



# Vadivarhe Speciality Chemicals Ltd

**Sustaining purity • Enhancing value**

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Annual Report 2018-2019

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**BOARD OF DIRECTORS**  
**OF**  
**VADIVARHE SPECIALITY CHEMICALS LIMITED**  
**FOR THE FINANCIAL YEAR 2018-19**

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

<b>Sr. No.</b>	<b>Name of the Person</b>	<b>Designation</b>	<b>DIN</b>
1	Mr. Sunil H. Pophale	Director	00064412
2	Mrs. Meena S. Pophale	Whole-time Director	00834085
3	Mr. Prasanna Prabhakar Rege	Independent Director	02795136
4	Mr. Ravindra Keshav Paranjpe	Independent Director	06816384
5	Mrs. Uttara Adwait Kher	Independent Director	07805920
6	Mr. Rahul Durgaprasad Asthana	Independent Director	00234247
7	Mr. Pramod Waman Gajare	Whole-Time Director	07932725

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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

**NOTICE IS HEREBY GIVEN THAT THE 10<sup>TH</sup> ANNUAL GENERAL MEETING OF VADIVARHE SPECIALITY CHEMICALS LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 30, 2019 AT 12:00 NOON, AT THE GATEWAY HOTEL SITUATED AT P-17, MIDC AMBAD, MUMBAI AGRA ROAD, NASHIK, MAHARASHTRA 422010 TO TRANSACT THE FOLLOWING BUSINESS:**

**Ordinary Business:**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019 together with the Board's Report and the Auditors' Report thereon.
2. To appoint a Director in place of Ms. Meena Sunil Pophale (DIN: 00834085), who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard

To consider and if thought fit, approve 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 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time M/s. Bhalchandra D Karve & Associates (Firm registration No: 135281W), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company to be held in year 2024 at such remuneration and out of pocket expenses as may be mutually decided between Board of Directors of the Company and Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including filing of forms to Registrar of Companies and submitting necessary intimation with Stock Exchange.”

**Special Business:**

4. **Approving Remuneration of Ms. Meena Sunil Pophale (DIN: 00834085) as Whole-Time Director**

To consider and if thought fit, approve with or without modification(s) the following resolution as a **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Sections 188, 196, 197, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) the consent of the members be and is hereby accorded for fixing the remuneration

payable to Ms. Meena Sunil Pophale (DIN: 00834085), Whole-Time Director at Rs.1,00,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 2 years with effect from November 11, 2019 on such terms and conditions as given below, with liberty and authority to the Board of Directors to alter or vary the said terms and Conditions from time to time within the scope of Schedule V of the Companies Act, 2013 or any amendments thereto or any re-enactment thereof.

The details of the terms of remuneration payable to Ms. Meena Sunil Pophale are given below:

Term of Remuneration	2 years with effect from November 11, 2019
Salary exclusive of all allowances	Rs. 49,247/- per month. The Executive Director shall be entitled to such increment from time to time as the Board may by its discretion determine
Perquisites and allowances in addition to salary	<p>A. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 9,849/- per month to the Executive director.</p> <p>B. Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/- per month to the Executive director.</p> <p>C. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month to the Executive director</p> <p>D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month to the Executive director.</p> <p>E. Medical Allowance: The Company will pay Medical Allowance of Rs. 4,104/- to the Executive director.</p> <p>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.</p> <p>Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee.</p> <p>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual cost.</p>
Retirement Benefits	A. Gratuity payable shall be in accordance with the rules of the Companies Act and Gratuity Rules.

	B. Earned Leave on full pay and allowances as per the rules of the Company, leave accumulated shall be encashable of Leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.
Other benefits	<p>A. The Executive director shall be entitled to reimbursement of expenses like Vehicle, Guest Entertainment, Travelling Expenses actually and properly incurred during the course of doing legitimate business of the company.</p> <p>B. The appointee shall be eligible for Housing, Education and Medical Loan and other Loans or facilities as applicable in accordance with the rules of the company and in compliance with the provisions of the Companies Act, 2013.</p>
Minimum Remuneration	<p>The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.</p> <p>Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole-time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the Central Government, if required, or any other approvals as may be required under law.</p>

