



Vadivarhe Speciality Chemicals Ltd

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Annual Report 2016-2017

## **C O N T E N T S**

Board of Directors, etc

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Notice and Explanatory Statements

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Directors' Report

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Annexure to Directors' Report

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Auditor's Report and Annexure to Auditor's Report

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Balance Sheet, Profit & Loss Account and Cash Flow Statement

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Significant Accounting Policies/Schedules/Notes to the financial statements/

Additional Information

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## Board of Directors

Mr. Sunil H. Pophale (DIN-00064412)  
Mrs. Meena S. Pophale (DIN-00834085)  
Mr. Vasant P Jagtap (DIN-06904144)  
Ms. Aditi S. Pophale (DIN-02454406) (Ceased to be Director w.e.f. 24/03/2017)  
Mr. Sujit S. Bopardikar (DIN-05181279) (Ceased to be Director w.e.f. 24/03/2017)  
Mr. Abhijit S. Bopardikar (DIN-05193697) (Ceased to be Director w.e.f. 24/03/2017)  
Ms. Manasi S. Pophale (DIN-03619552) (Ceased to be Director w.e.f. 24/03/2017)  
Mr. Ravindra K. Paranjpe (DIN-06816384) (Appointed on 2<sup>nd</sup> May, 2017)  
Mr. Prasanna P. Rege (DIN-02795136) (Appointed on 2<sup>nd</sup> May, 2017)  
Mr. Uttara A. Kher (DIN-07805920) (Appointed on 2<sup>nd</sup> May, 2017)

### **Factory and Registered Office at:**

Gat No 204, Vadivarhe,  
Nashik-Mumbai Highway,  
Tal-Igatpuri  
Dist-Nashik 422 403  
Phone: 02553 282200  
CIN No: U24100MH2009PLC190516  
Website: [www.vscl.net.in](http://www.vscl.net.in)  
E-mail: [inquiry@vscl.co.in](mailto:inquiry@vscl.co.in)

### **Bankers**

Axis Bank Ltd  
Mazda Tower, Trimbak Naka,  
GPO Road, Opp. Zilha Parishad,  
Nashik 422 001  
Tel: 91 - 253-6627497/7422

### **Auditors**

#### **S R Rahalkar & Associates**

1, Bhumi Exotica, A Wing,  
Near Rathi Amrai, Swami Vivekanand Road,  
Off. Gangapur Road,  
Nashik - 422 013

# VADIVARHE SPECIALITY CHEMICALS LIMITED

Gat No.204, Nashik-Mumbai Highway, Wadivarhe,  
Tal-Igatpuri, Dist. Nashik - 422403, Maharashtra State  
Phone - 02553 282205 Fax - 02553 282239 E-mail [accounts@vscl.co.in](mailto:accounts@vscl.co.in)  
CIN : U24100MH2009PLC190516

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## Notice

**Notice** is hereby given that the Eighth Annual General Meeting of the members of **VADIVARHE SPECIALITY CHEMICALS LIMITED** will be held at the Registered Office of the Company situated at Gat No 204, Vadivarhe, Tal-Igatpuri, Dist-Nashik 422403, on **Thursday, 11<sup>th</sup> May, 2017**, at 11.00 a.m. to transact the following business:

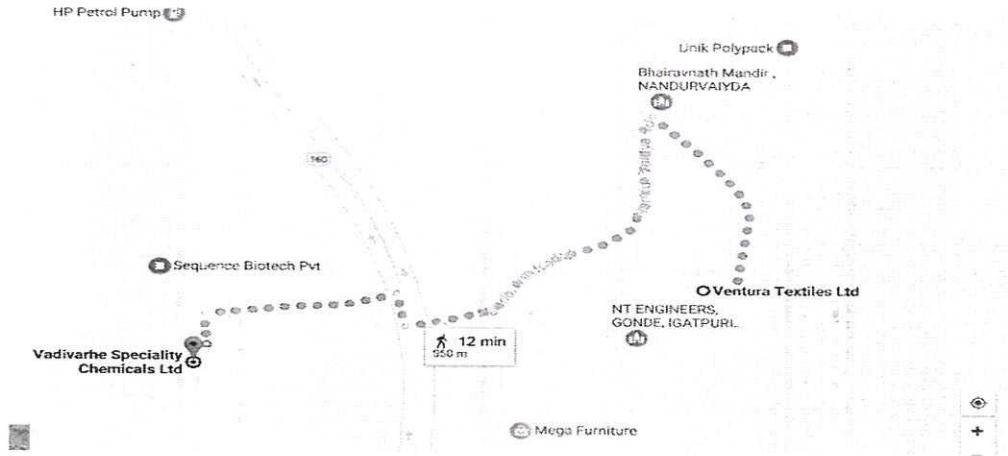
1. To consider and to adopt the Audited Statement of Profit and Loss of the Company for the financial year ended 31<sup>st</sup> March, 2017 and Balance Sheet as at 31<sup>st</sup> March, 2017, along with the schedules annexed thereto together with the Notes to Accounts, Directors' Report and Auditor's Report.
2. To appoint a Director in place of Mr. Vasant Pandit Jagtap, (DIN-06904144) who retires by rotation and, being eligible, offers herself for re-appointment.
3. To ratify the appointment of, M/s S.R Rahalkar & Associates, Chartered Accountants Nashik, bearing Firm Registration Number 108283W as approved by the Board of Directors, as Statutory Auditors of the Company, to hold office from the conclusion of the ensuing Annual General Meeting, until the conclusion of the Annual General Meeting of the Company to be held for the financial year ending 31<sup>st</sup> March, 2019 and to fix their remuneration for the said period.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of M/s S.R Rahalkar & Associates, Chartered Accountants bearing Firm Registration Number 108283W being eligible and willing to act as Statutory Auditors be hereby ratified to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held for the financial year ending 31<sup>st</sup> March, 2019, subject to ratification of their appointment at the ensuing AGM, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY IN ORDER TO BE EFFECTIVE, FORMS SHOULD BE LODGED WITH COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
4. **Enclosure: Route Map with Landmark: Ventura Textiles Ltd**



Registered Office:  
Gat No 204, Vadivarhe,  
Tal-Igatpuri, Dist-Nashik 422 403



By Order of the Board  
**Vadivarhe Speciality Chemicals Limited**

**SUNIL H POPHALE**

Chairman & Executive Director  
DIN: 00064412

Add: Flat no 15, Lalit Building,  
Wode House Road Colaba,  
Mumbai, 400039,

Date: 10<sup>th</sup> May, 2017

# **VADIVARHE SPECIALITY CHEMICALS LIMITED**

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## **DIRECTORS REPORT** **OF** **VADIVARHE SPECIALITY CHEMICALS LIMITED** **FOR THE FINANCIAL YEAR 2016-17**

### **NAMES OF PAST AND PRESENT DIRECTORS OF THE COMPANY** **WITH DIRECTOR IDENTIFICATION NUMBERS (DIN)<sup>1</sup>**

- 1) Mr. Sunil H. Pophale (DIN-00064412)
- 2) Mrs. Meena S. Pophale (DIN-00834085)
- 3) Ms. Aditi S. Pophale (DIN-02454406) (Ceased to be Director w.e.f. 24/03/2017)
- 4) Mr. Sujit S. Bopardikar (DIN-05181279) (Ceased to be Director w.e.f. 24/03/2017)
- 5) Mr. Abhijit S. Bopardikar (DIN-05193697) (Ceased to be Director w.e.f. 24/03/2017)
- 6) Ms. Manasi S. Pophale (DIN-03619552) (Ceased to be Director w.e.f. 24/03/2017)
- 7) Mr. Vasant P. Jagtap (DIN-02454406)
- 8) Mr. Ravindra K. Paranjpe (DIN-06816384) (Appointed on 2<sup>nd</sup> May, 2017)
- 9) Mr. Prasanna P. Rege (DIN-02795136) (Appointed on 2<sup>nd</sup> May, 2017)
- 10) Mr. Uttara A. Kher (DIN-07805920) (Appointed on 2<sup>nd</sup> May, 2017)

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<sup>1</sup> The above disclosure has been given in accordance with Section 158 of Companies Act 2013, and reference of any of the above directors made in this document be read along with the above disclosure of their respective Director Identification Numbers

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## DIRECTORS' REPORT

To  
The Members,  
Vadivarhe Speciality Chemicals Limited

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL STATEMENTS & RESULTS:

#### a. Financial Results

The Company's performance during the year ended 31<sup>st</sup> March, 2017 as compared to the previous financial year, is summarized below:

Particulars	For the financial year ended 31 <sup>st</sup> March, 2017	For the financial year ended 31 <sup>st</sup> March, 2016
Income	35,37,28,223	26,42,51,086
Less: Expenses	26,61,75,707	21,46,49,723
Prior Period Income	70,11,464	0
Profit/ (Loss) before tax	9,45,63,980	4,96,01,362
Less: Provision for tax	1,92,80,508	1,04,78,840
Deferred Tax Expense/(Benefits)	1,85,93,730	63,14,183
MAT Credit entitlement	(38,51,643)	(1,01,13,148)
Income Tax of earlier years w/off	4,34,490	0
Exception Income	0	0
Exception expenditure	0	0
Profit after Tax	6,01,06,895	4,29,21,488
<b><u>APPROPRIATION</u></b>		
Interim Dividend	0	0
Final Dividend	0	0
Tax on distribution of dividend	0	0
Transfer of General Reserve	0	0
Balance carried to Balance sheet	6,01,06,895	4,29,21,488

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## **OPERATIONS:**

This is the Eighth year of operation and your Company has achieved a net sales of Rs. 35.37 Crores and Profit after tax Rs. 6.01 Crores, as compared to last year FY 2015-16 net sales Rs. 26.43 Crores and Profit after tax Rs. 4.29 Crores.

## **REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS**

Your Directors wish to present the details of Business operations done during the year under review:

### **a. Production and Profitability**

Company is always taking efforts to increase its productivity and use maximum production capacity to increase its profitability.

### **b. Sales**

Both the Loan License activity and sales of own products have shown growth. Further improvement is expected in FY 2017-18 keeping in mind the proposed IPO.

### **c. Marketing and Market environment**

No significant changes in Market environment in API and Intermediates.

### **d. Future Prospects including constraints affecting due to Government policies**

Operations of the Company are expected to reach to a new level altogether keeping in mind the proposed fund raising through IPO and Listing of its Shares on SME platform of NSE Exchange. There are no significant changes in Government policies in API and Intermediates.

## **b. DIVIDEND:**

Though Company is in Profits and having carried forward profits for next years, your Directors have not recommended any dividend for the year ended 31st March, 2017.

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c. **REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

d. **DEPOSITS**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

e. **PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an arm's length basis. Further, none of these contracts / arrangements / transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

f. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure I** which forms part of this Report.

