

August 22, 2017

The Corporate Relations Department
BSE Limited
Pheeroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai – 400 001

Kind Attn: Mr. Marian D'Souza / Ms. Amrin Memon

Ref: Buyback Offer under Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buyback Regulations") by Vinati Organics Limited (the "Company") ("Buyback Offer")

In continuation of our letter dated August 16, 2017 submitting the published Public Announcement for the captioned Buyback Offer, please find enclosed the following:

- Hard copy draft Letter of Offer for the Buyback Offer by the Company to its equity shareholders; and
- Soft copy of the draft Letter of Offer for the Buyback Offer by the Company to its equity shareholders on a compact disk in a pdf format.

The draft Letter of Offer has been filed with SEBI on August 22, 2017 and is subject to change.

Please feel free to contact us should you need any clarification.

Yours faithfully,
For Ambit Capital Private Limited



Authorised Signatory



Encl.: Draft Letter of Offer

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a registered Equity Shareholder of **Vinati Organics Limited** (the "Company") as on the Record Date (as defined below) in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager to the Buyback Offer (Ambit Capital Private Limited) or to the Registrar to the Buyback Offer (Sharex Dynamic (India) Pvt. Ltd.). Please refer to the section on 'Definitions' for the definition of the capitalized terms used herein.

Vinati Organics Limited

CIN: L24116MH1989PLC052224

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

(Tel: (+91) (2145) 232 010; Fax: (+91) (2145) 232 010; Email: vinmhd@viniatorganics.com)

Corporate Office: Parinee Crescenzo, 1102, A Wing, 11th Floor, 'G' Block,
Behind MCA, Bandra – Kurla Complex, Bandra (East), Maharashtra

Contact Person: Mr. Guntant S Singhi,

Company Secretary cum Finance Controller and Compliance Officer

(Tel: (+91) (22) 6124 0444; Fax: (+91) (22) 6124 0438; Email: shares@viniatorganics.com)

Website: www.viniatorganics.com



CASH OFFER TO BUYBACK NOT EXCEEDING 2,00,000 (TWO LAKH) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹ 2 EACH, REPRESENTING 0.39% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EXISTING SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE I.E. SEPTEMBER 1, 2017, ON A PROPORTIONATE BASIS, THROUGH THE "TENDER OFFER" ROUTE AT A PRICE OF ₹ 1,200 (RUPEES ONE THOUSAND TWO HUNDRED ONLY) PER EQUITY SHARE FOR AN AGGREGATE AMOUNT OF ₹ 24,00,00,000 (RUPEES TWENTY FOUR CRORE ONLY)

- 1) The Buyback is in accordance with Article 135 of the Articles of Association of the Company and subject to the provisions of Section 68 and all other applicable provisions, if any, of the Companies Act, 2013 and in compliance with Securities & Exchange Board of India (Buy Back of Securities) Regulations, 1998 including any amendments, statutory modifications or re-enactments thereof, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Reserve Bank of India etc.
- 2) The Buyback Offer Size is 3.69% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017 and is within the statutory limits of 10% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company.
- 3) This Letter of Offer is sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. Friday, September 1, 2017.
- 4) The procedure for tender and settlement is set out in paragraph 20 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement ("**Tender Form**") is enclosed together with this Letter of Offer.
- 5) For mode of payment of consideration to the Equity Shareholders, please refer to paragraph 20.23 of Letter of Offer.
- 6) A copy of the Public Announcement published on August 15, 2017 and this Letter of Offer (including Tender Form) is available on the website of Securities and Exchange Board of India - <http://www.sebi.gov.in>.
- 7) Equity Shareholders are advised to refer to paragraph 17 (Details of Statutory Approvals) and paragraph 21 (Note on Taxation) before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: [●],[●]

BUYBACK CLOSES ON: [●],[●]

LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR TO THE BUYBACK OFFER: [●],[●]

All future correspondence in relation to the Buyback, if any, should be addressed to Manager to the Buyback Offer or Registrar to the Buyback Offer at the respective addresses mentioned below:

MANAGER TO THE BUYBACK OFFER



Ambit Capital Private Limited

Ambit House, 449, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013

Tel: +91 22 30433000; Fax: +91 22 39823020

Email: vinatibuyback2017@ambit.co

Permanent SEBI Registration No.: INM000012379

Website: www.ambit.co

Contact Person: Ms. Aanchal Agarwal

REGISTRAR TO THE BUYBACK OFFER



Sharex Dynamic (India) Private Limited

Unit no.1, Luthra Industrial Premises, Safed Pool,
Andheri-Kurla Road, Andheri (E), Mumbai – 400 072

Tel: +91 22 28515606/5644; Fax: +91 22 28512885;

Email: sharexindia@vsnl.com

Permanent SEBI Registration No.: INR000002102

Website: www.sharexindia.com

Contact Person: Mr. K.C. Ajitkumar

TABLE OF CONTENTS

1	SCHEDULE OF THE ACTIVITIES OF THE OFFER	1
2	DEFINITIONS	2
3	DISCLAIMER CLAUSE	4
4	TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING	5
5	DETAILS OF PUBLIC ANNOUNCEMENT	8
6	DETAILS OF THE BUYBACK	8
7	AUTHORITY FOR THE BUYBACK	9
8	NECESSITY OF THE BUYBACK	10
9	MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY	10
10	BASIS OF CALCULATING BUYBACK PRICE	12
11	SOURCES OF FUNDS FOR THE BUYBACK	13
12	DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN	13
13	CAPITAL STRUCTURE AND SHAREHOLDING PATTERN	13
14	BRIEF INFORMATION ABOUT THE COMPANY	14
15	FINANCIAL INFORMATION ABOUT THE COMPANY	17
16	STOCK MARKET DATA	18
17	DETAILS OF STATUTORY APPROVALS	19
18	DETAILS OF THE COLLECTION CENTRES	20
19	PROCESS AND METHODOLOGY FOR THE BUYBACK	21
20	PROCEDURE FOR TENDER OFFER AND SETTLEMENT	24
21	NOTE ON TAXATION	32
22	DECLARATION BY THE BOARD OF DIRECTORS	35
23	AUDITORS CERTIFICATE	35
24	DOCUMENTS FOR INSPECTION	38
25	COMPLIANCE OFFICER	39
26	DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS / BENEFICIAL OWNERS ..	39
27	INVESTOR SERVICE CENTRE	39
28	MANAGER TO THE BUYBACK OFFER	39
29	DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE OFFER DOCUMENT	40

1 SCHEDULE OF THE ACTIVITIES OF THE OFFER

Activity	Date	Day
Date of Board Meeting approving the proposal of the Buyback Offer	August 11, 2017	Friday
Date of Publication of the Public Announcement for the Buyback Offer in the newspapers	August 15, 2017	Tuesday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	September 1, 2017	Friday
Date of Opening of the Buyback Offer	[●]	[●]
Date of Closing of the Buyback Offer	[●]	[●]
Last date of receipt of completed Tender Form and other specified documents including physical share certificates by the Registrar to the Buyback Offer	[●]	[●]
Last date of verification by Registrar	[●]	[●]
Last date of providing Acceptance to the Stock Exchange by the Registrar	[●]	[●]
Last date of settlement of bids on the Stock Exchange	[●]	[●]
Last date of dispatch of share certificate(s) by RTA / return of un-accepted demat shares by Stock Exchange to Selling Member/ Eligible Shareholders	[●]	[●]
Last date of extinguishment of Equity Shares	[●]	[●]

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.

2 DEFINITIONS

Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholder(s) in the Buyback Offer
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Equity Shareholder up to the Eligible Equity Shares
AOP	Association of Persons
BSE / Designated Stock Exchange	BSE Limited
Board Meeting	Meeting of the Board of Directors held on August 11, 2017 approving the proposal for the Buyback Offer
Board of Directors	Board of directors of the Company
BOI	Body of Individuals
Buyback Committee	Buyback Committee comprising of Mr. R. K. Saraswat, Director, Mr. Vinod Saraf, Managing Director, Ms. Vinati Saraf Mutreja, Executive Director and Mr. Nand Kishor Goyal, Chief Financial Officer, constituted and authorized for the purposes of the Buyback Offer vide resolution dated August 11, 2017 of the Board of Directors
Buyback Entitlement	The number of Equity Shares that an Equity Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by that Equity Shareholder on the Record Date and the ratio of Buyback applicable in the category to which such Equity Shareholder belongs
Buyback Offer / Buyback / Offer	Offer by Vinati Organics Limited to buyback not exceeding 2,00,000 fully paid-up equity shares of face value ₹ 2 each from all the existing shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of ₹ 1,200 per equity share
Buyback Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended from time to time
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Closing Date	[●]
Company / Vinati Organics	Vinati Organics Limited
Companies Act	The Companies Act, 2013, as amended
Depositories	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited
DIN	Director Identification Number
DTAA	Double Taxation Avoidance Agreement
DIS	Delivery Instruction Slip
DP	Depository Participant
Eligible Equity Shares	Eligible Equity Shares means the lower of: 1. Total number of Equity Shares held by an Equity Shareholder as on the Record Date; or 2. Total number of Equity Shares tendered by an Eligible Shareholder
Equity Shares / Shares	Fully paid-up equity shares of face value of ₹ 2 each of the Company
Equity Shareholder / Shareholder	Holders of the Equity Shares of the Company
Eligible Shareholder(s)	Person(s) eligible to participate in the Buyback Offer and would mean all equity shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. September 1, 2017
Escrow Agent	HDFC Bank Limited
Escrow Agreement	The escrow agreement dated August 20, 2017 entered into between the Company, HDFC Bank Limited and Ambit
Escrow Account	The escrow account opened with HDFC Bank Limited in terms of the Escrow Agreement
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor(s)

FPI(s)	Foreign Portfolio Investor(s)
Form / Tender Form	Form of Acceptance-cum-Acknowledgement
FY	Financial Year
General Category	Eligible Shareholders other than the Small Shareholders
HUF	Hindu Undivided Family
Income Tax Act	Income-tax Act, 1961, as amended
Letter of Offer / Offer Document	This Letter of Offer
Ltd.	Limited
Manager to the Buyback Offer / Merchant Banker/ Ambit	Ambit Capital Private Limited
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s) and erstwhile OCBs
NRI	Non Resident Indian being citizens of India or persons of Indian origin (as defined under section 115C of the Income Tax Act)
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Offer Period / Tendering Period	Period of ten working days from the date of opening of the Buyback Offer till its closure (both days inclusive)
Offer Price / Buyback Offer Price	Price at which Equity Shares will be bought back from the Equity Shareholders i.e. ₹ 1,200 (Rupees One Thousand Two Hundred only) per Equity Share, payable in cash
Offer Size / Buyback Offer Size	Maximum number of Equity Shares proposed to be bought back (i.e. 2,00,000 Equity Shares of face value of ₹ 2 each) multiplied by the Buyback Offer Price (i.e. ₹ 1,200 per Equity Share) aggregating to ₹ 24,00,00,000 (Rupees Twenty Four Crores only)
Opening Date	[●]
Persons in Control	Promoters, Promoter Group, the Directors of the Promoter and Persons Acting in concert, including such persons as have been disclosed under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Public Announcement / PA	Announcement of the Buyback dated August 14, 2017, which was published on August 15, 2017
PAN	Permanent Account Number
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom this Letter of Offer will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Friday, September 1, 2017
Registrar to the Buyback Offer / Registrar	Sharex Dynamic (India) Private Limited
SEBI	Securities and Exchange Board of India
Seller Member / Seller Broker	A Stock broker (who is a member of the BSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	An Equity Shareholder, who holds Equity Shares of market value not more than two lakhs rupees, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. Friday, September 1, 2017
Stock Exchanges	Together, BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
Tender Offer	Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations
TRS	Transaction Registration Slip

3 DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI, does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the Offer Document. The Manager to the Buyback Offer, M/s. Ambit Capital Private Limited has certified that the disclosures made in the Offer Document are generally adequate and are in conformity with the provisions of Companies Act and Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Offer Document, the Manager to the Buyback Offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback Offer, M/s. Ambit Capital Private Limited has furnished to SEBI a due diligence certificate dated August 22, 2017 in accordance with Buyback Regulations which reads as follows:

“We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback Offer;*
- *All the legal requirements connected with the said Buyback Offer including Buyback Regulations, have been duly complied with;*
- *The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the company to make a well informed decision in respect of the captioned Buyback Offer;*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended.”*

The filing of Offer Document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The promoters of the Company / Directors declare and confirm that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement / mis-representation, the promoters of the Company / Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

The promoters of the Company / Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.