**RESOLVED FURTHER THAT** to give effect to this resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

**5. Approving Remuneration of Mr. Sunil Pophale (DIN:-00064412) as Executive Director**

To consider and if thought fit, approve with or without modification(s) the following resolution as a **Special Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Sections 188, 196, 197, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) the consent of the members be and is hereby accorded for fixing the remuneration

payable to Mr. Sunil Pophale (DIN:-00064412), Chairman & Executive Director at Rs.1,00,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 3 years with effect from April 01, 2020 on such terms and conditions as may be agreed upon between the Board of Directors and Mr. Sunil Pophale, with liberty and authority to the Board of Directors to alter or vary the said terms and Conditions from time to time within the scope of Schedule V of the Companies Act, 2013 or any amendments thereto or any re-enactment thereof.

**RESOLVED FURTHER THAT** to give effect to this resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

**6. Approving Remuneration of Mr. Pramod Waman Gajare (DIN: 07932725) as Whole-Time Director**

To consider and if thought fit, approve with or without modification(s) the following resolution as a **Special Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Sections 188, 196, 197, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) the consent of the members be and is hereby accorded for fixing the remuneration payable to Mr. Pramod Waman Gajare (DIN: 07932725), Whole-Time Director at Rs.24,69,872/- (Rupees Twenty Four Lakhs Sixty Nine Thousand Eight Hundred and Seventy Two Only) per annum (inclusive of Salary, perquisites, benefits and allowances), for a period of 3 years with effect from April 01, 2018 on such terms and conditions as given below, with liberty and authority to the Board of Directors to alter or vary the said terms and Conditions from time to time within the scope of Schedule V of the Companies Act, 2013 or any amendments thereto or any re-enactment thereof.

Term of Remuneration	3 years with effect from April 01, 2018
Salary exclusive of all allowances	Rs. 1,05,019/- per month. The Executive Director shall be entitled to such increment from time to time as the Board may by its discretion determine
Perquisites and allowances in addition to salary	A. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 21,004/- per month to the Executive director.  B. Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/- per month to the Executive director.

	<p>C. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month to the Executive director</p> <p>D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month to the Executive director.</p> <p>E. Medical Allowance: The Company will pay Medical Allowance of Rs. 8,752/- to the Executive director.</p> <p>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.</p> <p>Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee.</p> <p>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual cost.</p>
Retirement Benefits	<p>A. Gratuity payable shall be in accordance with the rules of the Companies Act and Gratuity Rules.</p> <p>B. Earned Leave on full pay and allowances as per the rules of the Company, leave accumulated shall be encashable of Leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.</p>
Other benefits	<p>A. The Executive director shall be entitled to reimbursement of expenses like Vehicle, Guest Entertainment, Travelling Expenses actually and properly incurred during the course of doing legitimate business of the company.</p> <p>B. The appointee shall be eligible for Housing, Education and Medical Loan and other Loans or facilities as applicable in accordance with the rules of the company and in compliance with the provisions of the Companies Act, 2013.</p>
Minimum Remuneration	<p>The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.</p> <p>Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the</p>

	above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole-time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the Central Government, if required, or any other approvals as may be required under law.
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**RESOLVED FURTHER THAT** to give effect to this resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

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

Sd/-  
**Sunil H. Pophale**  
Director  
DIN: 00064412

**Place** : Mumbai  
**Date** : August 23, 2019

**Registered Office:**  
Gat No. 204, Vadivarhe Igatpuri 422403  
**CIN:** L24100MH2009PLC190516  
**Website:** [www.vscl.in](http://www.vscl.in)  
**E-mail:** [accounts@vscl.in](mailto:accounts@vscl.in)



## **NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETINGS IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF/HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, PARTNERSHIP FIRMS, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE, ISSUED BY THE MEMBER ORGANIZATION.**

**A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

2. The relative Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, for the Special business set out in the Notice is annexed hereto.
3. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holding of a member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid
4. The proxy-holder shall prove his identity at the time of attending the meeting.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days' notice in writing of the intention so to inspect is given to the Company.
6. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2019 to September 30, 2019, being both days inclusive.
7. Members holding shares in physical form are requested to notify immediately change of address, transfer, demat request, E-mail id, if any, to the Registrars and Transfer Agents of the Company, Adroit Corporate Services Private Limited, 17/20, Jaferbhoy Indl. Estate, Makwana Road, Marol Naka, Andheri East, Mumbai -400059, quoting their Folio Number and those holding shares in demat mode are requested to notify any change in address, Bank

Details, E-mail id to their respective depository participants and make sure that such changes are recorded by them.