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## g. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31<sup>st</sup> March, 2017 made under the provisions of Section 92(3) of the Act is attached as **Annexure II** which forms part of this Report.

## h. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES:

Full particulars of investments, loans, guarantees and securities covered under Section 186 of the Companies Act 2013 provided during the financial year under review has been furnished in Note (O) of the Notes to Accounts which forms part of the financials of the Company.

## i. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

## j. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS -

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

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## 2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

### a) BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The changes in Directorship of the Company during the year under review are as stated below:

#### i. Appointment

There have been no appointments on the Board of Directors of the Company during the Financial Year 2016-17

Mr. Jayesh Bhagwati Prasad Vaishnav and Mr. Laxmikant Shamkant Potdar were appointed as Company Secretary and Chief Financial Officer of the Company in the Board Meeting held on 24<sup>th</sup> March, 2017.

#### ii. Resignation

Mr. Abhijit Bopardikar, Mr. Sujit Bopardikar, Ms. Aditi Pophale and Ms. Manasi Pophale resigned from the office on Director w.e.f. 24<sup>th</sup> March, 2017.

#### iii. Retirement by rotation

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Vasant Pandit Jagtap (DIN-06904144) Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors recommend their approval.

# VADIVARHE SPECIALITY CHEMICALS LIMITED

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## DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

### **a. BOARD MEETINGS:**

The Board of Directors met five (5) times during the financial year ended 31<sup>st</sup> March, 2017 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The details of the same are as mentioned under:-

Sr. No.	Date of meeting	Names of Directors as on the date of meeting	Directors Present	Directors Absent
1	22.04.2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
2	30.06.2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
3	18.07.2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
4	20.07.2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
5	17.08.2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
6	18.09.2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale	07	00

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		3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap		
7	14.10.2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
8	10.11.2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
9	18.11.2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
10	01.02.2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
11	27.02.2017	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
12	01.03.2017	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale	07	00

## VADIVARHE SPECIALITY CHEMICALS LIMITED

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		7.Vasant Pandit Jagtap		
13	24.03.2017	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Vasant Pandit Jagtap	03	00

### b. RISK MANAGEMENT POLICY:

The Board of Directors of the Company has not designed any Risk Management Policy. However, the Company has in place mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

### c. CORPORATE SOCIAL RESPONSIBILITY POLICY:

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee consisting of following members:

1. Mr. Sunil Haripant Pophale, Director, (Chairman)
2. Mrs. Meena Sunil Pophale, Director and
3. Mr. Vasant Pandit Jagtap, Director

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee and the Company spent 7,12,514/- towards CSR activities in Financial Year 2016-17. The contents of the CSR policy and initiatives taken by the Company on Corporate Social Responsibility during the year 2016-17 is attached as *Annexure III* to this Report.

The CSR Policy of the Company is available on the Company's web-site and can be accessed in the link [www.vscl.co.in](http://www.vscl.co.in)

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## 3. AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

### a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017:

There are no observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended 31<sup>st</sup> March 2017.

### b. RATIFICATION OF APPOINTMENT OF AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. S R Rahalkar and Associates, Chartered Accountants, the Statutory Auditors of the Company have been appointed for a term of five years. However, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

## 4. OTHER DISCLOSURES

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

### a. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

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## **b. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2017, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and of the profit/loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

## **c. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## **d. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

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e. **DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

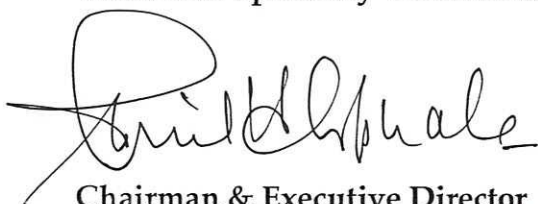
f. **DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

5. **ACKNOWLEDGEMENTS AND APPRECIATION:**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

For and on behalf of the Board  
Vadivarhe Speciality Chemicals Limited



Chairman & Executive Director

Name: Sunil Haripant Pophale

DIN: 00064412

Add: Flat No 15, Lalit Bldg, Wode House  
Road. Colaba, Mumbai, 400039

Date: 10/05/2017

Place: Nashik



**ANNEXURE I**

**DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT  
 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014**

**(A) Conservation of energy:**

Steps taken or impact on conservation of energy	<b>The Company has spent Rs. 300 Lakhs on Conservation of Energy. Company has installed 193 Kwh Solar Power Plant and 3000 Liter per day capacity Solar Water Heater Plant.</b>
Steps taken by the company for utilizing alternate sources of energy	
Capital investment on energy conservation equipments	

**(B) Technology absorption:**

Efforts made towards technology absorption	<b>Companies products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research and Development activities are directed to achieve the aforesaid goal.</b>  <b>Efforts were made in developing new products to cater to customer's requirement, especially exports.</b>
Benefits derived like product improvement, cost reduction, product development or import substitution	<b>As a result of sustained efforts, we have entered in to prestigious western market. In fact we are also being looked upon as a potential R&amp;D center for their offshore R&amp;D activity.</b>
<b>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):</b>	
Details of technology imported	<b>Nil</b>
Year of import	<b>Not Applicable</b>
Whether the technology has been fully absorbed	<b>Not Applicable</b>
If not fully absorbed, areas where	<b>Not Applicable</b>

**VADIVARHE SPECIALITY CHEMICALS LIMITED**

Gat No.204, Nashik-Mumbai Highway, Wadivarhe,

Tal-Igatpuri, Dist. Nashik – 422403

CIN : U24100MH2009PLC190516, E-mail [accounts@vscl.co.in](mailto:accounts@vscl.co.in)

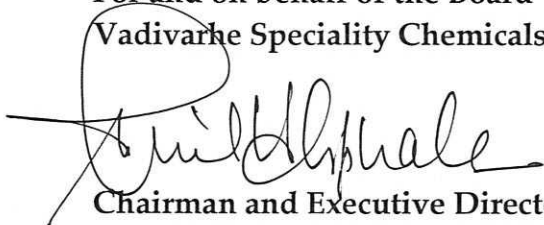
Phone – 02553 282205 Fax – 02553 282239

absorption has not taken place, and the reasons thereof	
Expenditure incurred on Research and Development	Nil

**(C) Foreign exchange earnings and Outgo:**

	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017 [Current F.Y.]	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016 [Previous F.Y.]
	Amount in Rs.	Amount in Rs.
Actual Foreign Exchange earnings	17,14,30,738	8,75,63,466
Actual Foreign Exchange outgo	4,47,76,133	2,74,47,813

For and on behalf of the Board  
Vadivarhe Speciality Chemicals Limited



Chairman and Executive Director

Name: Sunil Haripant Pophale

DIN: 00064412

Add: Flat No. 15, Lalit Building,  
Wode House Road. Colaba,  
Mumbai, 400039



Date: 10/05/2017

Place: Nashik

# VADIVARHE SPECIALITY CHEMICALS LIMITED

Gat No.204, Nashik-Mumbai Highway, Wadivarhe,  
Tal-Igatpuri, Dist. Nashik - 422403, Maharashtra State  
Phone - 02553 282205 Fax - 02553 282239 E-mail [accounts@vscl.co.in](mailto:accounts@vscl.co.in)  
CIN : U24100MH2009PLC190516

## Annexure IV

Information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended 31st March, 2017.

### FORM - A

	Unit of measurement	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>A) Power and Fuel Consumption</b>			
<b>1. Electricity</b>			
Purchased			
Units	'000 Kwhr.	1667	1681
Total Amount	Rs. 00000	130.49	131.74
Rate/Unit	Rs./Kwhr.	7.83	7.84
Self-generated -1 (see note 1 below)			
Units	'000 Kwhr.	12.89	9.61
Total Amount	Rs. 000	140.40	148.94
Rate/Unit	Rs./Kwhr.	10.89	15.50
Self-generated -2 (see note 1 below)			
Units	'000 Kwhr.	127.28	--
Total Amount	Rs. 000	--	--
Rate/Unit	Rs./Kwhr.	--	--
<b>2. Diesel /LDO *</b>			
Quantity	KL	253.35	286.88
Total Amount	Rs. 000	121.22	151.66
Average Rate	Rs./Ltr.	47.85	52.87
* Used for both D G Set and Boiler			
<b>B) Consumption per unit of Production *</b>			
Electricity	Kwhr./Kg.	20.59	20.59
Diesel/LDO	Ltrs./Kg.	3.51	3.51
* This figures are not comparative due to Electricity and Diesel used for manufacturing of own products as well as loan license products. For calculation purpose only own products manufactured are considered.			

**Note:** Own Generation: Company has one 250 KVA diesel generation unit at its manufacturing plant at Vadivarhe.  
Company has installed 193 Kwh Solar Power Generation Units in September, 2016

For and on behalf of the Board

Vadivarhe Speciality Chemicals Limited

Chairman & Executive Director

Name: Sunil Haripant Pophale

DIN: 00064412

Add: Flat No 15, Lalit Building, Wode House Road.

Colaba, Mumbai, 400039

Date: 10/05/2017

Place: Nashik



# VADIVARHE SPECIALITY CHEMICALS LIMITED

Gat No.204, Nashik-Mumbai Highway, Wadivarhe,  
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## Annexure II

### FORM NO. MGT 9

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

### EXTRACT OF ANNUAL RETURN

#### I REGISTRATION & OTHER DETAILS:

i	CIN	U24100MH2009PLC190516
ii	Registration Date	23/02/2009
iii	Name of the Company	Vadivarhe Speciality Chemicals Limited
iv	Category of the Company	Public Company Limited by Shares
v	<b>Address of the Registered office &amp; contact details</b>	
	Address :	Gat No. 204, Wadivarhe, Tal-Igatpuri, Dist-Nashik
	Town / City :	Nashik - 422403
	State :	Maharashtra
	Country Name :	India
	Telephone (with STD Code) :	02553 282200
	Fax Number :	02553 282239
	Email Address :	<a href="mailto:accounts@vscl.co.in">accounts@vscl.co.in</a>
	Website, if any:	<a href="http://www.vscl.net.in">www.vscl.net.in</a>
vi	Whether listed company	No
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA:	Adroit Corporate Services Pvt. Ltd
	Address :	17/20, Jaferbhoy Indl. Estate , Makwana Road, Marol Naka, Andheri (E)
	Town / City :	Mumbai
	State :	Maharashtra
	Pin Code:	400059
	Telephone :	022 28590942
	Fax Number :	022 2850 3748
	Email Address :	<a href="mailto:sshetty@adroitcorporate.com">sshetty@adroitcorporate.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	API / Bulk Drugs ( Self & Loan License)	21009	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled	0
--	---