Disclaimer for U.S. Persons

The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons, as such term is defined in Regulation S of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons in other foreign countries

This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

4 TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on August 11, 2017. The extracts of the Board resolution are as follows:

“RESOLVED THAT pursuant to the provisions of Article 135 of the Articles of Association of the Company and the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the **“Companies Act”**), the Companies (Share Capital and Debentures) Rules, 2014 (the **“Share Capital Rules”**) to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the **“Buyback Regulations”**), including any amendments, statutory modifications or re-enactments, for the time being in force and, subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buyback by the Company of its fully paid-up equity shares of Rs 2/- each not exceeding 2,00,000 equity shares (representing 0.39% of the total number of shares in the paid up share capital of the Company) at a price of Rs. 1,200 per equity share (Rupees One Thousand Two Hundred only) (**“Buyback Offer Price”**) payable in cash for an aggregate amount of Rs. 24,00,00,000 (Rupees Twenty Four Crores only) (**“Buyback Offer Size”**) which is approximately 3.69% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the Financial Year ended March 31, 2017 from the shareholders of the Company on a proportionate basis through the **“Tender offer”** route as prescribed under the Buyback Regulations (**“Buyback”**);

RESOLVED FURTHER THAT the Board of Directors hereby fixes the Record Date as September 1, 2017, for the purpose of buyback of equity shares of the Company (**“Record Date”**).

RESOLVED FURTHER THAT all of the equity shareholders of the Company as on Record date will be eligible to participate in the Buyback including promoters and promoter group of the Company (including members thereof), persons in control (including such persons acting in concert) who hold equity shares as of the Record Date.

RESOLVED FURTHER THAT the Company, to the extent legally permissible, implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and BSE notice no. 20170210-16 dated February 10, 2017 and following the procedure prescribed in the Companies Act and the Buyback Regulations and on such terms and conditions as may be permitted by law from time to time as may be determined by the Board (including committee authorized by the Board) and the Company shall approach the stock exchange(s), as may be required, for facilitating the same.

RESOLVED FURTHER THAT as required under regulation 6 of the Buyback Regulations, the Company may buyback equity shares from the existing shareholders as on Record Date, on a proportionate basis, provided that fifteen percent of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as defined in the Buyback Regulations.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders as on Record Date in a manner the Board may consider appropriate, from out of its free reserves, and/or share premium account and/or cash balances and/ or internal accruals and/or such other sources or by such mechanisms as may be permitted by law and on such terms and conditions as the board may decide from time to time in the absolute discretion of the Board as it may deem fit.

RESOLVED FURTHER THAT the Company shall not buyback the locked-in shares or other specified securities and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.

RESOLVED FURTHER THAT the Buyback from non-resident shareholders, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, if any, etc. shall be subject to such approvals if, and to the extent necessary or required including approvals from the Reserve Bank of India under the applicable Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any.

RESOLVED FURTHER THAT Mr. Guntant S Singhi, Company Secretary cum Finance Controller and Compliance Officer be and is hereby appointed as the Compliance Officer for the Buyback.

RESOLVED FURTHER THAT the draft of the Declaration of Solvency prepared in the prescribed form, placed before the meeting be and is hereby approved and Mr. Vinod Saraf, Managing Director and Chief Executive Officer and Ms. Vinati Saraf Mutreja, Executive Director be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies and the Securities and Exchange Board of India.

RESOLVED FURTHER THAT the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- a) that immediately following the date of this Board Meeting, there will be no grounds on which the Company could be found unable to pay its debts;
- b) that as regards the Company's prospects for the year immediately following the date of this Board Meeting and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting, as the case may be;
- c) That in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act.

RESOLVED FURTHER THAT the Board hereby confirms that:

- a) All the equity shares for Buyback are fully paid-up;
- b) The Company shall not issue and allot any equity shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into equity shares, till the date of closure of this Buyback;
- c) The Company shall not raise further capital for a period of one year from the closure of the Buyback, except in discharge of subsisting obligations;
- d) The Company, as per provisions of Section 68(8) of the Companies Act, shall not make further issue of the same kind of shares or other specified securities within a period of six months after the completion of the Buyback except by way of bonus shares or equity shares issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- e) The Company shall not buyback its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- f) There are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of term loans or interest payable thereon to any financial institutions or banks;
- g) The Company shall not utilize any money borrowed from banks and financial institutions for the purpose of buying back its equity shares;
- h) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- i) The aggregate amount of the Buyback i.e. Rs. 24,00,00,000 (Rupees Twenty Four Crores only) does not exceed 10% of the total paid-up equity capital and free reserves of the Company as on March 31, 2017;

- j) The maximum number of shares proposed to be purchased under the Buyback i.e. 2,00,000 equity shares, does not exceed 25% of the total number of shares in the paid-up equity capital as per the audited balance sheet as on March 31, 2017;
- k) The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback.

RESOLVED FURTHER THAT a Committee (Buyback of Shares) ("**Buyback Committee**") comprising of Mr. R. K. Saraswat, Director, Mr. Vinod Saraf, Managing Director, Ms. Vinati Saraf Mutreja, Executive Director and Mr. Nand Kishor Goyal, Chief Financial Officer, be and are hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to:

- a) finalise the terms of the Buyback like entitlement ratio, timeframe for completion of Buyback;
- b) make any further or subsequent alterations, additions, omissions, variations, amendments or corrections to the notice prior to its circulation, as it, in its absolute discretion deems fit and the making of such alterations, additions, omissions, variations, amendments or corrections will be deemed to have been approved by the Board;
- c) entering into escrow arrangements as required in terms of the Buyback Regulations;
- d) opening, operation and closure of all necessary accounts including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorising persons to operate the said accounts;
- e) the appointment and finalization of the merchant banker, escrow agents, brokers, registrars, lawyers, depository participants, scrutinizer, advertising agencies and other advisors/ consultants/ intermediaries/ agencies, as may be required, for the implementation of the Buyback;
- f) preparing, executing and filing of various documents as may be necessary or desirable in connection with or incidental to the Buyback including the public announcement, the Draft letter of offer / Letter of Offer with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities;
- g) making all applications to the appropriate authorities for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder;
- h) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and BSE notice no. 20170202-34 dated February 2, 2017 in terms of Regulation 9(3A) of the Buyback Regulations.
- i) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
- j) extinguishment of dematerialized shares and physical destruction of share certificates in respect of the equity shares bought back by the Company and filing of certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/or the Board;
- k) do all such acts, matters and things incidental and in connection with the buyback and sign, execute and deliver such documents as may be necessary or desirable and execution of documents under the Common Seal of the Company as may be required;

RESOLVED FURTHER THAT the draft of the public announcement for the Buyback placed before the meeting be and is hereby approved and Buyback Committee be and hereby authorized to finalise and make necessary changes as may be required and sign and issue the public announcement on behalf of the Board.

RESOLVED FURTHER THAT the Buyback Committee be and is hereby authorised to delegate all or any of the authorities conferred on it to any Director(s) / Officer(s) / Authorised Representative(s) of the Company.

RESOLVED FURTHER THAT the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be any two members and Buyback Committee may regulate its own proceedings and meet as often as required, to discharge its functions;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Buyback Committee be and is hereby authorised to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback;

RESOLVED FURTHER THAT Mr. Guntant S Singhi, Company Secretary cum Finance Controller and Compliance Officer be and are hereby severally authorised to file necessary e-form with the Registrar of Companies, Maharashtra, Mumbai and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

RESOLVED FURTHER THAT the appointment of Ambit Capital Private Limited as Manager to the Buyback be confirmed and approved in terms of their engagement letter dated August 2, 2017.

RESOLVED FURTHER THAT no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / mis-representation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement / mis-representation, the Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

RESOLVED FURTHER THAT any of the Directors or the Company Secretary of the Company be and are hereby severally authorized to send the necessary intimations to the stock exchange(s) in relation to this resolution, as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and/or any obligation on the Company or the Board or the Buyback Committee to buyback any shares, and/or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such buyback, if so permissible by law.”

5 DETAILS OF PUBLIC ANNOUNCEMENT

In accordance with the Regulation 8(1) of the SEBI Buyback Regulations, the Company has made a Public Announcement for the Buyback which was published on August 15, 2017 (Tuesday) in the newspapers mentioned below, which is within two working days from the date of passing the board resolution for approving the Buyback (August 11, 2017):

Publication	Language	Editions
The Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition

For compliance with the requirements of Buyback Regulations, the Company will publish further notices or corrigenda in the above 3 (Three) newspapers in the editions as mentioned above – i.e. The Financial Express, Jansatta and Navshakti.

In addition to the publications mentioned above, wherein the Public Announcement was published to comply with the statutory requirements under the Buyback Regulations, the Public Announcement was also published in the Financial Express (Gujarati – Ahmedabad Edition), on August 15, 2017.

The Public Announcement is available on the SEBI website at www.sebi.gov.in

6 DETAILS OF THE BUYBACK

Vinati Organics Limited has announced the Buyback of not exceeding 2,00,000 (Two Lakh) Equity Shares from all the existing Shareholders / beneficial owners of Equity Shares, on a proportionate basis, through the Tender Offer route at a price of ₹ 1,200 (Rupees One Thousand Two Hundred only) per Equity Share payable in cash for an aggregate amount of ₹ 24,00,00,000 (Rupees Twenty Four Crores only). The maximum number of Equity Shares proposed to be bought back represents 0.39% of the total number of equity shares in the issued, subscribed and paid-up equity share capital of the Company.

The Buyback is in accordance with Article 135 of the Articles of Association of the Company, Sections 68 and all other applicable provisions, if any, of the Companies Act and Regulation 4(1)(a) and other applicable provisions of the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI and the Stock Exchange where the Equity Shares of the Company are listed.

The Company will adopt the Tender Offer route for the purpose of Buyback. The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and BSE notice no. 20170210-16 dated February 10, 2017 and following the procedure prescribed in the Companies Act and the Buyback Regulations, and as may be determined by the Board of Directors (including committee authorized by the Board of Directors to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

The Buyback Offer Size is 3.69% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017 and is within the statutory limit of 10% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company. The Buyback Offer Size does not include any expenses incurred or to be incurred for the Buyback like SEBI filing fees, advisors fees, brokerage, securities transaction tax, Public Announcement publication expenses, printing & dispatch expenses and other incidental & related expenses.

