purchase of material / Services upto ₹ 400 crore. at arm’s length price from the financial year 2022-23. |
| c. Value of the proposed transactions | Up to ₹ 500 Crore |
| d. Percentage of annual consolidated turnover considering FY 2021-22 as the immediately preceding financial year | Up to 31% of annual consolidated turnover considering FY 2021-22. |
| e. Name of the director or key managerial personnel who is related, if any and nature of relationship | Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja, Ms. Viral Saraf Mittal and Mr. Jayesh Ashar and their respective relatives |
| 2. Justification for the transaction | VAPL will manufacture 3 products – AO1010, AO1076 and AO168 which are value addition products for VOL and will constitute forward integration of VOL’s existing products – Di Tertiary Butyl phenols. |
| 3. Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: | |
| a. details of the source of funds in connection with the proposed transaction | Internal accrual |
| b. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments – nature of indebtedness; – cost of funds; and – tenure | Not Applicable |
| c. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security | Unsecured, repayable on demand. Rate of interest 6.25% p.a. |
| d. the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPTs | For meeting Capital /Operational expenditure and working capital requirements |
| 4. Details of Valuation Report or external party report, (if any) enclosed with the notice | All contracts with related party are on arm’s length basis |
| 5. Any other information that may be relevant | – |



Except Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja, Ms. Viral Saraf Mittal and Mr. Jayesh Ashar and their respective relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution except to the extent of their shareholding in the Company, if any.

As per Regulation 23 of the Listing Regulations, all Related Parties irrespective of the fact that whether they are a party of the proposed related party transaction or not shall not vote on the proposed resolution. Accordingly, promoter group of the Company and other entities related to promoter group shall not vote to approve this resolution. The Board recommends the Ordinary Resolution at Item no. 8 of this Notice for the approval of the members.

The management has provided the Audit Committee with the relevant details, as required under law, of the proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into the above-mentioned RPTs with VAPL. The Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company. Accordingly, basis the approval of the Audit Committee, the Board of Directors recommend the resolution contained in Item No. 8 of the accompanying Notice to the shareholders for approval.

By order of the Board of Directors

Registered Office:

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

Mumbai, 14th May, 2022

Milind A Wagh
Company Secretary
Membership No. FCS 7125

Annexure '2'

The details of Director seeking appointment / re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, are furnished below: -

| | |
|--|--|
| Name of Director | Mr. Jayesh Ashar |
| DIN | 00041532 |
| Date of birth | 09.03.1964 |
| Date of appointment | 02.02.2021 |
| Expertise in specific Professional areas | Mr. Jayesh Ashar having about 30 years experience mostly in chemical plants. Worked in area of operations & projects for diversification and enhancement of capacity of existing products. |
| Qualification | Bachelor of Engineering (Chemical) and Master in Management Studies (operation) from Mumbai University |
| List of other Indian Public Limited Companies in which Directorship held as on March 31, 2022 | Nil |
| Chairman/ Member of the Committee of Board other Public Limited Companies as on March 31, 2022 | Nil |
| Terms and conditions of Appointment/ Re-appointment | As per Agreement |
| Remuneration last drawn (including sitting fees, if any) | 112.45 Lakhs - P. A. |
| Remuneration proposed to be paid | As per Agreement |
| Number of Meetings of the Board attended during the Year | 5 |
| Number of Shares held in the Company as at March 31, 2022 | Nil |
| Relationship between Directors inter-se | None of the Directors and KMPs of the Company are inter-se related to Mr. Jayesh Ashar. |

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
- Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.vinatiorganics.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, September 11, 2022, at 09.:00 A.M. and ends on Tuesday, September 13, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL

for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 7, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 7, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
- After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.
- If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL



eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vkmassociates@yahoo.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to shares@viniorganics.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to shares@viniorganics.com.

vinatiorganics.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.



2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email ID mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at shares@vinatiorganics.com between 9.00 a.m. (IST) on Thursday, September 8, 2022 and 5.00 p.m.(IST) on Saturday 10, 2022. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. The shareholders who do not wish to speak during the AGM but have queries on accounts or any matter to be placed at the AGM may send the same latest by Saturday, September 10, 2022 mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at shares@vinatiorganics.com. These queries will be replied by the Company suitably either at the AGM or by email.



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