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	N A	N A	N A	N A	N A

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	483750	0	483750	100%	10565625	0	10565625	87.36%	-12.64%
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>(2) Foreign</b>									
a) NRI - Individual/	0	0	0	0	0	0	0	0	0
b) Other - Individual/	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Others	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	483750	0	483750	100%	10565625	0	10565625	87.36%	-12.64%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital	0	0	0	0	0	0	0	0	0
f) Insurance	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0%	0	0	0	0%	0%
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	1528125	0	1528125	12.64%	12.64%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) *Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	0	0	0	0%	1528125	0	1528125	12.64%	12.64%
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	0	0	0	0%	0	0	0	0%	0%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0%	0	0	0	0%	0%
<b>Grand Total (A+B+C)</b>	483750	0	483750	100%	12093750	0	12093750	100%	0%

ii *Shareholding of Promoters*

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Sunil H Pophale	422625	87.36%	0%	10565625	87.36%	0%	0.00%
	<b>TOTAL</b>	422625	87.36%	0.00%	10565625	87.36%	0.00%	0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Mr. Sunil H Pophale</b>						
	At the beginning of the year			422,625	87.36%	422,625	87.36%
	Changes during the year	17-08-2016	Sub-division	3,803,625		4,226,250	
		27-02-2017	Bonus	6,339,375		10,565,625	
	At the end of the year			10,565,625	87.36%	10,565,625	87.36%

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Mrs. Meena S Pophale</b>						
	At the beginning of the year			215	0.044%	215	0.04%
	Changes during the year	17-08-2016	Sub-division	1,935		2,150	
		27-02-2017	Bonus	3225		5,375	
	At the end of the year			5,375	0.044%	5,375	0.04%
2	<b>Ms. Manasi S Pophale</b>						
	At the beginning of the year			10	0.002%	10	0.002%
	Changes during the year	17-08-2016	Sub-division	90		100	
		27-02-2017	Bonus	150		250	
	At the end of the year			250	0.002%	250	0.002%
3	<b>Mr. Sujit S Bopardikar</b>						
	At the beginning of the year			225	0.047%	225	0.047%
	Changes during the year	17-08-2016	Sub-division	2025		2,250	
		27-02-2017	Bonus	3375		5,625	
	At the end of the year			5625	0.047%	5,625	0.047%
4	<b>Mrs. Vijaya S Bopardikar</b>						
	At the beginning of the year			225	0.047%	225	0.047%
	Changes during the year	17-08-2016	Sub-division	2025		2,250	
		27-02-2017	Bonus	3375		5,625	
	At the end of the year			5625	0.047%	5,625	0.047%
5	<b>Mr. Abhijit S Bopardikar</b>						
	At the beginning of the year			225	0.047%	225	0.047%
	Changes during the year	17-08-2016	Sub-division	2025		2,250	
	At the end of the year	27-02-2017	Bonus	3375		5,625	
				5625	0.047%	5,625	0.047%
6	<b>Mrs. Saloni A Bopardikar</b>						
	At the beginning of the year			225	0.047%	225	0.047%
	Changes during the year	17-08-2016	Sub-division	2025		2,250	
	At the end of the year	27-02-2017	Bonus	3375		5,625	
				5625	0.047%	5,625	0.047%
7	<b>Ms. Aditi Sunil Pophale</b>						
	At the beginning of the year			60000	12.40%	60,000	12.40%
	Changes during the year	17-08-2016	Sub-division	540000		540,000	
		27-02-2017	Bonus	900000		900,000	
	At the end of the year			1500000	12.40%	1,500,000	12.40%

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Mr. Sunil H Pophale</b>						
	At the beginning of the year			422,625	87.36%	422,625	87.36%
	Changes during the year	17-08-2016	Sub-division	3,803,625		4,226,250	
		27-02-2017	Bonus	6,339,375		10,565,625	
	At the end of the year			10,565,625	87.36%	10,565,625	87.36%
2	<b>Mrs. Meena S Pophale</b>						
	At the beginning of the year			215	0.044%	215	0.044%
	Changes during the year	17-08-2016	Sub-division	1,935		2,150	
		27-02-2017	Bonus	3225		5,375	
	At the end of the year			5,375	0.044%	5,375	0.044%
3	<b>Mr. Vasant P Jagtap</b>						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
4	<b>Mr. Laxmikant S Potdar</b>						
	At the beginning of the year			-	0.05%	-	0.05%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.05%	-	0.05%
5	<b>Mr. Jayesh Vaishnav</b>						
	At the beginning of the year			-	0.05%	-	0.05%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.05%	-	0.05%

**V INDEBTEDNESS**

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

(Amount in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	868.18	196.81	-	1,064.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>868.18</b>	<b>196.81</b>	<b>-</b>	<b>1,064.99</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	498.17	-	-	498.17
* Reduction	(93.37)	(196.20)	-	(289.57)
<b>Net Change</b>	<b>404.80</b>	<b>(196.20)</b>	<b>-</b>	<b>208.60</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,272.98	0.61	-	1,273.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,272.98</b>	<b>0.61</b>	<b>-</b>	<b>1,273.59</b>

# VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Meena S Pophale	Suli H Pophale	Vasant P Jagtap	
	Designation	Wholetime Director	Executive Director	Executive Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.00	12.00	24.68	48.68
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	- as % of profit	-	-		-
	- others, specify	-	-		-
5	Others, please specify	-	-		-
	Total (A)	12.00	12.00	24.68	48.68
	Ceiling as per the Act	Rs. 91.34 Lakhs (being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)			

## B. Remuneration to other directors: N A

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings	-	-		-
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (1)	-	-		-
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	-	-		-
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (2)	-	-		-
	Total (B)=(1+2)	-	-		-
	Total Managerial Remuneration	-	-		-
	Overall Ceiling as per the Act	-	-		-

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD - N. A

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		CFO*	CS*	Total
1	Gross salary	21,000.00	3,390.00	21,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify...			-
5	Others, please specify			-
	Total			-

\*Appointment of CS and CFO is effective from 24th March, 2017. The Remuneration figures are proportionate to number of days for which they were employed.

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Vadivarhe Speciality Chemicals Limited



Chairman & Executive Director

Name: Sunil Haripant Pophale

DIN: 00064412

Add: Flat No 15, Lalit Building, Wode House Road. Colaba,  
Mumbai, 400039

Date: 10-05-2017

Place Nashik



# **VADIVARHE SPECIALITY CHEMICALS LIMITED**

Gat No.204, Nashik-Mumbai Highway, Wadivarhe,  
Tal-Igatpuri, Dist. Nashik - 422403, Maharashtra State  
Phone - 02553 282205 Fax - 02553 282239 E-mail [accounts@vscl.co.in](mailto:accounts@vscl.co.in)  
CIN : U24100MH2009PLC190516

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## **Annexure III to the Boards Reports**

### **Annual Report on Corporate Social Responsibility (CSR) Activities:**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs:-

#### **Policy Statement**

For Vadivarhe Speciality Chemicals Limited (VSCL), the Corporate Social Responsibility (CSR) is a planned set of activities taking into consideration the Company's capabilities, expectations of the communities living in and around the areas of its operation as well as overall Country, targeted to have a significant positive impact in the long term. The aim is to play a catalytic role in the sustainable socio-economic development in the regions where the industry is located or where its interests lie, attempting to create an enabling working environment for VSCL.

#### **Organization Setup**

VSCL has setup a Corporate Social Responsibility (CSR) committee of 3 Directors. The CSR Committee finalized the projects regarding expenditure to be incurred on CSR activities. Committee to guide and monitor the CSR Activities and the progress of the project.

#### **Geographical area of CSR Activities**

VSCL has decided to take the CSR Activities around VSCL Factory Units; within a radius of 35 to 40 Km. The Company has also decided to take any good projects if approached to VSCL under CSR Activities which can be taken place in any part of India.

#### **Implementation of CSR Activities**

VSCL has decided that the implementation of the CSR Activities is to be taken place by VSCL's Employees, which will create a good relation of VSCL employees with nearby villagers. It is also easy to closely monitor and better implementation of CSR Activities.

## Identification of CSR Activities

VSCL has decided to undertake the CSR Activities to promote Education, Environmental Sustainability, Nature Conservation and Animal Welfare, Providing necessary facilities to Rural Ares, Health Assistant to Rural and Local Tribal Ares.

The CSR Policy and Activities are made available by the Company on the Company's website [www.vscl.net.in](http://www.vscl.net.in)

### 2. The composition of the CSR Committee –

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee consisting of following members:

1. Mr. Sunil Haripant Pophale, Director,
2. Mrs. Meena Sunil Pophale, Director and
3. Mr. Vasant Pandit Jagtap, Director

### 3. Average Net Profit of the Company for last three financial years -

Sr. No.	Particular	Amount
1	Net profit for the year ended 31 <sup>st</sup> March 2016	4,96,01,362
2	Net profit for the year ended 31 <sup>st</sup> March 2015	5,27,17,341
3	Net profit for the year ended 31 <sup>st</sup> March 2014	(16,472)
*	Total of profits of preceding three financial years	10,23,02,231
*	Average Net Profit for the preceding three financial years	3,41,00,744

### 4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above) – **Rs. 6,82,015**

### 5. Details of CSR spent during the financial year:-

(a) Total amount to be spent for the financial year – **Rs. 6,82,015/-**

(b) Amount unspent if any – **Nil**

(c) Manner in which the amount spent during the financial year is detailed below:


(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Medical Aid to Mr. Babbu Usman Shaikh	Providing Health Assistant	Local Area-Vadivarhe, District-Nasik, State-Maharashtra	10,000	10,000	10,000	Spent Directly
2	Repair of School	Promoting Rural Education	Local Area-Vadivarhe, District-Nasik, State-Maharashtra	46,500	46,500	56,500	Spent Directly
3	Help to Matoshree Vruddhashram	Providing necessary facilities	Local Area, Nashik, District-Nasik, State-Maharashtra	25,000	25,000	81,500	Spent Directly
4	Providing and Installation of High Mast	Providing necessary facilities	Local Area-Vadivarhe, District-Nasik, State-Maharashtra	6,31,014	6,31,014	7,12,514	Spent Directly
	<b>Total</b>			<b>7,12,514</b>	<b>7,12,514</b>	<b>7,12,514</b>	

The Company is also doing plantation at nearby factory road and providing and helping healthy atmosphere to nearby area, also taking responsibility of watering the plants outside factory area.