The aggregate shareholding of the companies / entities forming part of the Promoter Group and Persons in Control as on the date of the Public Announcement (i.e. August 14, 2017) is as follows:

Sr. No.	Name	Equity Shares held	% of the total paid up equity capital
1	Vinod Saraf	69,73,550	13.52
2	Kavita Saraf	62,28,000	12.07
3	Vinati Saraf Mutreja	6,07,335	1.18
4	Viral Saraf Mittal	5,22,927	1.01
5	Suchir Chemicals Private Limited	2,38,29,683	46.19
	Total	3,81,61,495	73.97

In terms of the Buyback Regulations, under the Tender Offer route, the promoters of the Company have the option to participate in the Buyback. In this regard, the promoter entities mentioned above have expressed their intention, vide their individual letters dated August 11, 2017 to participate in the Buyback and offer such number of Equity Shares which is equal to their pro-rata entitlement, as on the record date and up to an aggregate maximum of 1,53,000 Equity Shares (One Lakh Fifty Three Thousand) as required in compliance with the Buyback Regulations / terms of the Buyback. For details in regard to the intention of the promoters of the Company to participate in the Buyback and the maximum number of Equity Shares to be tendered, kindly refer to paragraph 9.5 of this Letter of Offer.

Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders up to their entitlement, the aggregate shareholding of the Persons in Control, post Buyback will [increase / decrease] to [●]% of the post Buyback equity share capital of the Company. Post Buyback, the non-promoter shareholding of the Company will not fall below the minimum level required as per the listing conditions.

7 AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with Article 135 of the Articles of Association of the Company, Sections 68 and all other applicable provisions, if any, of the Companies Act and Regulation 4(1)(a) and other applicable provisions of the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI and the Stock Exchange etc.

On August 11, 2017, the Board of Directors passed a resolution to buyback equity shares of the Company. Since the Buyback Size is less than 10% (ten percent) of the fully paid-up equity share capital and free reserves of the Company under the board of director's approval route, as provided under the proviso to Section 68(2)(b) of the Act, the approval of the Equity Shareholders of the Company is not required.

8 NECESSITY OF THE BUYBACK

Share buyback is the acquisition by a company of its own equity shares. The objective is to return surplus cash to the members holding Equity Shares of the Company. The Board of Directors at its meeting held on August 11, 2017, considered the increase in accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ending March 31, 2017 and considering these, the Board of Directors decided to allocate a sum of ₹ 24,00,00,000 (Rupees Twenty Four Crores only) for distributing to the Equity Shareholders through the Buyback.

After considering several factors and benefits to the Equity Shareholders, the Board of Directors decided to recommend Buyback of not exceeding 2,00,000 (Two Lakh) Equity Shares (representing 0.39% of the total number of Equity Shares in the paid-up equity share capital of the Company) at a price of ₹ 1,200 (Rupees One Thousand Two Hundred only) per equity share for an aggregate consideration of ₹ 24,00,00,000 (Rupees Twenty Four Crore only). Buyback is an efficient form of distributing surplus cash to the members holding Equity Shares of the Company, inter-alia, for the following reasons:

- i. The Buyback will help the Company to distribute surplus cash to its Equity Shareholders broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of 15% of the outlay to Small Shareholders. The Company believes that this reservation of 15% for Small Shareholders would benefit a large number of public Shareholders, who would get classified as "Small Shareholder";
- iii. The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in Shareholders' value;
- iv. The Buyback gives an option to the Equity Shareholders, who can choose to participate and get cash in lieu of Equity Shares accepted under the Buyback Offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment; and
- v. The Buyback Offer price ₹ 1,200 (Rupees One Thousand Two Hundred only) per Equity Share represents a premium of 27.68% over the volume weighted average price of the Equity Shares on NSE for 3 (Three) months preceding the date of intimation to the NSE for the Board Meeting to consider the proposal of the Buyback and 15.05% over the volume weighted average price of the Equity Shares on NSE for 2 (Two) weeks preceding the date of intimation to the NSE for the Board Meeting to consider the proposal of the Buyback.

9 MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1 The Buyback is not likely to cause any material impact on the profitability / earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards Buyback. Assuming there is full response to the Buyback, the funds deployed by the Company towards the Buyback would be ₹ 24,00,00,000 (Rupees Twenty Four Crores only). This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.
- 9.2 The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.
- 9.3 The promoters of the Company have expressed their intention, vide their individual letters dated August 11, 2017 to participate in the Buyback and offer such number of Equity Shares which is equal to their pro-rata entitlement, as on the record date and up to an aggregate maximum of 1,53,000 (One Lakh Fifty Three Thousand) Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback.

9.4 The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.

9.5 As per the information provided by the promoters vide their individual letters dated August 11, 2017 details of the date and price of acquisition of the equity shares that promoters intend to tender are set-out below:

(i) Vinod Saraf:

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (₹)
November 28, 2007	Bonus Issue*	30,000	2	-	-

*Represents equity shares after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 2 each.

(ii) Kavita Saraf:

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (₹)
November 28, 2007	Bonus Issue*	25,000	2	-	-

*Represents equity shares after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 2 each.

(iii) Vinati Saraf Mutreja:

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (₹)
November 28, 2007	Bonus Issue*	4,000	2	-	-

*Represents equity shares after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 2 each.

(iv) Viral Saraf Mittal:

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (₹)
November 28, 2007	Bonus Issue*	4,000	2	-	-

*Represents equity shares after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 2 each.

(v) Suchir Chemicals Private Limited:

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Consideration (₹)
November 28, 2007	Bonus Issue*	90,000	2	-	-

*Represents equity shares after considering the effect of split of face value of equity shares from ₹ 10 each to ₹ 2 each.

9.6 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders up to their entitlement, the aggregate shareholding of the Promoter Group / Persons in Control, post Buyback will [increase / decrease] to [●]% from [●]% pre Buyback, and the aggregate shareholding of the public in the Company shall [increase / decrease] to [●]% post Buyback from [●]% pre Buyback.

9.7 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, their shareholding would undergo a change.

9.8 The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by the Companies Act, even if the response to the Buyback is to the extent of 100% (full acceptance).

9.9 The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.

9.10 The Company shall not raise further capital for a period of one year from the closure of Buyback except in discharge of its subsisting obligations.

9.11 Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2017 are as under:

Parameters	Pre-Buyback	Post-Buyback**
Net worth (₹ Lakhs)	68,008.22	65,608.22
Return on Net worth	22.82%	23.28%
Earnings per Share (Basic & Diluted) (₹)	27.00	27.11
Book Value per Share (₹)	131.82	127.66
P/E based on Earnings per Share	28.07	27.96
Total Debt / Equity Ratio	-	-

Notes:

- **The Post Buyback numbers are calculated by reducing the net worth by the proposed buyback amount (assuming full acceptance). For calculation of Post Buyback numbers as disclosed above, the impact of reduction in other income / investment income due to non-availability of the funds proposed to be used for buyback has not been factored in
- Pre and Post Buyback calculations are based on financial numbers as at March 31, 2017
- Return on Net worth = Profit after Tax for the period divided by Net worth for the period (computed as average of opening and closing Net worth)
- Earnings per share = Profit after Tax for the period divided by total number of shares outstanding
- Book Value per Share = Net worth divided by total number of shares outstanding
- Price / Earnings (P/E ratio) based on the closing market price on NSE as on March 31, 2017 divided by the Earnings per share
- Total Debt / Equity Ratio = Total debt divided by Net worth

10 BASIS OF CALCULATING BUYBACK PRICE

- The Buyback Offer price of ₹ 1,200 per Equity Share has been arrived at after considering various factors such as the volume weighted average prices of the Equity Shares on BSE and NSE (where the Equity Shares are listed), the net-worth of the Company and the impact of the Buyback on the key financial ratios of the Company.
- The Buyback Offer price represents a premium of 27.68% over the volume weighted average price of the Equity Shares on NSE (the stock exchange where the maximum volume of trading in the Equity Shares is recorded) for 3 (Three) months preceding the date of intimation to the NSE for the Board Meeting to consider the proposal of the Buyback and 15.05% over the volume weighted average price of the Equity Shares on NSE for 2 (Two) weeks preceding the date of intimation to the NSE for the Board Meeting to consider the proposal of the Buyback.
- For trends in the market price of the Equity Shares, please refer to paragraph 16 of this Letter of Offer.
- The closing market price of the Equity Shares on the date of intimation to the Stock Exchanges for the Board Meeting for considering the Buyback was ₹ 1,068.70 on NSE and ₹ 1,065.90 on the BSE.
- The Buyback Offer price offers a premium of 810.32% over the, pre Buyback, Company's book value per share of ₹ 131.82 as at March 31, 2017.
- The earning per share of the Company pre-Buyback as on March 31, 2017 was ₹ 27.00 which will increase to ₹ 27.11 post Buyback assuming full acceptance of the Buyback and subject to notes disclosed under paragraph 9.11.
- The Return of Net-worth of the Company pre Buyback as on March 31, 2017 was 22.82% which will increase to 23.28% post Buyback assuming full acceptance of the Buyback and subject to notes disclosed under paragraph 9.11.

11 SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of 2,00,000 Equity Shares at a price of ₹ 1,200 per Equity Share would be ₹ 24,00,00,000 (Rupees Twenty Four Crores only).
- 11.2 The funds for the Buyback will be sourced from cash balances available with the Company and/or liquidation of financial instruments held by the Company. These funds have been generated through internal accruals. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.

12 DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- 12.1 In accordance with Regulation 10 of the Buyback Regulations, an Escrow Agreement has been entered into amongst the Company, Ambit Capital Private Limited and the Escrow Agent having its branch at Vishal Shopping Centre, Sir M. V. Road, Opp. Gymkhana, Andheri (E), Mumbai - 400 069 on August 20, 2017.
- 12.2 In accordance with the Escrow Agreement, the Company will open an Escrow Account in the name and style "Escrow Account – Vinati Organics Limited Buyback Offer" bearing account number [●] with the Escrow Agent. The Company will deposit cash of ₹ [●] (Rupees [●] only) in the Escrow Account. This amount of cash to be deposited shall be equal to the amount required to be deposited in terms of the Buyback Regulations. In terms of the Escrow Agreement, the cash as well as any fixed deposit created therefrom will constitute the escrow amount and would form part of the Escrow Account. Ambit Capital Private Limited has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- 12.3 Karnavat & Co., Chartered Accountants (Firm Registration number 104863W), located at 2A, Kitab Mahal, 192, Dr. D. Naoroji Road, Mumbai, Maharashtra 400001, signing through their Partner Shashikant Gupta (Membership Number: 045629) have certified, vide their certificate dated August 14, 2017, that the Company has adequate funds for the purposes of buyback of 2,00,000 Equity Shares at ₹ 1,200 each.
- 12.4 The Manager to the Buyback Offer has satisfied itself about the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

13 CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The capital structure of the Company, as on the date of the Public Announcement, is as follows:

Particulars	No. of shares	Amount (₹ Lakhs)
Authorised Equity Shares	75,000,000	1,500.00
Issued Subscribed and Paid-up Equity Shares	51,591,025	1,031.82

- 13.2 The Company has not bought back any equity shares under any buyback programme, during the 3 (Three) years preceding the date of the Public Announcement.
- 13.3 As on the date of the Public Announcement, there are no outstanding preference shares, partly paid-up equity shares or outstanding convertible instruments or calls in arrears.

- 13.4 The shareholding pattern of the Company pre-Buyback, taken as on September 1, 2017 (the Record Date), as well as the post Buyback shareholding, is as shown below:

Particulars	Pre Buyback		Post Buyback#	
	No. of Equity Shares	% of the existing equity share capital	No. of Equity Shares	% of post buyback equity share capital
Promoters and persons acting in concert, (collectively “the Promoters”)	[●]	[●]	[●]	[●]
Foreign Investors (including Non Resident Indians FII and Foreign Mutual Funds)	[●]	[●]		
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions	[●]	[●]	[●]	[●]
Others (Public, Public Bodies Corporate etc.)	[●]	[●]		
Total	[●]	100	[●]	100

Assuming full acceptance of Equity Shares in the Buyback in the ratio of their entitlement

- 13.5 Assuming 100% response to the Buyback Offer, the issued, subscribed and paid-up equity share capital of the Company after the completion of the Buyback Offer would be as follows:

Particulars	No. of Shares	Amount (₹ Lakhs)
Issued, Subscribed and Paid-up Equity Shares	51,391,025	1,027.82

- 13.6 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders up to their entitlement, the aggregate shareholding of the Promoter Group / Persons in Control, post Buyback will [increase / decrease] to [●]% of the post Buyback equity share capital of the Company.

- 13.7 No Equity Shares have been purchased / sold / transferred by any member of the Promoter Group including the Directors of the Companies forming part of the Promoter Group as well as the Persons in Control of the Company during the period of twelve months preceding the date of the Public Announcement.

14 BRIEF INFORMATION ABOUT THE COMPANY

- 14.1 The Company was incorporated on June 15, 1989 as ‘Vinati Organics Limited’, a public limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, Maharashtra (“RoC”). The contact details of the registered office, and the corporate office of the Company are set forth below:

Registered Office	Corporate Office
B-12 & B-13/1, MIDC Industrial Area, Mahad – 402 309, Dist. Raigad, Maharashtra Tel: (+91) (2145) 232 010 Fax: (+91) (2145) 232 010	Parinee Crescenzo, 1102, A Wing, 11 th Floor, ‘G’ Block, Behind MCA, Bandra – Kurla Complex, Bandra (East), Maharashtra Tel: (+91) (22) 6124 0444 Fax: (+91) (22) 6124 0438

The Equity Shares of the Company were listed in the year 1992 on the BSE (Script Code: 524200) and in the year 2009 on the NSE (Symbol: VINATIORGA).

- 14.2 The Company is primarily a specialty chemical company and engaged in manufacturing of specialty organic intermediates and monomers, such as Isobutyl Benzene (IBB), 2 Acrylamido 2Methylpropane Sulfonic Acid (ATBS), Sodium Salt of 2 Acrylamido 2Methylpropane Sulfonic Acid (NaATBS), Isobutylene, High Purity Methyl Tertiary Butyl Ether (HPMTBE) and TB Amine. Its specialty monomers products include N-Tertiary Butyl Acrylamide (TBA) and N-Tertiary Octyl

Acrylamide (TOA). Its specialty aromatics products include Normal Butylbenzene (NBB) and C 10 Aromatic Solvent. The Company exports its products predominantly to USA, Europe, Asia, Middle East and China. The Company has two manufacturing plants located at Mahad and Lote in Maharashtra. The Company first began commercial production of IBB at its factory in Mahad in the year 1992. Both the manufacturing facilities are ISO certified.

14.3 The Company's revenue from operations was ₹ 70,686.94 Lakhs in FY17 and its profit after tax was ₹ 13,930.22 Lakhs in FY17.

14.4 Details of the changes in share capital of the Company since incorporation is as follows:

Date of Allotment	Number of Equity shares issued	Face Value	Issue Price	Nature of Consideration	Cumulative Number of Equity Shares	Details
30-May-89	350	10	10	Cash	350	Subscription to the MOA
25-Mar-91	235,000	10	10	Cash	235,350	Further Issue
28-Jun-91	1,114,650	10	10	Cash	1,350,000	Further Issue
08-Aug-91	75,000	10	10	Cash	1,425,000	Further Issue
12-Nov-91	1,245,000	10	10	Cash	2,670,000	Further Issue
10-Jan-92	3,333,000	10	10	Cash	6,003,000	Initial Public Offer
31-Mar-93	580,000	10	10	Cash	6,583,000	Further Issue
28-Nov-07	3,291,500	10	10	Other than Cash	9,874,500	Bonus Issue
9,874,500 equity shares of face value of ₹ 10 per share were sub-divided into 49,372,500 Equity Shares of face value ₹ 2 each on 03-Nov-09						
11-Sep-14	2,218,525	2	100	Conversion of FCCBs	51,591,025	Further Issue

14.5 The Board of Directors of the Company as on the date of the Public Announcement:

Sr. No.	Name, Qualification, Occupation, Age and DIN	Date of Appointment / Re appointment	Designation	Other Directorships
1	Mr. Girish Dave Qualification: M. Com, LLB & CAIIB graduate Occupation: Director Age: 79 DIN: 00036455	August 09, 2014	Non- Executive Chairman Non- Independent Director	1. PCS Technology Limited 2. Ultratech Cement Limited 3. Grasim Bhiwani Textiles Limited 4. Aditya Birla Retail Limited 5. Birla Family Investments Private Limited 6. Electrotherm Renewables Private Limited 7. Palace Solar Energy Private Limited 8. Hindalco Industries Limited
2	Mr. Vinod Saraf Qualification: Masters in Business Administration from BITS, Pilani Occupation: Managing Director & CEO Age: 67 DIN: 00076708	November 1, 2015	Managing Director and Chief Executive Officer	1. Viral Alkalis Limited 2. Suchir Chemicals Private Limited 3. Nishit Pharma Chem Private Limited
3	Mr. C B Gokhale Qualification: Civil	August 09, 2014	Non-Executive Independent Director	NIL

Sr. No.	Name, Qualification, Occupation, Age and DIN	Date of Appointment / Re appointment	Designation	Other Directorships
	Engineer Occupation: Director Age: 86 DIN: 00079489			
4	Mr. A A Krishnan Qualification: Chemical Engineer Occupation: Director Age: 84 DIN: 00086374	August 09, 2014	Non-Executive Independent Director	1. Andhra Petrochemicals Limited
5	Mr. Sunil Saraf Qualification: B.Com Occupation: Director Age: 51 DIN: 00076887	July 29, 2017	Non-Executive Non-Independent Director	1. Viral Alkalis Limited 2. Suchir Chemicals Private Limited 3. Nishit Pharma Chem Private Limited
6	Mr. R. K. Saraswat Qualification: B.Com and Chartered Accountant Occupation: Director Age: 79 DIN: 00015095	August 09, 2014	Non-Executive Independent Director	1. Datamatics Direct Marketing Private Limited 2. Datamatics Global Services Limited 3. Priya Limited 4. Priya International Limited 5. Lumina Datamatics Limited
7	Ms. Vinati Saraf Mutreja Qualification: Bachelors in Science in Economics & Engineering from University of Pennsylvania Occupation: Executive Director Age: 33 DIN: 00079184	May 20, 2016	Executive Non-Independent Director	1. Viral Alkalis Limited 2. Suchir Chemicals Private Limited 3. Nishit Pharma Chem Private Limited. 4. Pluspoint Securities Private Limited 5. Illuminati Trading Private Limited 6. Evolute Trading Private Limited
8	Mr. Mohit Mutreja Qualification: Bachelors in Science in Economics (Finance) from the Wharton School, University of Pennsylvania and Bachelors of Science in Computer Engineering from School of Engineering &	July 29, 2017	Non- Executive Non- Independent Director	1. Pluspoint Securities Private Limited 2. Illuminati Software Private Limited 3. Alpha Grep Securities Private Limited 4. Evolute Trading Private Limited

Sr. No.	Name, Qualification, Occupation, Age and DIN	Date of Appointment / Re appointment	Designation	Other Directorships
	Applied Sciences Occupation: Director Age: 35 DIN: 02666018			
9	Ms. Viral Saraf Mittal Qualification: Bachelors in Science IN Economics (Finance & Management) From Wharton School Occupation: Director- Corporate Strategy Age: 30 DIN: 02666028	May 19, 2014	Executive Non-Independent Director	1. Viral Alkalis Limited 2. Suchir Chemicals Private Limited 3. Nishit Pharma Chem Private Limited 4. Illuminati Software Private Limited 5. Illuminati Trading Private Limited 6. Vap Trading Private Limited

14.6 Excluding the reappointments, there have been no changes in the Board of Directors during the 3 (Three) years preceding the date of the Public Announcement.

14.7 The Buyback will not result in any benefit to any Directors of the Company / Promoters / Person in Control of the Company / group companies except to the extent of their intention to participate in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share capital post Buy Back.

15 FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The salient financial information of the Company, as extracted from the audited results for the last three financial years is detailed below:

(₹ in Lakhs unless stated otherwise)

Key Financials	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from Operations	70,686.94	66,906.02	82,833.76
Other Income	956.48	615.80	914.47
Total Income	71,643.42	67,521.82	83,748.23
Total Expense (excluding Interest, Depreciation, Tax and Exceptional Items)	48,886.38	46,667.01	64,110.93
Interest Expense	156.47	347.31	521.76
Depreciation and Amortisation Expense	2,136.83	1,851.79	1,765.86
Profit Before Tax	20,463.74	18,655.71	17,349.68
Tax Expense (including Deferred Tax)	6,533.52	5,498.53	5,770.28
Profit After Tax	13,930.22	13,157.18	11,579.40
Paid-up Equity Share Capital	1,031.82	1,031.82	1,031.82
Reserve & Surplus	66,976.40	53,046.18	42,372.75
Net worth	68,008.22	54,078.00	43,404.57
Total Debt (excluding working capital loans)	-	3,942.47	6,357.77

Key Ratios	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Earnings per Share (Basic & Diluted) (₹)	27.00	25.50	22.85
Book Value per Share (₹)	131.82	104.82	84.13
Return on Net Worth excluding revaluation reserves (%)	22.82%	26.99%	31.12%
Debt / Equity Ratio	-	0.07	0.15

The key ratios have been computed as below:

Ratios	Basis
Earnings per Share (₹)	Net Profit before exceptional item net of tax attributable to equity Shareholders / Weighted average number of Equity Shares outstanding during the year
Book Value per Share (₹)	(Paid up Equity Share Capital + Reserves and Surplus) / No. of Equity Shares at the end of the year
Return on Net Worth excluding revaluation reserves (%)	Net Profit after tax attributable to equity Shareholders / Average Net Worth excluding revaluation reserves
Debt / Equity Ratio	Total Debt (excluding working capital loans) / Net Worth excluding revaluation reserves

The computation of the above ratios is based on the annual audited accounts of the Company and any discrepancy with the derived ratios from the table "Key Financials" is due to rounding off

- 15.2 The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with Section 68(2)(c), 68(2)(d), 70(1) and 70(2) of the Companies Act.

16 STOCK MARKET DATA

- 16.1 The Company's Equity Shares are listed on the NSE and BSE.