6. We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

  
(Chairman CSR Committee )  
(Mr. Sunil Haripant Pophale)

**For and on behalf of the Board**  
**Vadivarhe Speciality Chemicals Limited**

  
**Chairman & Executive Director**  
**Name:** Sunil Haripant Pophale  
**DIN:** 00064412  
**Add:** Flat No 15, Lalit Bldg, Wode  
House Road. Colaba, Mumbai, 400039



**Date:** 10/05/2017

**Place:** Nashik

# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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Flat No. 1, "A" Wing, Bhumi Exotica Appt., Near Rathi Amrai, Near Chopda Lawns, Swami Vivekanand Road,  
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### **INDEPENDENT AUDITOR'S REPORT**

**To the Members of M/S VADIVARHE SPECIALITY CHEMICALS LIMITED**

#### **1] Report on the Financial Statements**

We have audited the accompanying financial statements of **M/S VADIVARHE SPECIALITY CHEMICALS LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **2] Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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### **3] Auditor's Responsibility**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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#### 4] Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup>, March 2017 &
- (b) In the case of the statement of Profit & Loss, of the **Profit** for the year ended on that date.
- (c) In case of the cash flow statements, the cash flows for the year ended on that date.

#### 5] Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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(e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company

Place : Nasik

Date: 10/05/2017

For S.R.RAHALKAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No.108283W



S.R.RAHALKAR  
Partner

Membership Number 014509

# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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### **VADIVARHE SPECIALITY CHEMICALS LIMITED**

#### **Annexure A to the Auditors' Report**

The Annexure referred to paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report to the members of **VADIVARHE SPECIALITY CHEMICALS LIMITED** 'the Company') for the year Ended on 31/03/2017. We report that:

- (i) (a) The company has maintained proper records so as to show full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
(c) According to the information and explanation given to us the title deeds of immovable properties are held in the name of the company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management and according to the information and explanation given to us no material discrepancies were noticed.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) (a), (b) and (c) are not applicable to the company.
- (iv) In our opinion and as per the information and explanation given to us, in respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) In our opinion and according the information and explanations given to us, the company has not accepted deposits, and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act. Accordingly paragraph 3 (v) of the Order is not applicable to the unit.
- (vi) According to the information and explanations given to us, since the company does not fulfill the conditions pursuant to the companies (Cost Accounting Record) Rules 2011 prescribed by the central Government, under sub-section (1) of section 148 of the Companies Act, 2013 for maintenance of the prescribed cost records and therefore such cost records are not maintained by the company. Accordingly Paragraph 3(vi) of the order is not applicable.

# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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- (vii) (a) According to the information and explanation given to us and on the basis of the our examination , the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and that there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) There are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or debenture holder as at the Balance sheet date. Accordingly paragraph 3 (viii) of the order is not applicable.
- (ix) According to the information and explanation given to us, the company has not raised money by way of initial public offer or further public offer including debt instruments) and the term loans were applied for the purposes for which they were raised. Accordingly, paragraph 3(ix) of the order is not applicable.
- (x) According to the information and explanation given to us, no fraud of material significance by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanation given to us, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion, and according to the information and explanation given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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- (xiv) According to the information and explanation given to us and on the basis of explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable at unit level.
- (xv) In our opinion and according to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly paragraph 3(xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly paragraph 3(xvi) of the order is not applicable.

Place: Nasik

Date: 10/05/2017

For S.R.RAHALKAR & ASSOCIATES.

Chartered Accountants

Firm Registration Number 108283W

S. R. RAHALKAR.  
PARTNER

Membership Number 014509



# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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### **Annexure - B to the Auditors' Report**

**Refer to Para 5 (2)(f) of the Independent Auditor's Report of the even date to the members of Vadivarhe Speciality Chemicals Limited on financial statements for the year ended 31<sup>st</sup> March 2017**

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

We have audited the internal financial controls over financial **Vadivarhe Speciality Chemicals Limited** as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting

# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017 , based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 10/05/2017

Place: Nashik

For S.R. Rahalkar & Associates  
Chartered Accountants  
Firm Registration Number – 108283W

  
S.R. Rahalkar  
Partner

Membership Number 14509



## **REG. VADIVARHE SPECIALITY CHEMICALS LIMITED**

### **NOTES FORMING PART OF ACCOUNTS AS AT 31<sup>st</sup> MARCH 2017**

#### **A) SIGNIFICANT ACCOUNTING POLICIES**

##### **(1) ACCOUNTING CONVENTIONS:**

The financial statements are presented under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act 2013 read with rule 7 of the companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act 1956 (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act 2013.

##### **(2) USE OF ESTIMATES :-**

The preparation of financial statements require the management to make estimates and assumption considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used on preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

##### **(3) REVENUE RECOGNITION:**

Sale of goods is recognized on dispatches to customer, inclusive of sales tax (wherever applicable) and is net of discount.

The income from loan licensing facilities is recognised on the basis of actual production and invoice raised accordingly.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when right to receive the payment is established.



(4) FIXED ASSETS:

- a) Fixed assets are stated at historical cost of acquisition / construction less depreciation.
- b) Attributable interest and expenses of bringing the respective assets to working condition for their intended use are capitalized.

(5) METHOD OF DEPRECIATION AND AMORTISATION:

- i) Depreciation on fixed assets is provided on Straight Line Method at the rates specified in the Schedule II of The Companies Act 2013.
- ii) Effective 1<sup>st</sup> April 2014, the company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act 1956.

(6) INVENTORIES:

- a) Inventories are valued at lower of cost and net realizable value.
- b) Cost of Semi-finished and finished goods comprise of materials and conversion cost.

(7) INVESTMENTS:

Investments are to be stated at cost.

(8) TAXATION:

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- b) The deferred tax for timing difference between the book and tax profit for the year is accounted using tax rates tax laws that have been enacted or substantially enacted at the Balance Sheet date.
- c) Deferred Tax assets arising from the timing difference are recognized to the extent there is reasonable certainty that sufficient future taxable income will be available.

(9) Income from Temporary Investments (Interest) are accounted on accrual basis.



(10) Employment Retirement Benefits:

Monthly Contributions to Provident Fund are considered on accrual basis in the accounts.

The Provision for Gratuity is made in the books of accounts as per actuarial valuation.

(11) Contingent Liabilities:

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes on accounts.

**B) NOTES ON ACCOUNTS: -**

1. Balances of Debtors and Creditors are subject to confirmation.
2. The current assets and current liabilities are, in the opinion of the directors, recoverable and payable at the values stated in the statement of accounts.

**3. Reversal of Excess depreciation charged in earlier years of Rs. 70,11,464/- :-**

During financial years 2014-15 & 2015-16 the company wrongly charged triple shift depreciation on plant and machinery which was used for manufacturing under the impression of continuous process plant. However, the company being pharmaceutical company the plant and machinery is specified under. The equipment which are not eligible for claiming Extra shift depreciation as per Schedule II of the companies act 2013. The company has passed necessary rectification entries by reversing the excess depreciation charged in earlier financial year 2014-15 of Rs. 37,01,177/- and of Financial year 2015-16 of Rs. 33,10,287/- resulting into total rectification for Rs. 70,11,464/- in current year's statement of profit and loss.



4. The break-up of deferred tax assets and liabilities into major components at the year end of 31/3/2017 is as below:

<b>Particulars</b>	<b>Liabilities</b>	<b>Liabilities</b>
	<b>As on 31/3/17</b>	<b>As on 31/03/16</b>
Depreciation	27,078,866/-	13,789,813/-
<b>Particulars</b>	<b>Assets</b>	<b>Assets</b>
	<b>As on 31/3/17</b>	<b>As on 31/03/16</b>
Loss	-	5,938,417/-
Leave Encashment	458100/-	166938/-
Bonus	490220/-	456438/-
LTA	222652/-	284944/-
Gratuity /PF	1000071/-	628893/-
<b>TOTAL</b>	<b>2,170,953/-</b>	<b>7475630/-</b>
<b>Net Deferred Tax Liability</b>	<b>24,907,912/-</b>	<b>6,314,183/-</b>

5. Foreign Exchange Transactions:

i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) Monetary items in the form of Loans, Current Assets and Current Liabilities in Foreign Currency , outstanding at the close of the year , are converted in Indian currency the appropriate rates of exchange prevailing on the date of the Balance Sheet , resultant gain or loss is accounted in the statement of Profit and loss during the year.

iii) All other incomes or expenditure in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

6. Since the VAT Audit is yet to complete the changes that may occur due to the VAT Audit will be effected in the year of completion of audit.

7. The advance given to customer includes advance given to Enaltec Labs private Limited of Rs 4,00,00,099/-.



8. Creditors includes Codexis of Rs 19,45,800/- for the supply of the goods. The balance is outstanding for more than three years. The payment is withheld on account of certain issues arising of the supply and use of the material.

9. Creditors for capital good include a party Pharma Air control engineers of Rs 4,58,890/- which is pending since 2012.

10. Advances to suppliers include a party Universal Engineers of Rs 12,25,000/- which is pending since 2014.

11. Insurance claim receivable of Rs 19,63, 602 is pending with Oriental Insurance Company Ltd since September 2013. OIC has rejected the claim on 2/11/2016. The company has filed a legal notice on 23/01//2017.

12. The company is in the process of being listed on the Small and Medium Enterprises Platform of National Stock Exchange of India Limited. In this regards, the company has filed a draft prospectus with the Exchange on 13<sup>th</sup> April 2017 and received the approval in principle on 4<sup>th</sup> May 2017.