- 16.2 The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the 6 (Six) months preceding the date of Public Announcement from February 1, 2017 to August 15, 2017 and the corresponding volumes on NSE is as follows:

Period	High~ (₹)	Date of High	Number of Shares traded on that date	Low@ (₹)	Date of Low	Number of Shares traded on that date	Average Price # (₹)	Number of Shares traded in the period
Preceding 3 years								
Financial Year 2014-15	555	29-Jan-15	64,377	246	26-May-14	28,655	402	8,516,005
Financial Year 2015-16	665	16-Apr-15	80,989	361	12-Feb-16	18,807	473	6,906,032
Financial Year 2016-17	800	20-Feb-17	61,194	371	01-Apr-16	47,935	586	10,918,613
Preceding 6 months								
Feb 1, 2017 – Feb 28, 2017	800	20-Feb-17	61194	710	06-Feb-17	118,384	745	403,681,986
Mar 1, 2017 – Mar 31, 2017	771	14-Mar-17	27,384	702	27-Mar-17	18,969	732	391,095,450
Apr 1, 2017 – Apr 30, 2017	893	27-Apr-17	149,492	721	11-Apr-17	8,718	784	650,677,619
May 1, 2017 – May 31, 2017	936	31-May-17	82,522	814	25-May-17	43,127	851	714,924,036
Jun 1, 2017 – Jun 30, 2017	1,007	20-Jun-17	30,607	886	02-Jun-17	15,428	931	485,489,473
Jul 1, 2017 – Jul 31, 2017	1,073	25-Jul-17	13736	927	03-Jul-17	29,770	998	554,484,811
Aug 1, 2017 – Aug 14, 2017	1,125	08-Aug-17	70365	925	11-Aug-17	17,859	1,025	389,324,688

(Source: www.nseindia.com)

~ High is the highest price recorded for the equity share of the Company during the said period

@ Low is the lowest price recorded for the equity share of the Company during the said period

Average Price is the arithmetical average of closing prices during the said period

- 16.3 The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the 6 (Six) months preceding the date of Public Announcement from February 1, 2017 to August 15, 2017 and the corresponding volumes on BSE is as follows:

Period	High~ (₹)	Date of High	Number of Shares traded on that date	Low@ (₹)	Date of Low	Number of Shares traded on that date	Average Price # (₹)	Number of Shares traded in the period
Preceding 3 years								
Financial Year 2014-15	554	29-Jan-15	14,883	250	26-May-14	8,055	402	3,354,266
Financial Year 2015-16	668	16-Apr-15	14,350	361	12-Feb-16	6,266	473	1,682,457
Financial Year 2016-17	800	20-Feb-17	17,999	363	01-Apr-16	21,434	586	1,797,823
Preceding 6 months								
Feb 1, 2017 – Feb 28, 2017	800	20-Feb-17	17,999	716	06-Feb-17	19,353	745	92,096
Mar 1, 2017 – Mar 31, 2017	770	14-Mar-17	10,096	700	27-Mar-17	7,156	731	110,089
Apr 1, 2017 – Apr 30, 2017	894	27-Apr-17	23,312	722	07-Apr-17	2,715	784	129,938
May 1, 2017 – May 31, 2017	933	31-May-17	14,893	805	02-May-17	5,861	849	161,520,644
Jun 1, 2017 – Jun 30, 2017	1,001	21-Jun-17	3,830	890	05-Jun-17	961	929	78,563,340
Jul 1, 2017 – Jul 31, 2017	1,069	25-Jul-17	2591	923	03-Jul-17	4,261	997	150,707,122
Aug 1, 2017 – Aug 14, 2017	1,122	08-Aug-17	6675	920	11-Aug-17	7,327	1,025	54,027,906

(Source: www.bseindia.com)

~ High is the highest price recorded for the equity share of the Company during the said period

@ Low is the lowest price recorded for the equity share of the Company during the said period

Average Price is the arithmetical average of closing prices during the said period

- 16.4 The closing market price of the Equity Shares on BSE and NSE on August 10, 2017 being the working day previous to the day on which the Board approved the proposal for Buyback, was ₹ 962.45 and ₹ 961.45, respectively. The closing market price of the Equity Shares as on the date of the Board Meeting was ₹ 974.00 on the BSE and ₹ 962.05 on the NSE. The closing market price of the Equity Shares as on the date of intimation of the Board Meeting for considering the Buyback, being August 8, 2017, was ₹ 1,065.90 on the BSE and ₹ 1,068.70 on the NSE.

17 DETAILS OF STATUTORY APPROVALS

- 17.1 The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, FEMA, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.
- 17.2 The Buyback Offer from Non-Resident Indian Shareholders will be subject to approval, if any of the appropriate authorities, under the applicable law and regulations. The Eligible Shareholders will solely be responsible for obtaining all such statutory consent and approvals including but without limitation the approval from RBI as may be required by them to sell their Equity Shares to the Company pursuant to the Buyback and shall submit, to the Registrar to the Buyback Offer, a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them and to sell their Equity Shares to the Company.
- 17.3 Non-Resident Shareholders (excluding OCBs) permitted under general permission under the consolidated Foreign Direct Investment policy issued by the Government of India read with applicable FEMA Regulations, are not required to obtain approvals from RBI.
- 17.4 As of date, there is no other statutory or regulatory approval required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the BSE.

18 DETAILS OF THE COLLECTION CENTRES

Eligible Shareholder(s) who wish to tender their Equity Shares in the Buyback Offer can 'hand deliver' the Tender Form and TRS generated by the Exchange Bidding System along with all the relevant documents at any of the below mentioned collection centres of the Registrar to the Buyback Offer in accordance with the procedure as set out in this Letter of Offer. All centres mentioned herein below would be open during the period of the Buyback Offer i.e. ([●] to [●]) on all working days (except Saturdays, Sundays and Bank Holidays) during business hours as shown below. Equity Shareholders are advised to ensure that the Tender Form and other documents including TRS are complete in all respects; otherwise the same are liable to be rejected.

Sr. No.	City	Address of Collection Centre	Contact Person	Contact details	Mode of delivery
1	Mumbai	Sharex Dynamic (India) Pvt. Ltd. Unit no.1, Luthra Ind.Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072	Darshana Champanekar	Tel: 022-28515606/5644/6338 Email: darshana @sharexindia.com	Hand Delivery/ Courier/ Speed Post
2	Ahmedabad	Nirmal Bang Securities Pvt Ltd 2nd Floor, C-205, GCP Business Center, Above ICICI Bank, Opp. Memnagar Fire Station, Ahmedabad, Gujarat - 380009	Jagruti Dabhi Jignesh Patel	Tel:079-66216412,079-66216419 Email: jagruti.dabhi@nirmalbang.com, jignesh.patel@nirmalbang.com	Hand Delivery
3	New Delhi	Nirmal Bang Securities Pvt Ltd F-17, 3rd Floor, Vikas Marg, Preet Vihar, New Delhi-110092	Vinay Kumar Dhiraj Kumar Prasad	Tel: 011-47577947, 011-47577944 Email: vinay.kumar@nirmalbang.com, dhirajkumar.prasad@nirmalbang.com	Hand Delivery
4	Pune	Nirmal Bang Securities Pvt Ltd F wing, 109-112, Parmar Trade Center, Sadhu Vaswani Chowk, Camp, Pune, Maharashtra - 411001	Abhaysingh Nalawade Vinayak Atre	Tel: 020-66460234, 020-66460266 Email: abhaysingh.nalawade@nirmalbang.com, vinayak.atre@nirmalbang.com	Hand Delivery
5	Jaipur	Nirmal Bang Securities Pvt Ltd 201, 2nd Floor, Sangam Tower, Church Road, M.I. Road, Jaipur, Rajasthan - 302001	Bhagirath Gocher Alok Kudesia	Tel:0141-4293721, 0141-4293728 Email: bhagirath.gocher@nirmalbang.com, alok.kudesia@nirmalbang.com	Hand Delivery

*Working Hours: Monday to Friday 10.00 AM to 4.30 PM; On Buyback Closing Date the collection centres will be open till 5:00 PM;
Holidays: Saturdays, Sundays and Bank Holidays*

Equity Shareholders who cannot hand deliver the Tender Form, TRS and other documents at any of the collection centres referred above, may send the same by registered post / speed post, at their own risk, by super scribing the envelope as "**Vinati Organics Buyback Offer 2017**", to the Registrar to the Buyback Offer at their below office, so that the same are received within 2 (two) days from the Closing Date i.e. [●] (by 5:00 PM).

Sharex Dynamic (India) Pvt. Ltd.

Unit no.1, Luthra Industrial Premises, Safed Pool,
Andheri-Kurla Road, Andheri (East), Mumbai – 400 072
Tel: +91 22 28515606/5644

The TRS and other relevant documents should not be sent to the Company or to the Manager to the Buyback Offer.

19 PROCESS AND METHODOLOGY FOR THE BUYBACK

- 19.1 The Company proposes to buyback not exceeding 2,00,000 (Two Lakh) Equity Shares from all the existing Shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of ₹ 1,200 (Rupees One Thousand Two Hundred only) per Equity Share, payable in cash for an aggregate amount of ₹ 24,00,00,000 (Rupees Twenty Four Crore only). The maximum number of Equity Shares proposed to be bought back represents 0.39% of the total paid-up equity share capital of the Company. The Buyback is in accordance with Article 135 of the Articles of Association of the Company and subject to the provisions of Section 68 and all other applicable provisions, if any, of the Companies Act and in compliance with Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, NSE, BSE, RBI etc. The Buyback Offer Size is 3.69% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017.
- 19.2 The aggregate shareholding of the Promoter Group / Persons in Control is 38,161,495 Equity Shares, which represents 73.97% of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the promoters of a company have the option to participate in the buyback. In this regard, the promoter entities as listed in paragraph 6 of this Letter of Offer have expressed their intention, vide their individual letters dated August 11, 2017 to participate in the Buyback and offer such number of Equity Shares which is equal to their pro-rata entitlement, as on the record date and up to an aggregate maximum of 1,53,000 Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback.
- 19.3 Assuming response to the Buyback Offer is to the extent of 100% from all the Shareholders up to their entitlement (full acceptance), post Buyback the aggregate shareholding of the Promoter Group will be [●] Equity Shares, representing [●]% of the post Buyback equity share capital of the Company i.e. an [increase / decrease] of [●]% from their present holding of [●]% of the pre Buyback equity share capital of the Company.
- 19.4 **Record Date, ratio of Buyback and entitlement of each Shareholder**
- a) The Board of Directors in its meeting held on August 11, 2017 announced Friday, September 1, 2017 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.
 - b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
 - Reserved category for Small Shareholders (“Reserved Category”); and
 - General category for all Shareholders other than Small Shareholders (“General Category”)
 - c) As defined in the Buyback Regulations, a “Small Shareholder” is a Shareholder who holds Equity Shares having market value, on the basis of closing price on NSE (the Stock Exchange where the maximum volume of trading in the Equity Shares is recorded) as on Record Date, of not more than ₹ 200,000 (Rupees Two Lakhs). As on the Record Date, the closing price on NSE was ₹ [●] per Equity Share, accordingly all Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.

- d) Based on the above definition, there are [●] Small Shareholders with aggregate shareholding of [●] Shares, as on the Record Date, which constitutes [●]% of the outstanding paid up equity share capital of the Company and [●]% of the number of Equity Shares which are proposed to be bought back as part of this Buyback Offer.
- e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be [●] Equity Shares which is higher of:
- i. Fifteen percent of the number of Equity Shares which the Company proposes to buyback i.e. 15% of 2,00,000 Equity Shares which works out to 30,000 Equity Shares; or
 - ii. The number of Equity Shares entitled as per their shareholding as on Record Date
[i.e.([●]/[●])X[●]] which works out to [●] Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoters Group also intends to offer Equity Shares held by them in the Buyback.

- f) Accordingly, General Category shall consist of [●] Equity Shares.
- g) Based on the above, the entitlement ratio of Buyback for both categories is decided as below:

Category	Entitlement Ratio of Buyback*
Reserved Category	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date
General Category	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date

**The above ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above ratio of Buy-back may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved Category for Small Shareholders is [●]% and General category for all other Eligible Shareholders is [●].*

19.5 Fractional Entitlements

If the entitlement under Buyback, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback Offer, for both categories of Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.6 (a), in case, there are any Shares left to be bought back in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.

- c) Post the acceptance as described in paragraph 19.6 (a) and (b), in case, there are any validly tendered unaccepted Shares in the Reserved Category (**“Reserved Category Additional Shares”**) and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.6 (b), shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (c), will be made as follows:
- For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance of Shares from Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.7 (a), in case, there are any validly tendered unaccepted Shares in the General Category (**“General Category Additional Shares”**) and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the General Category Additional Shares by the Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b), will be made as follows:
- For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.8 Basis of Acceptance of Equity Shares between the two categories

- a) After acceptances of tenders, as mentioned in paragraph 19.6 and 19.7, in case, there are any Shares left to be bought back in one category (**“Partially Filled Category”**) and there are additional unaccepted validly tendered Shares (**“Further Additional Shares”**) in the second category (**“Over Tendered Category”**), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per Shareholder shall be equal to Further Additional Shares validly tendered by the Shareholder in the Over Tendered Category divided by the total Further

Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.

- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 19.8(a) out of the Shares left to be bought back in the Partially Filled Category provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6.
- c) **Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.7(c):**
- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.9 **For avoidance of doubt, it is clarified that, in accordance with the clauses above:**

- **Shares accepted under the Buyback from each Eligible Shareholder, shall be lower of the following:**
 - **the number of Shares tendered by the respective Shareholder and**
 - **the number of Shares held by the respective Shareholder, as on the Record Date.**
- **Shares tendered by any Shareholder over and above the number of Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.**

20 PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- 20.1 The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Equity Shares either in physical and/or electronic form on the Record Date.
- 20.2 The Company proposes to effect the Buyback through Tender Offer route, on a proportionate basis. This Letter of Offer, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed/dispatched to the Equity Shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date. The Eligible Shareholder(s) which have registered their email ids with the Depositories / the Company, shall be dispatched the Letter of Offer through electronic means. The Eligible Shareholder(s) who have not registered their email ids with the Depositories / the Company, shall be dispatched the Letter of Offer through physical mode by registered post / speed post. The Eligible Shareholder may obtain a physical copy of the Letter of Offer by sending a request in writing to the Company at the address or email id mentioned at the cover page. In case of non-receipt of Letter of Offer and the Tender Form, the procedure as stated in paragraph 20.20 may be followed.
- 20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court/ any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.4 The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback locked-in Equity Shares and non-transferrable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 20.5 Eligible Shareholder(s) will have to transfer the Equity Shares from the same demat account, in which they were holding the Equity Shares as on the Record Date and in case of multiple demat

accounts, Eligible Shareholder(s) are required to tender the applications separately from each demat account, to the special account of The Clearing Corporation of India Limited ("Clearing Corporation"). In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback Offer and such tendered Equity Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback Offer.

- 20.6 Shareholders' participation in Buyback will be voluntary. The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also accept a part of their Buyback Entitlement. Shareholders also have the option of tendering additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in section 19 of this Letter of Offer.
- 20.7 The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the Shareholder as on the Record Date.
- 20.8 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and BSE notice no. 20170210-16 dated February 10, 2017 and following the procedure prescribed in the Companies Act and the Buyback Regulations, and as may be determined by the Board (including committee authorized by the Board to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 20.9 For implementation of the Buyback, the Company has appointed Ambit Capital Private Limited as the registered broker to the Company (the "**Company's Broker**") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:



Ambit Capital Private Limited

Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Tel: + 91 22 30433000; Fax: + 91 22 30433100; Contact Person: Mr. Sameer Parkar

- 20.10 The Company will request BSE Limited to provide the separate Acquisition Window to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback. BSE Limited would be the Designated Stock Exchange for this Buyback Offer. The details of the platform will be specified by BSE from time to time.
- 20.11 All Eligible Shareholder(s) may place orders in the Acquisition Window, through their respective stock brokers ("**Seller Member(s)**").
- 20.12 Eligible Shareholder(s) can approach any BSE registered stock broker and can make a bid by using quick unique client code ("UCC") facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Company's Broker viz. Ambit Capital Private Limited, to bid by using quick UCC facility. The Eligible Shareholder(s) approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

In case of Eligible Shareholder being an individual

If Eligible Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:

- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Shareholder is not registered with KRA: Forms required:

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
 - PAN card copy
 - Address proof
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case Eligible Shareholder is HUF:

If Eligible Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Shareholder is not registered with KRA: Forms required:

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - PAN card copy of HUF & KARTA
 - Address proof of HUF & KARTA
 - HUF declaration
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Eligible Shareholder other than Individual and HUF:

If Eligible Shareholder is KRA registered: Form required

- Know Your Client (KYC) form Documents required (all documents certified true copy)
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

If Eligible Shareholder is not KRA registered: Forms required:

- KRA form
- Know Your Client (KYC) form Documents required (all documents certified true copy):

- PAN card copy of company/ firm/trust
- Address proof of company/ firm/trust
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories /partners/trustees
- PAN card copies & address proof of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

Additionally, registered Equity Shareholders holding Equity Shares in physical form must also provide the documents mentioned in Paragraph 20.19.1.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

- 20.13 During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholder(s) through their respective Seller Members during normal trading hours of the secondary market.
- 20.14 Seller Members can enter orders for demat Shares as well as physical Shares.
- 20.15 Modification / cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
- 20.16 The cumulative quantity tendered shall be made available on BSE Limited's website – www.bseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 20.17 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 20.18 **Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form**
- 20.18.1 Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.
- 20.18.2 The Seller Member would be required to place an order/bid on behalf of the Eligible Shareholder(s) who wish to tender their Equity Shares in the Buyback using the acquisition window of the BSE. It is mandatory to transfer the tendered Equity Shares into the account of Clearing Corporation by the Eligible Shareholder through the early pay-in mechanism of the Depositories prior to placing the order/bid on the Designated Stock Exchange platform by the Selling Member. This shall be validated at the time of order/bid entry. For further details, Eligible Shareholder(s) may refer to the circulars issued by BSE/Clearing Corporation.
- 20.18.3 The details of the settlement number under which the Equity Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular to be issued by BSE / Clearing Corporation.
- 20.18.4 For Custodian Participant orders for demat Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed

Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

- 20.18.5 Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('TRS') generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- 20.18.6 Eligible Shareholder(s) who have tendered their Equity Shares in the Buyback may 'hand deliver' the Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system at any of the collection centres (mentioned in section 18 of this Letter of Offer) of the Registrar to the Buyback Offer. TRS will be generated by the respective Seller Members. Equity Shareholders who cannot hand deliver the Tender Form and other documents at any of the collection centres, may send the same by registered post / speed post, at their own risk, by super scribing the envelope as "Vinati Organics Buyback Offer 2017", to the Registrar to the Buyback Offer at their office mentioned on the cover page of this Letter of Offer, so that the same are received within 2 (two) days from the Closing Date i.e. [●] (by 5:00 PM).
- 20.18.7 All Eligible Shareholder(s) shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
- a) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
 - b) Duly attested death certificate and succession certificate / legal heirship certificate, in case any Eligible Shareholder has expired; and
 - c) In case of companies, the necessary certified corporate authorizations (including board and / or general meeting resolutions).
- 20.18.8 In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.
- 20.18.9 The Eligible Shareholder(s) will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buyback as decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the savings bank account attached with the DP account active and updated to receive consideration for Equity Shares accepted in the Buyback Offer.
- 20.19 **Procedure to be followed by Registered Equity Shareholders holding Equity Shares in the Physical form**
- 20.19.1 Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the:
- a) The Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares
 - b) Original share certificates
 - c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company
 - d) Self-attested copy of all Shareholder's PAN Card
 - e) Any other relevant documents such as (but not limited to):
 - i. Duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form
 - ii. Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
 - iii. Necessary corporate authorisations, such as Board Resolutions etc., in

case of companies

- f) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

20.19.2 Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('TRS') generated by the Exchange Bidding System to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

20.19.3 After placement of bid, as mentioned in Paragraph 20.19.2, the Seller Member / Shareholder must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in Paragraph 20.19.1) either by registered post or courier or hand delivery to the Registrar and Transfer Agent ('RTA') (at the address mentioned on the cover page or the collection centres of the RTA mentioned in section 18 of this Letter of Offer) within 2 (two) days from the Closing Date i.e. [●] (by 5:00 PM). The envelope should be superscribed as "Vinati Organics Buyback Offer 2017". One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member / Shareholder.

20.19.4 Shareholders holding physical shares should note that physical Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. RTA will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once, RTA confirms the bids it will be treated as 'Confirmed Bids'.

20.19.5 In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback Offer before Closing Date.

20.20 In case of non-receipt of this Letter of Offer and the Tender Form:

a) **In case the Equity Shares are in dematerialised form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.vinatiorganics.com or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name & address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number and number of Equity Shares tendered for the Buyback.

b) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.vinatiorganics.com or by providing their application in writing on plain paper signed by all Equity Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), self-attested copy of Equity Shareholders' PAN card(s) including joint holders and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website www.vinatiorganics.com. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 20.19.1), reach the collection centres before 5:00 PM on the Closing Date. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by BSE before the Closing Date.

The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

- 20.21 Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Shareholder(s), shall not invalidate the Buyback Offer in any way.
- 20.22 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Equity Shareholders of the Company. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Equity Shareholders are advised to adequately safeguard their interest in this regard.
- 20.23 **Method of Settlement**

Upon finalization of the basis of acceptance as per Buyback Regulations:

- 20.23.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- 20.23.2 The Company will transfer the consideration pertaining to the Buyback to the Clearing Corporation's bank account through the Company's Brokers as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholder(s). If bank account details of any Eligible Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholder(s) will be transferred to the concerned Seller Members' for onward transfer to the such Eligible Shareholder holding Equity Shares in dematerialized form.
- 20.23.3 In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- 20.23.4 For the Eligible Shareholder(s) holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- 20.23.5 The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company ("Demat Escrow Account") provided it is indicated by the Company's Brokers or it will be transferred by the Company's Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.

- 20.23.6 Excess demat Shares or unaccepted demat Shares, if any, tendered by the Eligible Shareholder(s) would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account, as part of the exchange payout process, not later than [●]. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the Eligible Shareholder. In case of Custodian Participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective Custodian Participant. The Seller Members / Custodian Participants would return these unaccepted Shares to their respective clients on whose behalf the bids have been placed.
- 20.23.7 Physical Shares, to the extent tendered but not accepted, will be returned back to the Eligible Shareholders directly by RTA. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Shareholders holding Equity Shares in the physical form. The Company will issue a new single share certificate for all the unaccepted physical shares and return the same to the sole/first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted / rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Shareholders' sole risk to the sole/first Shareholder (in case of joint Shareholders), at the address recorded with the Company, not later than [●]
- 20.23.8 The Seller Member would issue contract note for the Equity Shares accepted under the Buyback. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- 20.24 Shareholders who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
- 20.25 The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

20.26 **Rejection Criteria**

The Equity Shares tendered by Shareholders are liable to be rejected on the following grounds amongst others:

For Shareholders holding Equity Shares in dematerialised form:

- a. The Shareholder is not an Eligible Shareholder of the Company as of the Record Date;
- b. If there is mismatch in the name (s) of holders/ order of the names in demat account from where shares are tendered and in the demat account as of Record Date;
- c. Shares tendered over and above the holding as on the Record Date.

For Shareholders holding shares in physical form:

- a. If the original share certificate(s) is/ are not enclosed or any other company's equity share certificate(s) are enclosed with the Tender Form instead of the Equity Share Certificate(s) of the Company;
- b. If the transmission of Equity Shares is not completed and the Equity Shares are not in the name of the Eligible Shareholders;
- c. If the Eligible Shareholders has bid the Equity Shares but the Registrar to the Buyback Offer does not receive the Equity Share Certificate(s)/ does not receive the Equity Share Certificate(s) within 2 (two) days from the Closing Date i.e. [●] (by 5:00 PM);

- d. In case the signature in the Tender Form and Form SH-4 does not match as per the specimen signatures recorded with Company/ Registrar of the Company;
- e. In case the transfer form –SH4 is not witnessed;
- f. Shares tendered over and above the holding as on the Record Date.