12. Details of Corporate Social Responsibility spent during the financial year:-

(a) Total amount to be spent as per Section 135 of the Companies Act 2013 for the financial year @ 2% of the average net profit for the last three financial years is Rs. 6,82,015/-

(b) Expenditure incurred towards Corporate Social Responsibility during the financial year if Rs 7,12,514

S. No.	CSR Project or activity identified	Sector in which the project is covered	Amount outlay (budget) project or programs wise
1	Medical Aid to Mr. Babbu Usman Shaikh	Providing Health Assistant	10,000
2	Repair of School	Promoting Rural Education	46,500
3	Help to Matoshree Vruddhashram	Providing necessary facilities	25,000
4	Providing and Installation of High Mast	Providing necessary facilities	6,31,014
	<b>Total</b>		<b>7,12,514</b>

Out of note (b) above, Rs Nil is towards construction /acquisition of asset that will be owned by Company



20. Additional Disclosures as per G. S.R 308E

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	7,64,500	53,355	8,17,855
(+) Permitted receipts	NIL	11,47,988	11,47,988
(-) Permitted payments	NIL	7,42,056	7,42,056
(-) Amount deposited in Banks	7,64,500	-	7,64,500
Closing cash in hand as on 30.12.2016	-	4,59,287	4,59,287

21. Items wherever necessary are re grouped re arranged and reclassified accordingly.



Sunil H Pophale  
Chairman &  
Executive Director



Vasant P Jagtap  
Executive Director

For S.R Rahalkar & Associates  
Chartered Accountants  
Firm Reg. No.108283W



Laxmikant Potdar  
Chief Financial Officer



Jayesh Vaishnav  
Company Secretary



S.R. Rahalkar  
PARTNER  
Membership No. 014509

Date: 10/05/2017  
Place: Nashik



## Vadivarhe Speciality Chemicals Limited

Balance Sheet as at 31st March, 2017

Rupees

Particulars	Note No	Figures as at the end of current reporting period As at 31st March 17	Figures as at the end of previous reporting period As at 31st March 16
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	A.	120,937,500	48,375,000
(b) Reserves and Surplus	B.	113,750,524	126,206,129
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	C.	37,704,987	54,316,847
(b) Deferred tax liabilities (Net)	D.	24,907,912	6,314,183
(c) Other Long term Liabilities	E.	2,535,524	2,575,124
(d) Long Term Provisions	F.	3,584,819	2,682,433
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	G.	74,310,598	31,360,380
(b) Trade payables	H.	37,204,441	22,381,935
(c) Other current liabilities	I.	16,322,713	22,094,573
(d) Short-term provisions	J.	26,026,558	15,788,148
<b>Total</b>		<b>457,285,576</b>	<b>332,094,752</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	K.	170,252,082	138,484,986
(ii) Intangible assets	L.	938,060	1,134,511
(iii) Capital work-in-progress	M.	861,154	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	N.	510,000	510,000
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	O.	67,104,355	62,430,263
(e) Other non-current assets	P.	1,972,943	2,079,029
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	Q.	19,829,733	24,228,597
(c) Trade receivables	R.	153,219,474	84,643,422
(d) Cash and cash equivalents	S.	1,079,435	4,759,076
(e) Short-term loans and advances	T.	41,515,246	13,824,867
(f) Other current assets	U.	3,094	-
<b>Total</b>		<b>457,285,576</b>	<b>332,094,752</b>

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date.

For S R Rahalkar & Associates  
Chartered Accountants  
Firm Registration No.108283W

S. R. Rahalkar  
Partner

Membership No.014509

Place : Nashik

Date : May 10, 2017



For and on behalf of the Board of Directors of  
Vadivarhe Speciality Chemicals Limited

Sunil H. Pophale  
Chairman and Executive Director

Vasant P Jagtap  
Executive Director

Laxmikant S Potdar  
Chief Financial Officer

Place : Nashik

Date : May 10, 2017



Jayesh Vaishnav  
Company Secretary

Vadivarhe Speciality Chemicals Limited

Profit and Loss statement for the period ended 31st March, 2017

Rupees

Particulars	Note No	Figures as at the end of current reporting period As at 31st March 17	Figures as at the end of previous reporting period As at 31st March 16
I. Revenue from operations	1	350,287,824	262,826,605
II. Other Income	2	3,440,399	1,424,481
<b>III. Total Revenue (I + II)</b>		<b>353,728,223</b>	<b>264,251,086</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	3	116,375,559	81,273,894
Purchase of Stock-in-Trade	4	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	5	1,998,891	(5,646,638)
Employee benefit expense	6	39,227,380	32,176,713
Financial costs	7	8,519,055	12,094,462
Depreciation and amortization expense	8	11,360,043	13,647,308
Manufacturing Expenses	9	63,611,285	61,106,032
Other expenses	10	25,083,494	19,997,952
<b>IV. Total Expenses</b>		<b>266,175,707</b>	<b>214,649,723</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	87,552,516	49,601,362
VI. Exceptional Items		-	-
- Prior Period Income		7,011,464	-
VII. Profit before extraordinary items and tax (V - VI)		94,563,980	49,601,362
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		94,563,980	49,601,362
X. Tax expense:			
(1) Current tax		19,280,508	10,478,840
(2) Income Tax of earlier years		434,490	-
(2) Deferred tax		18,593,730	6,314,183
(3) MAT Credit entitlement		(3,851,643)	(10,113,148)
XI. Profit/(Loss) for the period (IX - X)		60,106,895	42,921,488
No. of Shares Outstanding at the end of the period		12,093,750	4,837,500
XII. Earning per equity share:			
(1) Basic		4.97	8.87
(2) Diluted			

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R Rahalkar & Associates  
Chartered Accountants  
Firm Registration No. 108283W

S. R. Rahalkar  
Partner  
Membership No. 014509

Sunil H. Pophale  
Chairman and Executive Director

For and on behalf of the Board of Directors of  
Vadivarhe Speciality Chemicals Limited

Vasant P Jagtap  
Executive Director

Laxmikant S Potdar  
Chief Financial Officer  
Place : Nashik  
Date : May 10, 2017

Jayesh Vaishnav  
Company Secretary

Place : Nashik  
Date : May 10, 2017



## Cash Flow statement for the year ended 31st March, 2017

Rupees		
Particulars	Year ended 31st March 2017	Year ended 31st March 2016
<b>Cash flows from operating activities</b>		
Profit before taxation	94,563,980	49,601,362
<b>Adjustments for:</b>		
Depreciation	11,360,043	13,647,308
Dividend Income	(60,000)	(60,000)
Interest Received	(431,509)	(476,393)
Interest expense	7,585,475	9,253,060
(Profit) / Loss on the sale of property, plant & equipment	-	50,393
<b>Operating Profits before Working Capital Changes</b>	<b>113,017,989</b>	<b>72,015,730</b>
<b>Working capital changes:</b>		
(Increase) / Decrease in trade receivables	(68,576,052)	(47,613,139)
(Increase) / Decrease in inventories	4,398,865	(11,866,298)
(Increase) / Decrease in Other receivables	(27,587,387)	3,523,961
(Increase) / Decrease in Long term Loans and advances	(4,674,092)	(11,991,468)
Increase / (Decrease) in trade payables	14,822,506	17,069,226
Increase / (Decrease) in other payables	5,329,336	8,075,648
Increase / (Decrease) in Short term Borrowings - Cash credit facility & Packing Credit	42,950,218	2,882,480
<b>Cash generated from operations</b>	<b>79,681,382</b>	<b>32,096,140</b>
Income taxes paid( Deferred tax liability written off)	(15,863,355)	(365,692)
<b>Net cash from operating activities (A)</b>	<b>63,818,027</b>	<b>31,730,448</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(36,769,373)	(6,869,421)
Proceeds from sale of equipment	-	23,470
Adjusted against accumulated balances write off	(7,022,468)	
Dividend income	60,000	60,000
Interest Received	431,509	476,393
<b>Net cash used in investing activities(B)</b>	<b>(43,300,332)</b>	<b>(6,309,558)</b>
<b>TOTAL (A+B)</b>	<b>20,517,695</b>	<b>25,420,889</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	-	-
Proceeds from Term loan	3,008,050	24,498,331
Interest on Loan	(7,585,475)	(9,253,060)
Payment of unsecured loan from Director	(19,619,910)	(49,575,880)
<b>Net cash used in financing activities [C]</b>	<b>(24,197,336)</b>	<b>(34,330,609)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(3,679,641)</b>	<b>(8,909,719)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,759,076</b>	<b>13,668,795</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,079,435</b>	<b>4,759,076</b>
<b>Components of Cash and cash equivalents</b>		
Cash in hand	86,380	708,698
Balances with Scheduled banks :		
in current accounts	918,055	2,057,378
in deposits accounts	75,000	1,993,000
<b>Cash and cash equivalents in Cash Flow Statement</b>	<b>1,079,435</b>	<b>4,759,076</b>

As per our report of even date

For S R Rahalkar & Associates  
Chartered Accountants  
Firm Registration No.108283W

S. R. Rahalkar  
Partner

Membership No.014509

Place : Nashik

Date : May 10, 2017



Sunil H. Pophale  
Chairman and Executive Director

For and on behalf of the Board of Directors of  
Vadivarhe Speciality Chemicals Limited

Vasant P Jagtap  
Executive Director

Laxmikant S Potdar  
Chief Financial Officer

Place : Nashik

Date : May 10, 2017

*(Signature)*  
Vasant P Jagtap

Jayesh Vaishnav  
Company Secretary



## Notes To and Forming Part of the Balance Sheet

## Note A : Share Capital

March 31,2017  
AmountMarch 31,2016  
Amount

## Authorised:

1,50,00,000 Equity Shares of Rs. 10 each (Previous Year: 5,00,000 Equity Shares of Rs. 100 each)

150,000,000

50,000,000

The company has increased its Authorized share capital pursuant to ordinary resolution passed at extra ordinary general meeting held on 27<sup>th</sup> February,2017 from existing RS. 5,00,00,000 (five crore only) divided into 50,00,000 (fifty lacs) equity share of Rs. 10/- each to Rs. 15,00,00,000 (fifteen crore only) divided into 1,50,00,000 (one crore fifty lacs) equity shares of Rs. 10/- each by creation of additional 10,00,00,000 (ten crore) equity share of Rs. 10/- each ranking pari pasu in all respect with the existing equity shares of the company.

## Issued, Subscribed and Paid-up:

1,20,93,750 Equity Shares of Rs.10 each fully paid up, (Previous Year: 4,83,750 Equity Shares of Rs. 100 each fully paid up)

120,937,500

48,375,000

## Total

120,937,500

48,375,000

Of the above:

1,18,78,750 Equity Shares of Rs.10 each, fully paid up, have been allotted as bonus shares

The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.

The company has done Sub- Division of each Equity Shares of the Company having face Value of ` 100/- each into 10 Equity Shares of face value of ` 10/- each with effect from August 17, 2016.

The Company has declared bonus shares in the ratio of 3:2 (3 share bonus for Every 2 shares held in Company) on 27/02/2016 to all existing shares holders.