21 NOTE ON TAXATION

THE FOLLOWING SUMMARY OF THE TAX CONSIDERATIONS IS BASED ON THE READING OF THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT IMPLICATIONS ON THESE TAX CONSIDERATIONS.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 relating to treatment of income-tax in case of Buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

GENERAL

The Indian tax year runs from 1 April to 31 March. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act, 1961 ('Income Tax Act' or 'ITA').

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her India sourced income or income received by such person in India. In case of shares of a Company, the source of income from shares would depend on the 'situs' of the shares. As per judicial precedents, generally the "situs" of the shares is where company is "incorporated" and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the relevant Double Tax Avoidance Agreements ("DTAA") subject to satisfaction of the relevant conditions and documentary compliance requirements prescribed under the ITA.

The ITA also provides for different tax regimes / rates applicable to the gains arising on buyback of shares, based on the period of holding, residential status and category of the shareholder, nature of the income earned, etc. The summary tax implications on buyback of equity shares listed on the stock exchange/s in India is set out below. All references to equity shares in this note refer to equity shares listed on the stock exchanges in India unless stated otherwise.

a) Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:

- i. Shares held as investment (Income from transfer taxable under the head "Capital Gains")
- ii. Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains from Business or Profession")

b) Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:

- i. Resident Shareholders being:
 - Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
 - Others
- ii. Non Resident Shareholders being:
 - NRIs
 - FIIs

- Others:
 - o Company
 - o Other than Company

SHARES HELD AS INVESTMENT

As per the provisions of ITA, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head "Capital Gains". Capital gains on buyback of shares are governed by the provisions of Section 46A of the ITA and would attract capital gains in the hands of shareholders as per provisions of Section 48 of the ITA. The provisions of buy back tax under Section 115QA in Chapter XII-DA of the ITA do not apply for shares listed on the stock exchange and hence exemption under section 10(34A) is not available to the eligible shareholder

- a) The taxability as per the provisions of the Income Tax Act is discussed below.
- b) To determine the nature of capital gains as to whether the capital gains are short-term or long-term in nature, as per the provisions of the Income Tax Act:
 - i) Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
 - ii) Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).
- c) Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act. As per the provisions of section 46A, buyback of shares held as investment, would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act.

Buyback of shares through a recognized stock exchange

Where transaction for transfer of such equity shares (i.e. buyback) is executed through a recognized stock exchange, they are liable to Securities Transaction Tax ('STT'). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security.

The taxability of buyback proceedings in the hands of the eligible shareholder should be as under:

- LTCG arising from such transaction would be exempt under Section 10(38) of the ITA.

However, the Finance Act, 2017 has amended section 10(38) of the ITA to provide that the exemption under section 10(38) shall not apply to any income arising from the transfer of a long-term capital asset, being an equity share in a company, if the transaction of acquisition, other than acquisitions as notified by the Central Government, has been entered on or after Oct 1, 2004 and such transaction has not been charged to securities transaction tax ('STT' under Chapter VII of the Finance (No. 2) Act, 2004 and in this regard the Central Government has issued a Notification no. F.No.43/2017/F.No.370142/09/2017-TPL dated June 5,2017.

- STCG arising from such transaction would be subject to tax @ 15% under Section 111A of the ITA.

Unlike in the case of long-term capital gains, no amendment has been made in the Finance Act 2017 that requires payment of STT at the time shares are acquired for eligibility of a concessional rate of 15% on short-term capital gains.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is required to be considered while computing tax on such STCG taxable under Section 111A of the ITA. In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable

MAT implications would get triggered in the hands of the resident corporate shareholder.

Non-resident shareholders can avail beneficial provisions of the applicable DTAA entered into by India subject to

fulfilling of the relevant conditions and the documentary compliance prescribed under the ITA.

In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

- In case of foreign companies and FII's: Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crores and @ 2% where the total income exceeds Rs.1 crore but is less than or equal to Rs. 10 crores. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% on Income Tax is leviable in all cases.
- In case of other non-resident assesseees (i.e. other than foreign companies): Surcharge @ 12% is leviable where the total income exceeds Rs.1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% on Income Tax is leviable in all cases.
- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crores and @ 7% where the total income exceeds Rs. 1 crore but is less than or equal to Rs. 10 crores is leviable in all cases.
- In case of firms and local authority: Surcharge @ 12% is leviable where the total income exceeds Rs.1 crore. Also, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% on Income Tax is leviable.
- In case of Individuals, HUF, AOP and BOI, Surcharge @15% is leviable where the total income exceeds Rs.1 Crore and @ 10% where the total income exceeds Rs.50 Lakhs but less than Rs.1 Crore. Also, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% on Income Tax is leviable

2. SHARES HELD AS STOCK-IN-TRADE

- a) If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.
- b) Resident Shareholders
- i) For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - ii) For Domestic company having turnover or gross receipts not exceeding Rs.50 Crores in the previous year would be taxable @ 25%
 - iii) For persons other than stated in (i) and (ii) above, profits would be taxable @ 30%. No benefit of indexation by virtue of period of holding would be available in any case. In addition to the above, in the case of domestic companies, Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crores and @ 7% where the total income exceeds Rs. 1 crore. In all other cases, Surcharge @ 12% is leviable where the total income exceeds Rs. 1 crore but is less than or equal to Rs. 10 crores. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% on Income Tax is leviable in all cases.
- c) Non Resident Shareholders
- i) For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.
- d) Where DTAA provisions are not applicable:
- i) For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
 - ii) For foreign companies, profits would be taxed in India @ 40%
 - iii) For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%

In addition to the above, in the case of foreign companies, Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crores and @ 2% where the total income exceeds Rs. 1 crore. In all other cases, Surcharge @15% is leviable where the total income exceeds Rs.1 Crore and @ 10% where the total income exceeds Rs.50 Lakhs but less than Rs.1 Crore. Also, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% on Income Tax is leviable

3. TAX DEDUCTION AT SOURCE

a) In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

b) In the case of Non Resident Shareholders

Since the Buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorised dealers/ tax advisors appropriately.

The above note on taxation sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein.

22 DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buyback Regulations:

- i. The Board of Directors of the Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
- ii. The Board of Directors of the Company confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:
 - a. That immediately following the date of the Letter of Offer, there will be no grounds on which the Company can be found unable to pay its debts;
 - b. That as regards the Company's prospects for the year immediately following the date of the Letter of Offer that, having regard to their intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date;
 - c. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act.

This declaration is made and issued by the Buyback Committee (under the authority of the Board of Directors) in terms of the resolution passed at the meeting held on August 22, 2017.

For and on behalf of the Board of Directors of Company

Sd/-
Vinod Saraf
Managing Director and Chief Executive Officer

Sd/-
Vinati Saraf
Executive Director

23 AUDITORS CERTIFICATE

Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:

The text of the report dated August 11, 2017 received from Karnavat & Co., Chartered Accountants, the statutory auditors of the Company for the financial year ended March 31, 2017, addressed to the Board of Directors of the Company is reproduced below:

Quote
To the Board of Directors of
VINATI ORGANICS LIMITED

Auditors' Report on Buy Back of Shares pursuant to the requirement of Schedule II to Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998

1. This report is issued in accordance with our agreement dated August 5, 2017.
2. Being the Statutory Auditors up to the Financial Year 2016-2017, we have been engaged by **Vinati Organics Limited** (the "**Company**") having its corporate office at Parinee Crescenzo, 11th floor, 1102, "G" Block, Plot no. C-38 & C-39, Bandra-Kurla Complex, Bandra (East) Mumbai - 400051, Maharashtra, India, to perform a reasonable assurance engagement on determination of the amount of permissible capital payment in connection with the proposed buy back by the Company of its equity shares in pursuance of the provisions of Section 68 and 70(1) of the Companies Act, 2013, as amended (the "**Act**") and regulations as specified in the 'Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998' and amendments thereto (the "**Regulations**") and on the opinions expressed by the Board of Directors of the Company, as required under the Regulations.

Board of Directors Responsibility

3. The Board of Directors of the Company is responsible for the following:
 - i. The amount of capital payment for the buy-back is properly determined; and
 - ii. It has made a full inquiry into the affairs and prospects of the Company and has formed the opinion that the Company will not be rendered insolvent within a period of one year from the date of the Board Meeting at which the buyback was approved.

Auditor's Responsibility

4. Pursuant to the requirement of the Regulations, it is our responsibility to obtain reasonable assurance on the following "Reporting Criteria":
 - i. whether the amount of capital payment for the buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act; and
 - ii. whether the Board of Directors has formed the opinion, as specified in Clause (x) of Schedule II to the Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of the Board Meeting at which the buyback was approved.
5. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. Within the scope of our work, we performed the following procedures:
 - i. Examined authorisation for buy back from the Articles of Association of the Company;
 - ii. Examined that the amount of capital payment for the buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act;
 - iii. Examined that the ratio of the secured and unsecured debt owed by the Company, if any, is not more than twice the paid-up capital and its free reserves after such buy-back;
 - iv. Examined that all the shares for buy-back are fully paid-up;
 - v. Inquired into the state of affairs of the Company with reference to the audited financial statements of the Company as at and for the year ended March 31, 2017 (the "**Audited Financial Statements**") which has been prepared by the Management of the Company; and examined budgets and projections prepared by the Management;
 - vi. Examined minutes of the meetings of the Board of Directors;
 - vii. Examined Directors' declarations for the purpose of buy-back and solvency of the Company; and
 - viii. Obtained appropriate representations from the Management of the Company.

6. We conducted our examination in accordance with the Guidance Note on Special Purpose Audit Reports and Certificates.
7. The financial statements referred to in paragraph 5 (v) above, have been audited by us on which we issued an unmodified audit opinion vide our report dated May 13, 2017. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

Opinion

8. As a result of our performance of aforementioned procedures, we report that:
- i. The amount of capital payment of Rs. 2400 Lakhs for the buyback in question, as computed in the table below, is within the permissible capital payment of Rs. 6497.59 Lakhs calculated based on the Audited Financial Statements, which, in our opinion, is properly determined in accordance with Section 68 of the Act and Regulation 4(1) of the Buyback Regulations. The amount of equity share capital and free reserves have been extracted from the audited financial statements of the Company for the year ended March 31, 2017 as under:

Particulars	Rs. in Lakhs
Issued, Subscribed and Paid-up share capital as at March 31, 2017 (5,15,91,025 equity shares of Rs. 2/- each fully paid-up)	1,031.82
Free Reserves as at March 31, 2017:	
- General Reserve	5,982.00
- Statement of Profit and Loss	57,962.12
Total	64,975.94
Maximum amount permissible for buy-back i.e. 10% of the total paid-up capital and free reserves	6,497.59

- ii. The Board of Directors in their meeting held on August 11, 2017 has formed the opinion, as specified in Clause (x) of Schedule II to the Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from date of the Board Meeting.