For this purpose the company has used the securities premium outstanding at the credit and issued total of 72,56,250 equity shares amounting to total of Rs. 7,25,62,500

## Deatils of Share holder holding more than 5% Shares in the company

Name of Shareholder	%	No of Shares	%	No of Shares
Mr. Sunil H Pophale	87.36	10,565,625	87.36	422,625
Ms. Aditi S Pophale	12.4	1,500,000	12.40	60,000
<b>TOTAL</b>		<b>12,065,625</b>		<b>482,625</b>

## Note B : Reserves and Surplus

Securities Premium Account

117,125,000

117,125,000

Opening Balance

(72,562,500)

-

Less : Utilised during the year for Issuing bonus shares

Closing balance

44,562,500

117,125,000

Surplus / ( Loss ) in the statement of Profit &amp; Loss

Opening Balance

9,081,129

(33,840,359)

Profit / ( Loss ) of the current year

60,106,895

42,921,488

Closing balance

69,188,024

9,081,129

Total

113,750,524

126,206,129



	March 31,2017 Amount	March 31,2016 Amount
<b>Note C: Long-term borrowings</b>		
<b>(a) Secured Loan</b>		
<b>1) Term Loans</b>		
Soft Loan From Small Industries Development Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )	1,640,000	-
(Above term loan will be settled as on 10/09/2023 Balance Sheet date 31/03/2024) Number of Installment due 80 Rs.24000/- and 1 Installment of Rs.80,000/-,		
Term Loan From Small Industries Development Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )	14,700,000	-
(Above term loan will be settled as on 10/09/2023 Balance Sheet date 31/03/2024) Number of Installment due 80 Rs.2,20,000/- and 1 Installment of Rs.4,00,000/-,		
From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors ) (Above term loan will be settled as on 01/06/2017 Balance Sheet date 31/03/2018) Number of Installment due 6, Amount of 5 Installment Rs.13,29,833/- & 1 Installment of Rs., 24,15,238/-	-	4,236,000
From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )	21,304,050	30,400,000
(Above term loan will be settled as on 01/11/2020 Balance Sheet date 31/03/2021) Number of Installment due 47, Amount of Installment Rs.7,10,151/-, Above term loan is FCTL in USD, outstanding as on 31/03/2017 USD 453838.06 and applicable rate of Interest is LIBOR + 425 BPS)		
<b>(b) Unsecured Loans</b>		
Loan from Promotor Director Mr.Sunil H Pophale	60,937	19,680,847
	<u>37,704,987</u>	<u>54,316,847</u>

**Note D : Deferred Tax Liability (Net)****Deferred Tax Liability**

Difference in depreciation and other differences in block of fixed assets as per tax books and financial books

Gross Deferred Tax Liability

(27,078,866)	(13,789,813)
(27,078,866)	(13,789,813)

**Deferred Tax Assets**

Carry Forward Loss and depreciation

Provision for Bonus

Provision for Leave Encashment

Provision for Gratuity and LTA

Gross Deferred Tax Assets

-	5,938,417
490,220	456,438
458,100	166,938
1,222,633	913,837
2,170,953	7,475,630

Net Deferred tax liability

(24,907,912)	(6,314,183)
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**Note E: Other Long term Liabilities**

Trade Payables

Payables on purchase of fixed assets

1,945,800	1,985,400
589,724	589,724
2,535,524	2,575,124

**Note F: Long Term Provisions**

Provision for Employee Benefits :

Provision for Gratuity

Provision for Leave Encashment

2,609,174	2,303,751
975,645	378,682

3,584,819	2,682,433
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	March 31,2017 Amount	March 31,2016 Amount
<b>Note G: Short-term borrowings</b>		
Secured Loan		
Cash Credit Facility		
From Axis Bank Ltd	44,493,110	31,360,380
(Secured by an exclusive charge by way of hypothecation of Stock & Book Debts)		
Packing Credit	29,817,488	-
From Axis Bank Ltd		
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )		
	<u>74,310,598</u>	<u>31,360,380</u>
<b>Note H: Trade Payable</b>		
Creditors for Goods	24,589,905	15,762,531
Other Creditors	12,614,536	6,619,405
	<u>37,204,441</u>	<u>22,381,935</u>
<b>Note I: Other Current Liabilities</b>		
Current maturities of long-term debt		
Term Loans		
Soft Loan From Small Industries Development Bank of India	288,000	-
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )		
(Above term loan will be settled as on 10/09/2023 Balance Sheet date 31/03/2024)		
Number of Installment due 80 Rs.24000/- and 1 Installment of Rs.80,000/-,		
Term Loan From Small Industries Development Bank of India	2,640,000	-
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )		
(Above term loan will be settled as on 10/09/2023 Balance Sheet date 31/03/2024)		
Number of Installment due 80 Rs.2,20,000/- and 1 Installment of Rs.4,00,000/-,		
From Axis Bank Ltd	4,283,736	15,679,829
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )		
(Above term loan will be settled as on 01/06/2017 Balance Sheet date 31/03/2018)		
Number of Installment due 6, Amount of 5 Installment Rs.13,29,833/- & 1 Installment of Rs., 24,15,238/-		
Above term loan is FCTL in USD, outstanding as on 31/03/2017 USD 66045.88 and applicable rate of Interest is LIBOR + 425 BPS)		
From Axis Bank Ltd	8,131,887	5,141,355
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )		
(Above term loan will be settled as on 01/11/2020 Balance Sheet date 31/03/2021)		
Number of Installment due 47, Amount of Installment Rs.7,10,151/-,		
Other Payables		
Advance from Customers	-	352,595
Creditors for Capital Goods	43,634	143,197
Statutory Dues	894,556	736,697
Retention Amount Payable	40,900	40,900
	<u>16,322,713</u>	<u>22,094,573</u>
<b>Note J: Short Term Provisions</b>		
Provision for Employees Benefit		
Provision for L.T.A.	673,145	861,820
Provision for Bonus	1,482,685	1,380,509
Provision for Gratuity	415,571	(401,645)
Provision for Leave Encashment	409,891	126,227
Salary and Other Payables	2,298,436	1,841,393
Provision Others		
Provision for Tax	19,280,508	10,478,840
Provision for Expences	1,466,322	1,392,780
Others	-	108,224
	<u>26,026,558</u>	<u>15,788,148</u>



Description	Gross block				Depreciation / Amortization				Net block	
	As at April 1, 2016	Additions	Deletions / Adjustments	As at March 31, 2017	As at April 1, 2016	For the Year	Deletions / Adjustments	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>Note K :Tangible Assets</b>										
Freehold land	4,472,000	-	-	4,472,000	-	-	-	-	4,472,000	4,472,000
Buildings	64,431,068	-	-	64,431,068	13,680,377	2,092,548	-	15,772,925	48,658,143	50,750,691
Air Conditioners	184,042	21,975	-	206,017	165,864	5,935	-	171,799	34,218	18,178
Office Equipments	4,275,483	49,482	-	4,324,965	3,085,762	749,916	-	3,835,678	489,287	1,189,721
Plant and machinery	83,414,836	5,049,522	-	88,464,358	35,451,771	3,366,809	(5,720,415)	33,098,165	55,366,193	47,963,065
Solar Power & Water Heater Plant	-	29,972,383	-	29,972,383	-	967,328	-	967,328	29,005,055	-
R & D Equipments	536,203	435,795	-	971,998	216,764	20,542	-	237,306	734,692	319,439
Q.C. Equipments	17,940,436	55,037	-	17,995,473	5,733,452	722,490	-	6,455,942	11,539,531	12,206,984
ETP	2,517,783	-	-	2,517,783	610,235	104,074	-	714,309	1,803,474	1,907,548
Utility	20,270,106	142,978	-	20,413,084	9,146,335	752,836	(1,291,049)	8,608,122	11,804,962	11,123,771
Electrical installation	12,233,652	-	-	12,233,652	6,488,386	1,494,285	(11,004)	7,971,667	4,261,985	5,745,266
Computers	2,174,919	74,048.00	-	2,248,967	1,831,190	139,756	-	1,970,946	278,021	343,729
Furniture and fixtures	2,211,969	40,760	-	2,252,729	919,766	248,757	-	1,168,523	1,084,206	1,292,203
Vehicles	3,066,765	-	-	3,066,765	1,914,373	432,076	-	2,346,449	720,316	1,152,392
<b>Total</b>	<b>217,729,262</b>	<b>35,841,979</b>	<b>-</b>	<b>253,571,242</b>	<b>79,244,276</b>	<b>11,097,351</b>	<b>(7,022,468)</b>	<b>83,319,159</b>	<b>170,252,082</b>	<b>138,484,986</b>
<b>Note L :Intangible Assets</b>										
Computer Softwares	2,186,943	66,240	-	2,253,183	1,557,607	169,730	-	1,727,337	525,846	629,336
ERP Software	739,416	-	-	739,416	234,241	92,961	-	327,202	412,214	505,175
<b>Total</b>	<b>2,926,359</b>	<b>66,240</b>	<b>-</b>	<b>2,992,599</b>	<b>1,791,848</b>	<b>262,691</b>	<b>-</b>	<b>2,054,539</b>	<b>938,060</b>	<b>1,134,511</b>
<b>Note M :Capital Work-in-Progress</b>										
Capital Advances	-	861,154	-	861,154	-	-	-	-	861,154	-
<b>Total</b>	<b>-</b>	<b>861,154</b>	<b>-</b>	<b>861,154</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>861,154</b>	<b>-</b>
<b>Grand Total</b>	<b>220,655,621</b>	<b>36,769,373</b>	<b>-</b>	<b>257,424,995</b>	<b>81,036,124</b>	<b>11,360,043</b>	<b>(7,022,468)</b>	<b>85,373,698</b>	<b>172,051,296</b>	<b>139,619,497</b>
Previous year	213,940,520	6,869,421	154,320	220,655,621	67,469,273	13,647,308	80,458	81,036,124	139,619,497	146,471,247



## Notes To and Forming Part of the Balance Sheet

	March 31,2017 Amount	March 31,2016 Amount
<b>Note N: Non-Current Investments</b>		
Unquoted Investments		
Investments in Govt Securities		
6 years National Saving Certificate VIII issue	10,000	10,000
Investment in equity instruments (unquoted)		
Equity Shares of NKGSB Co-Op Bank Ltd	500,000	500,000
(of the above 50,000 Equity Shares of NKGSB Co-op Bank Ltd bearing Face Value of Rs.10/- each)		
	<u>510,000</u>	<u>510,000</u>
<b>Note O: Long-term loans and advances</b>		
Advance to Customers	40,029,233	41,270,516
Mat Credit entitlement		
MAT credit FY 2014-15	3,380,431	3,380,431
MAT credit FY 2015-16	10,113,148	10,113,148
MAT credit FY 2016-17	3,851,643	-
Deposits - Others	1,820,638	1,694,098
VAT Credit (Input) Receivable -Earlier Period	3,583,321	3,650,443
VAT Credit (Input) Receivable - Current Period	4,325,941	2,321,628
	<u>67,104,355</u>	<u>62,430,263</u>
<b>Note P: Other non-current assets</b>		
Interest accrued but not received on NSC, FD and Others	9,341	60,813
Insurance Claim Receivable	1,963,602	2,018,216
	<u>1,972,943</u>	<u>2,079,029</u>
<b>Note Q : Inventories (at lower of cost and net realisable value)</b>		
Raw Materials	12,119,469	14,594,178
Packing Materials	243,355	168,620
Works In Progress	5,077,656	7,343,889
Finished Goods	2,389,253	2,121,911
<b>Total</b>	<u>19,829,733</u>	<u>24,228,597</u>
<b>Note R : Trade receivables</b>		
Debts outstanding for a period exceeding six months -		
Unsecured, considered good	144,597	656,009
Unsecured, Considered doubtful	-	-
Other debts		
Unsecured, considered good	153,074,877	83,987,413
Unsecured, considered doubtful	-	-
	<u>153,219,474</u>	<u>84,643,422</u>
Less: Provision for doubtful debts	-	-
<b>Total</b>	<u>153,219,474</u>	<u>84,643,422</u>
<b>Note S : Cash and cash equivalents</b>		
Cash on hand	86,380	708,698
Balances with Scheduled banks :		
in current accounts	918,055	2,057,378
in deposits accounts	75,000	1,993,000
<b>Total</b>	<u>1,079,435</u>	<u>4,759,076</u>