Restrictions on Use

9. Our work was performed solely to assist you in meeting your responsibilities with reference to the Regulations. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.
10. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable the Board of Directors of the Company to include in:
- i. Public Announcement to be made to the shareholders of the Company, both of which will be filed with (a) Securities and Exchange Board of India, (b) the BSE Limited and NSE, (c) the Registrar of Companies as required by the Regulations, (d) the National Securities Depository Limited and the Central Depository Services (India) Limited for the purpose of extinguishment of equity shares, (e) the merchant bankers for the purpose of buyback (f) Reserve Bank of India (g) the authorised dealer as approved by the Board of Directors or committee of the Board of Directors thereof, for the purpose of capital payment and with (h) other regulatory agency with our prior approval and should

not be used for any other purpose;

- ii. The draft letter of offer to be filed with Securities and Exchange Board of India and Stock Exchanges; and
- iii. The letter of offer to be given to the shareholders

KARNAVAT & CO. does not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report, or Public Announcement or the draft letter of offer or letter of offer which includes our report, is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

Place: Mumbai
Date: August 11, 2017
Unquote

(Shashikant Gupta)
Partner
Membership No. 045629

24 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by Shareholders of Vinati Organics Limited at the Corporate Office of the Company at Parinee Crescenzo, 1102, A Wing, 11th Floor, 'G' Block, Behind MCA, Bandra – Kurla Complex, Bandra (East) Maharashtra, from 10.30 AM to 1.00 PM on any day, except Saturdays, Sundays and public holidays, during the Tendering Period:

- i. Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Vinati Organics Limited;
- ii. Copy of the annual reports of Vinati Organics Limited for the years ended March 31, 2015, March 31, 2016 and March 31, 2017;
- iii. Copy of the resolution passed by the Board of Directors at the meeting held on August 11, 2017 approving proposal for Buyback;
- iv. Copy of Certificate dated August 11, 2017 received from M/s. Karnavat & Co., the Statutory Auditors of the Company for the FY 2017, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- v. Copy of Declaration of solvency and an affidavit in form SH-9 as prescribed under section 68(6) of the Companies Act;
- vi. Copy of Escrow Agreement dated August 20, 2017 between Vinati Organics Limited, HDFC Bank Limited, and Ambit Capital Private Limited;
- vii. Copy of the certificate dated [●] from HDFC Bank Limited confirming that ₹ [●] (Rupees [●] only) is kept in the Escrow Account;
- viii. Copy of the certificate from M/s. Karnavat & Co., Chartered Accountant dated August 14, 2017 certifying that the Company has adequate funds for the purposes of buyback of 2,00,000 Equity Shares at the price of ₹ 1,200 per Equity Share;
- ix. Copy of Public Announcement published in the newspapers on August 15, 2017 regarding Buyback of Equity Shares;
- x. Opinion dated August 18, 2017 obtained by the Company on taxation;
- xi. Copy of SEBI observation letter no. [●] dated [●];

25 COMPLIANCE OFFICER

Mr. Gunvant S. Singhi,
Company Secretary cum Finance Controller and Compliance Officer
Vinati Organics Limited
Parinee Crescenzo, 1102, A Wing, 11th Floor, 'G' Block,
Behind MCA, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051
Tel: +91 22 61240444; Fax: +91 22 61240438; Email: shares@vinatiorganics.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 AM and 5:00 PM on all working days except Saturday, Sunday and Public holidays

26 DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS / BENEFICIAL OWNERS

- In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buyback Offer and/or Registrar to the Buyback Offer for redressal.
- If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made there-under, or any regulation or under clause (f) of sub-section (2) of Section 68 of the Companies Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act.
- The address of the concerned office of the Registrar of Companies is as follows:
Registrar of Companies, Maharashtra, Mumbai
100, Everest, Marine Drive, Mumbai – 400 002

27 INVESTOR SERVICE CENTRE

In case of any query, the Shareholders may contact the Registrar & Transfer Agent on any day except Saturday, Sunday and Public holidays between 10:00 AM and 4:30 PM at the following address:

Sharex Dynamic (India) Pvt. Ltd.
Unit no.1, Luthra Industrial Premises, Safed Pool,
Andheri-Kurla Road, Andheri (East), Mumbai – 400 072
Tel: +91 22 28515606/5644; Fax: +91 22 28512885
Email: sharexindia@vsnl.com
Contact Person: Mr. K.C. Ajitkumar
SEBI Registration No.: INR000002102

28 MANAGER TO THE BUYBACK OFFER



Ambit Capital Private Limited

Ambit House, 449, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013
Tel: +91 22 39821819; Fax: +91 22 39823020
Email: vinatibuyback2017@ambit.co
SEBI Registration No.: INM000012379
CIN:U74140MH1997PTC107598
Contact Person: Ms. Aanchal Agarwal
Website: www.ambit.co

29 DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE OFFER DOCUMENT

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Letter of Offer. The Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on August 22, 2017.

For and on behalf of the Board of Directors of
Vinati Organics Limited

Vinod Saraf
*Managing Director and
Chief Executive Officer*

Vinati Saraf
Executive Director

R K Saraswat
Director

Date: August 22, 2017

Place: Mumbai

Enclosure:

1. Form of Acceptance-cum-Acknowledgement

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)**

BUYBACK OPENS ON:	
BUYBACK CLOSES ON:	

For Registrar / Collection Centre Use

--

Date:

To,

Board of Directors

Vinati Organics Limited

c/o Sharex Dynamic (India) Pvt. Ltd

Unit no.1, Luthra Industrial Premises, Safed Pool,

Andheri-Kurla Road, Andheri (East),

Mumbai – 400 072

Status: Please tick appropriate box			
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors / Foreign Portfolio Investors
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution
<input type="checkbox"/>		<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>		<input type="checkbox"/>	Foreign National
<input type="checkbox"/>		<input type="checkbox"/>	Others (specify)

Dear Sirs,

Sub: Letter of Offer dated [●] to Buyback not exceeding 2,00,000 fully paid up Equity Shares of face value ₹ 2/- of Vinati Organics Limited (the "Company") at a price of ₹1,200 (Rupees One Thousand Two Hundred only) per Equity Share ("Buyback Offer Price"), payable in cash

- I/We (having read and understood the Letter of Offer dated [●]) hereby tender / offer my / our Equity Shares in response to the Buyback Offer on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback Offer to extinguish the Equity Shares.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback Offer.
- I / We agree that the consideration for the accepted Shares will be paid as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I/We agree that the excess demat Equity Shares or unaccepted demat Shares, if any, tendered would be returned as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I / We undertake to return to the Company any Buyback Offer consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback Offer in accordance with the Companies Act and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback		

Note: An Equity Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Equity Shareholder up to the Buyback Entitlement of such Equity Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Equity Shareholder over and above the Buyback Entitlement of such Equity Shareholder shall be accepted in accordance with Paragraph 19.6, 19.7, 19.8 and 19.9 of the Letter of Offer. Equity Shares tendered by any Equity Shareholder over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not considered for the purpose of Acceptance.

----- **Tear along this line** -----

Acknowledgement Slip: Vinati Organics Limited – Buyback Offer

(to be filled by the Equity Shareholder) (subject to verification)

Folio No./DP ID

Received from Mr./Ms./M/s. _____

Client ID

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

STAMP OF COLLECTION CENTRE

Please quote Client ID No. & DP ID No. for all future correspondence

--

10. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL	<input type="checkbox"/> CDSL
Name of the Depository Participant		
DP ID No.:		
Client ID with the DP		

11. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of The Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID				

*Corporate must affix rubber stamp

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

1. This Offer will open on [●] and close on [●].
2. For the procedure to be followed by Equity Shareholders for tendering in the Buyback Offer, please refer to section 20 of the Letter of Offer.
3. All documents sent by Equity Shareholders will be at their own risk. Equity Shareholders of the Company are advised to safeguard adequately their interests in this regard.

All future correspondence in connection with this Buyback, if any, should be addressed to Registrar to the Buyback Offer at the following address quoting your client ID and DP ID:

Investor Service Centre, Vinati Organics Limited – Buyback Offer

Sharex Dynamic (India) Pvt. Ltd.

Unit no.1, Luthra Industrial Premises, Safed Pool,
Andheri-Kurla Road, Andheri (East),
Mumbai – 400 072

Tel: (+91) 22 28515606/5644; Fax: (+91) 22 28512885; Email: sharexindia@vsnl.com;

Contact Person: Mr. K. C. Ajitkumar

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)**

BUYBACK OPENS ON:	
BUYBACK CLOSES ON:	

For Registrar / Collection Centre Use

--

Date:

To,

Board of Directors

Vinati Organics Limited

c/o Sharex Dynamic (India) Pvt. Ltd

Unit no.1, Luthra Industrial Premises, Safed Pool,

Andheri-Kurla Road, Andheri (East),

Mumbai – 400 072

Status: Please tick appropriate box

<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors / Foreign Portfolio Investors	<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB	<input type="checkbox"/>	Foreign National
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution	<input type="checkbox"/>	Others (specify)

Dear Sirs,

Sub: Letter of Offer dated [●] to Buyback not exceeding 2,00,000 fully paid up Equity Shares of face value ₹ 2/- of Vinati Organics Limited (the "Company") at a price of ₹1,200 (Rupees One Thousand Two Hundred only) per Equity Share ("Buyback Offer Price"), payable in cash

- I/We (having read and understood the Letter of Offer dated [●]) hereby tender / offer my / our Equity Shares in response to the Buyback Offer on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback Offer to extinguish the Equity Shares.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback Offer.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
- I / We agree that the consideration for the accepted Shares will be paid as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I / We undertake to return to the Company any Buyback Offer consideration that may be wrongfully received by me / us.
- I / We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration may be paid to the first named Equity Shareholder.
- I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback Offer in accordance with the Companies Act and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback		

Tear along this line -----

Acknowledgement Slip: Vinati Organics Limited – Buyback Offer

(to be filled by the Equity Shareholder) (subject to verification)

Ledger Folio No.: _____

Received from Mr./Ms./M/s. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with: _____

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

STAMP OF COLLECTION CENTRE

Please quote Ledger Folio No. for all future correspondence

--

Note: An Equity Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Shares validly tendered by any Equity Shareholder up to the Buyback Entitlement of such Equity Shareholder shall be accepted to the full extent. The Shares tendered by any Equity Shareholder over and above the Buyback Entitlement of such Equity Shareholder shall be accepted in accordance with Paragraph 19.6, 19.7, 19.8 and 19.9 of the Letter of Offer. Equity Shares tendered by any Equity Shareholder over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not considered for the purpose of Acceptance.

12. Details of Share Certificate(s) enclosed: Total No. of Share Certificates Submitted

Sr. No.	Folio No.	Share Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
1					
2					
3					
4					
				Total	

In case the number of folios and share certificates enclosed exceed 4 nos., Please attach a separate sheet giving details in the same format as above

13. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

- | | |
|---|---|
| <input type="checkbox"/> Power of Attorney | <input type="checkbox"/> Corporate authorisation |
| <input type="checkbox"/> Death Certificate | <input type="checkbox"/> Succession Certificate |
| <input type="checkbox"/> Self Attested copies of PAN Card of all Shareholders | <input type="checkbox"/> TRS |
| <input type="checkbox"/> Original Share Transfer Form SH4 duly executed and witnessed | <input type="checkbox"/> Others (please specify): _____ |

14. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of The Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID				

*Corporate must affix rubber stamp

This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

1. This Offer will open on [●] and close on [●].
2. For the procedure to be followed by Equity Shareholders for tendering in the Buyback Offer, please refer to section 20 of the Letter of Offer.

All documents sent by or to Equity Shareholders will be at their own risk and Equity Shareholders are advised to adequately safeguard their interests in this regard.

All future correspondence in connection with this Buyback, if any, should be addressed to Registrar to the Buyback Offer at the following address quoting your Folio No. :

**Investor Service Centre, Vinati Organics Limited – Buyback Offer
Sharex Dynamic (India) Pvt. Ltd.**

Unit no.1, Luthra Industrial Premises, Safed Pool,
Andheri-Kurla Road, Andheri (East),
Mumbai – 400 072

Tel: (+91) 22 28515606/5644; Fax: (+91) 22 28512885; Email: sharexindia@vsnl.com;
Contact Person: Mr. K. C. Ajitkumar