# Vadivarhe Speciality Chemicals Limited

## Notes To and Forming Part of the Balance Sheet

	March 31,2017 Amount	March 31,2016 Amount
<b>Note T : Short-term loans and advances</b>		
(Unsecured, Considered good unless otherwise stated)		
Advances recoverable in cash or in kind for value to be received		
Loans and Advances To Related Parties ( Refer note 11.2)	25,000,000	-
Advances to suppliers	2,182,732	2,460,722
Loans and Advances to Staff	460,581	170,486
(Secured to the extent of Rs. Nil (Previous Year: Rs. Nil)		
Advance tax - F.Y 13-14	260,045	260,045
Advance tax - F.Y 15-16	-	-
Advance tax - F.Y 16-17	5,500,000	-
TDS Receivable	2,494,617	2,871,602
Balances with Customs, Port Trust, Excise etc.	5,053,165	7,068,069
Prepaid Expenses	564,106	993,943
<b>Total</b>	<b>41,515,246</b>	<b>13,824,867</b>
<b>Note U : Other Current Assets</b>		
Others	3,094	-
<b>Total</b>	<b>3,094</b>	<b>-</b>



## Notes To and Forming Part of the Profit and Loss Accounts

	March 31,2017 Amount	March 31,2016 Amount
<b>Note 1 : Revenue from operations</b>		
Sales of Goods (Gross)	222,366,191	146,114,136
Less - Excise Duty	16,825,485	16,383,190
	205,540,706	129,730,946
Service Income	144,747,118	133,095,659
	350,287,824	262,826,605
<b>Note 2 : Other income</b>		
Interest on		
- NSC, FD and Others	431,509	476,393
- Income Tax, Sales Tax and Others	-	-
Dividend Received	60,000	60,000
Discount Received	-	-
Exchange Difference (Gain)	572,504	829,636
Insurance Claim Received	-	5,771
Excise Rebate (MEIS)	2,376,386	-
Miscellaneous Income	-	52,681
<b>Total</b>	<b>3,440,399</b>	<b>1,424,481</b>
<b>Note 3 : Cost of Materials consumed</b>		
Raw Materials		
Opening stock	14,594,178	8,378,842
Purchases during the year	111,364,415	86,259,835
Inventory Gain	1,351,787	-
Closing stock	12,119,469	14,594,178
Raw material consumed	115,190,910	80,044,499
Packing Materials		
Opening stock	168,620	164,296
Purchases during the year	1,259,384	1,233,719
Closing stock	243,355	168,620
Packing material consumed	1,184,649	1,229,395
<b>Total</b>	<b>116,375,559</b>	<b>81,273,894</b>
<b>Note 4 : Purchase of Stock-in-Trade</b>		
Trading goods purchased	-	-
	-	-
<b>Note 5 : Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade</b>		
<b>Work-In-Progress</b>		
Opening Stock	7,343,889	1,720,456
Less: Closing Stock	5,077,656	7,343,889
	2,266,233	(5,623,433)
<b>Finished Goods</b>		
Opening Stock	2,121,911	2,098,706
Less: Closing Stock	2,389,253	2,121,911
	(267,342)	(23,205)
<b>Stock-in-Trade</b>		
Opening Stock	-	-
Less: Closing Stock	-	-
	-	-
	1,998,891	(5,646,638)



## Notes To and Forming Part of the Profit and Loss Accounts

	March 31,2017 Amount	March 31,2016 Amount
<b>Note 6 : Employee Benefit Expense</b>		
Salaries, Wages and Bonus (Including Directors Remuneration, Refer Note 11 [12.8])	31,931,261	26,431,085
Contribution to Provident and other funds	2,386,610	1,987,060
Gratuity Expenses (Refer Note 11.06 )	1,522,639	561,906
Workmen and Staff Welfare Expenses	3,386,870	3,196,662
<b>Total</b>	<b>39,227,380</b>	<b>32,176,713</b>
<b>Note 7 : Financial Expenses</b>		
Interest		
- On Term Loan from NKGSB/Axis Bank	4,123,084	6,108,372
- On Bank Cash credit facility	3,457,860	3,144,688
- On Loan from NBFC	4,531	-
Bank Charges	933,580	2,841,403
<b>Total</b>	<b>8,519,055</b>	<b>12,094,462</b>
<b>Note 8 : Depreciation and Amortization Expenses</b>		
Depreciation on Tangible Fixed Assets	11,097,352	13,403,464
Depreciation on Intangible Fixed Assets	262,691	243,844
<b>Total</b>	<b>11,360,043</b>	<b>13,647,308</b>
<b>Note 9 : Manufacturing Expenses</b>		
Consumption of Consumables, Stores and Spares	5,310,015	6,206,811
Labour Charges	22,485,857	20,144,782
Power and Fuel	25,928,852	29,229,177
Rates and Taxes	2,243,772	838,778
Repairs and Maintenance of Plant and Machinery	7,642,790	4,686,484
<b>Total</b>	<b>63,611,285</b>	<b>61,106,032</b>
<b>Note 10 : Other Expenses</b>		
Repairs and Maintenance of:		
- Building	413,757	188,784
- General and Others	5,336,869	3,931,575
Insurance	1,045,531	1,194,670
Exchange Difference (Loss)	-	-
Printing and Stationery	396,669	474,948
Communication Costs	407,112	363,502
Travelling and Conveyance	5,240,629	2,451,493
Legal and Professional Charges	5,455,959	2,722,626
Rent	220,000	180,000
Auditors' Remuneration (Refer Note 11 [12.8])	135,000	138,000
Freight and Forwarding Charges	2,359,322	1,537,864
Advertisement and Sales Promotion	117,255	432,489
Commission	8,461	-
Security Charges	1,903,784	1,778,411
Loss on Sale of Asset	-	50,393
Preliminary Expenses Written Off	-	-
Corporate Social Responsibility Expenses	712,514	2,727,137
Administration Expenses	1,330,632	1,826,060
<b>Total</b>	<b>25,083,494</b>	<b>19,997,952</b>



## Notes to the accounts

## Note 11

## 01 Segment Information

## I. Business Segments

The Company is only engaged in the business of manufacturing of Speciality Chemicals, Intermediates & API.

## II. Geographical Segments

Disclosed based on revenues within India ( sales to customers in India ) and revenues outside India (sales to customer located outside India.) .

## Geographical Segments

The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced.

Particulars	March 31, 2017 Amount	March 31, 2016 Amount
<b>Sales Revenue by Geographical Market (including Service Income)</b>		
India	178,857,086	175,263,139
Outside India	171,430,738	87,563,466
Total	350,287,824	262,826,605

Assets and additions to tangible and intangible fixed assets by geographical area: The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located:

Particulars	March 31, 2017 Amount	March 31, 2016 Amount
<b>Carrying amount of Segment Assets and Intangible Assets</b>		
India	171,190,142	139,619,497
Outside India	-	-
Total	171,190,142	139,619,497
<b>Additions to Fixed Assets including Capital Work In Progress</b>		
India	36,769,373	6,869,421
Outside India	-	-
Total	36,769,373	6,869,421



## 02 Related Parties

*Related party disclosures:*

Name of related parties with whom transactions have taken place during the year:

Key Management Personnel	Director	Mr. Sunil H. Pophale
	Director	Mrs. Meena S. Pophale
	Director	Mr. Vasant P. Jagtap

Enterprises over which key management personnel exercise significant influence	Zenvision Pharma LLP
	ReecordCure Enterprises

## a) Related party transactions:

Particulars	Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Purchase of goods	-	-	-	-	-	-
Sale of goods	-	-	-	-	-	-
Services Provided	-	-	-	-	-	-
Security Deposit Given	-	-	25,000,000	-	25,000,000	-
Purchase of fixed assets	-	-	-	-	-	-
Interest received	290,411	-	-	-	290,411	-
Loan taken	21,500,000	4,639,434	-	-	21,500,000	4,639,434
Loan given	10,000,000	-	-	-	10,000,000	-
Loan repaid to	41,119,910	54,215,314	-	-	41,119,910	-
Loan repaid by	10,000,000	-	-	-	10,000,000	-
Dividend paid	-	-	-	-	-	-
Managerial remuneration *	4,868,134	2,694,075	-	-	4,868,134	2,694,075
<b>Closing Outstanding Balances:</b>						
Receivables	-	-	25,000,000	-	25,000,000	-
Payables	60,937	19,680,847	126,000	126,000	186,937	19,680,847

\* As the future liabilities for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual basis is not ascertainable and therefore not included above.



d) Details of transactions with related parties, exceeding 10% of line transactions.

Particulars	Key Management Personnel	
	March 31, 2017	March 31, 2016
<b>Managerial remuneration:</b>		
Director -Mrs. Meena S Pophale	1,200,000	600,000
Director -Mr.Vasant P Jagtap	2,468,134	2,094,075
Director -Mr.Sunil H Pophale	1,200,000	-
<b>Total</b>	<b>4,868,134</b>	<b>2,694,075</b>
<b>Loan taken :</b>		
Director -Mr.S H Pophale	20,800,000	4,639,434
Director - Vasant Jagtap	700,000	-
<b>Total</b>	<b>21,500,000</b>	<b>4,639,434</b>
<b>Loan given :</b>		
W T Director -Mrs.Meena S Pophale	10,000,000	-
<b>Total</b>	<b>10,000,000</b>	<b>-</b>
<b>Loan repaid to :</b>		
Director -Mr.S H Pophale	40,419,910	54,215,314
Director - Vasant Jagtap	700,000	-
<b>Total</b>	<b>41,119,910</b>	<b>54,215,314</b>
<b>Loan repaid by :</b>		
W T Director -Mrs.Meena S Pophale	10,000,000	-
<b>Total</b>	<b>10,000,000</b>	<b>-</b>
<b>Interest received :</b>		
W T Director -Mrs.Meena S Pophale	290,411	-
<b>Total</b>	<b>290,411</b>	<b>-</b>
Zenvision Pharma LLP	25,000,000	-
<b>Total</b>	<b>25,000,000</b>	<b>-</b>

The company has entered into an agreement on 13 January 2017 with Zenvision Pharma LLP for offering its manufacturing facility on Loan and License basis. Mr. Sunil Haripant Pophale (Managing Director) is a designated Partner in Zenvision Pharma LLP. Pursuant to the agreement, the Company has given a security deposit to Zenvision Pharma LLP of Rs. 2,50,00,000 (Rupees Two crore fifty lacs only) during the financial year.



Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 11

	March 31, 2017 Amount	March 31, 2016 Amount
<b>03 Capital Commitments</b>		
Estimated amount Of contracts remaining to be executed on capital account and not provided for	197,187	-

**04 Provisions and Contingencies**

Bank Gaurantee provided to Maharshtra Pollution Control Board of Rs 5,00,000/-



## Notes to the accounts

## Note 11

## 05 Gratuity and other post-employment benefit plans

## (i) Defined Benefit Plans –

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The Company has provided for gratuity based on actuarial valuation done as per Projected Unit Credit Method.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and amount recognized in the balance sheet for the respective plans.

	March 31, 2017 Amount	March 31, 2016 Amount
<b>Profit and Loss Account</b>		
<b>Net employee benefit expense (recognized in Employee Cost)</b>		
Current service cost	543,396	447,867
Interest cost on benefit obligation	150,247	124,517
Expected Return on plan assets	(184,886)	(185,394)
Net Actuarial (gain)/ loss recognized in the year	475,166	(179,942)
Net benefit expense	983,923	207,048
Actual return on plan assets	184,886	185,394
<b>Balance Sheet</b>		
<b>Net liability recognised in the balance sheet</b>		
Defined benefit obligation	3,024,745	1,902,106
Fair value of plan assets	2,798,418	2,303,751
Plan (Liability)	(226,327)	401,645
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligations	1,902,106	1,556,458
Interest cost	150,247	124,517
Current service cost	543,396	447,867
Benefits paid	48,046	46,794
Actuarial (gain)/Loss on obligations	477,042	(179,942)
Closing defined benefit obligations	3,024,745	1,902,106
<b>Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	2,303,751	2,000,916
Planned assets transferred from Fem Care		
Expected return on plan assets	184,886	185,394
Contributions by employer	355,951	164,235
Benefits paid	48,046	46,794
Actuarial (gain)/Loss on Plan Assets	1,876	-
Closing fair value of plan assets	2,798,418	2,303,751



## Notes to the accounts

## Note 11

## 08 Gratuity and other post-employment benefit plans

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows.

Category of Assets	March 31, 2017 %	March 31, 2016 %
Investment with Insurer	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining benefit obligations are shown below:

Discount rate	7.50%	8.00%
Expected rate of return on assets	8.11%	9.27%
Withdrawal rate	1.00%	1.00%
Expected rate of Salary increase	5.00%	5.00%
Mortality Pre-retirement	LIC(2006-08) Ultimate	LIC(1994-96) Ultimate

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

## (ii) Defined Contribution Plans –

Amount of Rs.23,86,610/- (Previous Year: Rs.19,87,060/-) is recognized as an expense and included in Note 6 - "Contribution to Provident and other funds" in the Profit and Loss account.

## 08 Derivative Instruments and Un-hedged Foreign Currency Exposure

## a Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

The Company does not enter into any derivative contracts to hedge its risk associated with foreign currency fluctuations for its revenue transactions. There are no accounts payables denominated in foreign currency at year end. The unhedged foreign currency exposure in respect of accounts receivable and loans and advances at the year end is given below:

Particulars	Currency	March 31, 2017		March 31, 2016	
		Foreign Currency	Amount	Foreign Currency	Amount
Export Debtors	USD	1,080,990	70113011	185,260	11,547,256
Import Creditors	USD	157,289	10201765	76,255	4,752,943
Advance to Import Creditors	USD	-	-	24,126	1,503,760
FCTL from Banks	USD	519,884	33719672	837,435	52,197,322



## Notes to the accounts

## Note 11

09

Excise duty on sales amounting to Rs.1,68,25,485/- (Previous Year: Rs.1,63,83,190/-) has been reduced from sales in Profit & Loss account and has been considered as (income) / expense in Note No 9 & 10 financial statements.

## 10 Earning Per Share (EPS)

Particulars	As per Last year		Splitted shares
	March 31, 2017 Amount	March 31, 2016 Amount	March 31, 2016 Amount *
<b>Basic and Diluted earning per share</b>			
Net Profit attributable to equity shareholders (in Rs.)	60,106,895.	42,921,488	42,921,488
Weighted average number of equity shares outstanding during the year	12,093,750	1,209,375	12,093,750
Nominal Value of equity shares	10	100	10
Basic earnings per share (in Rs.)	5.0	35	3.5
Diluted earnings per share (in Rs.)	-	-	-

\*Note :The company has split the Equity shares of denomination of Rs 100 to Denomination of Rs 10/- on 17/08/2016. The previous year as at 31/03/2016 figures are calculated considering the effect of the splitted shares.

The Company has declared bonus shares in the ratio of 3:2 (3 share bonus for Every 2 shares held in Company) on 27/02/2016 to all existing shares holders. Accordingly pre

## 11 Details of due to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Particulars	March 31, 2017 Amount	March 31, 2016 Amount
Principal amount outstanding as at March 31, 2017	405,450	-
Interest due as on March 31, 2017	-	-



## 12 Additional Information pursuant to the provisions of paragraphs 3, 4, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

## 12.1 Licensed capacity, Installed Capacity and Actual Production

Licensed Capacity (\*): Not applicable (Previous Year: Not Applicable)

Particulars	Units	Installed Capacity *		Actual Production	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		Quantity	Quantity	Quantity	Quantity
Chemicals	Tons	150	120	134	80

\* As certified by the Management and relied upon by the Auditors being technical matter

## 12.2 Details of Finished Goods

Opening stocks (including inventory acquired):

Particulars	Units	March 31, 2017		March 31, 2016	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	0.34	2,121,911	1.68	2,098,706
		0.34	2,121,911	1.68	2,098,706

Closing Stocks:

Particulars	Units	March 31, 2017		March 31, 2016	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	2.99	2,389,253	0.34	2,121,911
		2.99	2,389,253	0.34	2,121,911

## 12.3 Sales

Particulars	Units	March 31, 2017		March 31, 2016	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	134.24	205,540,706	81.64	129,730,946
		134.24	205,540,706	81.64	129,730,946



## Notes to the accounts

## Note 11

12 Additional Information pursuant to the provisions of paragraphs 3, 4, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

## 12.4 Consumption of Raw Materials

Particulars	Units	March 31, 2017		March 31, 2016	
		Quantity	Amount	Quantity	Amount
ISO Propyl Alcohol	Tons	271.68	18,407,737	132.63	9,192,419
Ethylene Di-Chloride	Tons	198.26	6,658,719	91.76	3,407,585
Hydrochloric Acid 36% to 38%	Tons	180.03	5,092,182	84.80	2,798,341
Aluminium Chloride	Tons	162.05	7,271,131	79.18	3,641,559
Nitromethane 99.5%	Tons	104.29	15,736,824	50.95	8,220,139
Aloe Vera Juice (RM)	Tons	62.55	3,565,536	38.40	2,182,357
Phenol crystal	Tons	57.75	5,141,446	28.21	2,515,627
Aminoacetonitrile Hydrochloride	Tons	46.26	28,968,307	22.59	14,483,086
Hexane	Tons	13.52	938,381	16.85	1,199,404
Methanol	Tons	16.68	498,043	15.93	465,795
N-Butanol	Tons	5.07	337,302	6.10	436,529
Valeronitrile	Tons	1.78	661,406	3.30	1,230,474
Propionitrile	Tons	2.56	894,400	2.40	879,200
Tetra Hydrofuran	Tons	2.51	340,000	3.06	457,729
Thioglycolic Acid	Tons	1.95	618,278	1.77	535,102
Others		-	20,061,220	-	28,090,558
<b>Total</b>			<b>115,190,910</b>		<b>79,735,904</b>

## 12.5 Value of imports calculated on CIF basis

Particulars	March 31, 2017 Amount	March 31, 2016 Amount
Raw Material	44,776,133	25,613,838
Capital Goods	-	1,833,975
<b>Total</b>	<b>44,776,133</b>	<b>27,447,813</b>

## 12.6 Imported and indigenous raw materials consumed

Particulars	March 31, 2017		March 31, 2016	
	Amount	%	Amount	%
a) Imported	48,106,180	41.76	25,613,838	32.00
b) Indigenously obtained	67,084,731	58.24	54,430,661	68.00
<b>Total</b>	<b>115,190,910</b>	<b>100.00</b>	<b>79,735,904</b>	<b>100.00</b>



## Notes to the accounts

## Note 11

## 12.7 Directors' Remuneration

	March 31, 2017 Amount	March 31, 2016 Amount
To Executive Directors:		
Salaries	4,754,713	2,555,475
Perquisites	-	-
Contribution to Provident and Other funds	113,421	138,600
Other allowances including Commission	-	-
(includes directors' sitting fees of Nil (Previous Year: Rs. Nil))		
	<b>4,868,134</b>	<b>2,694,075</b>

## 12.8 Auditors' Remuneration

	March 31, 2017 Amount	March 31, 2016 Amount
Statutory audit fees (Inclusive Service Tax)	97,750	92,000
Tax Audit Fees	28,750	23,000
VAT Audit Fees	28,750	23,000
Out of pocket expenses	-	-
	<b>155,250</b>	<b>138,000</b>

## 12.9 Expenditure in foreign currency (on Cash basis)

	March 31, 2017 Amount	March 31, 2016 Amount
Travelling expenses	1,375,616	-
Business Promotion, Exhibition Expenses	-	-
Legal Expenses	-	-
	<b>1,375,616</b>	<b>-</b>

## 12.10 Earnings in foreign currency (on Cash basis)

	March 31, 2017 Amount	March 31, 2016 Amount
FOB value of exports	171,430,738	87,563,466
	<b>171,430,738</b>	<b>87,563,466</b>

## 13 Details of Revenue Expenditure directly related to R&amp;D

	March 31, 2017 Amount	March 31, 2016 Amount
Raw material consumed	214,060	41,292
Packing Material	-	-
	<b>214,060</b>	<b>41,292</b>

## 14 Previous year comparatives

Previous year's figures have been regrouped, where necessary to conform to the current year's classification.

As per our report of even date

For S R Rahalkar & Associates  
Chartered Accountants  
Firm Registration No.108283W

S. R. Rahalkar  
Partner  
Membership No.014509

For and on behalf of the Board of Directors of  
Vadivarhe Speciality Chemicals Limited

Sunil H. Pophale  
Chairman and Executive Director

Vasant P Jagtap  
Executive Director

Laxmikanth S Potdar  
Chief Financial Officer

Jayesh Vaishnav  
Company Secretary

Place : Nashik  
Date : May 10, 2017

Place : Nashik  
Date : May 10, 2017