8. Members/proxies are requested to bring their copies of Annual Report and duly filled admission/attendance slip enclosed herewith along with the copies of annual report at the meeting and produce the same at the entrance of the venue where the Annual General Meeting is being held.
9. Corporate Members are requested to send a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
10. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to the Registered Office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
11. Members who hold shares in electronic form are requested to write their DP ID and client ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
12. The detail of Directors seeking appointment / re-appointment at this Annual General Meeting as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards-2 is annexed hereto.
13. For the security and safety of the shareholders, no article/baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The members / attendees are strictly requested not to bring any article / baggage, etc. at the venue of the meeting.
14. The Annual Report of your Company for the Financial Year 2018-19 is displayed on the website of the Company i.e. [www.vscl.in](http://www.vscl.in)
15. Members are requested to register / update their E-mail address with the Company so as to receive Annual Report and other communication electronically.
16. The notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those members whose email-addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their email-address, physical copies are being sent by the permitted mode.
17. To support the 'Green Initiative', the members who have not registered their email addresses are requested to register the same with RTA/ Depositories.
18. The business set out in the notice will be transacted through remote e-voting system and the instructions and other information relating to remote e-voting provided by National Securities Depository Limited (NSDL) are given herein below in this Notice. In case of any queries or grievances in connection with remote e-voting, the shareholders may write to the registered office address of the Company.

19. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2014 Company is pleased to provide the members to exercise their right to vote at 10<sup>th</sup> Annual General Meeting of the Company by electronic means through E-voting facility provided by National Securities Depository Limited (NSDL).
20. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
21. Members seeking any information on the Accounts are requested to write to the Company, which should reach the Company at least one week before the date of the Annual General Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Annual General Meeting.
22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during (3.00 pm to 5.00 pm) on all working days, upto and including the date of the Annual General Meeting of the Company.

#### **EVOTING:**

##### **A. The instructions for e-voting are as under:**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide to the members, the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through the ballot paper shall be made available at the AGM premises and only the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on September 26, 2019 (9:00 a.m.) and ends on September 29, 2019 (5:00 p.m.). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 24, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

## **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in	EVEN Number followed by Folio

Physical Form.	Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kumudiniparanjape@mmjc.in](mailto:kumudiniparanjape@mmjc.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- VI. The voting rights of members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of September 24, 2019.
- VII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and is holding shares as of the cut-off date i.e. September 24, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Ballot Paper.
- IX. Ms. Kumudini Bhalerao, Practising Company Secretary (Certificate of Practice Number 6690) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. The Scrutiniser shall within a period not exceeding 3 working days from the conclusion of the remote e-voting period unblock the votes in the presence of at least 2 witnesses not in the employment of the Company and make a Scrutiniser’s Report of the votes cast in favour or against, if any, and forward it to the Chairman of the Company.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.vscl.in](http://www.vscl.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited, Mumbai.

#### **Particulars of Director seeking Appointment/Re-appointment at the ensuing Annual**

**General Meeting as per Secretarial Standard – 2 prescribed for & Regulation 36 of SEBI (Listing Obligation & Disclosure Requirement), 2015 prescribed for General Meetings.**

<b>Names of the Directors</b>	<b>Ms. Meena Sunil Pophale</b>
Type	Director
Age	57 Years
Date of Birth	16/02/1962
Date of Appointment	23/02/2009
Experience in functional area	32 Years
Qualification	B.A.
Terms and Conditions of Appointment & Last Remuneration	Retire by rotation Rs.12,00,000/- PA
Directorship in other Companies (Public Limited Companies) (excluding foreign and private companies)	Nil
Membership of Committees of other Public Companies (Audit Committee /Nomination Remuneration Committee/Stakeholders Relationship Committee)	Nil
No. of Shares held in the company	5,375
First Appointment by the Board	23/02/2009
Relationship with other Director, Manager & KMP	Except Mr. Sunil H. Pophale no other Director/KMP is interested in the resolution
Board Meeting attended (F.Y. 2018-19)	5
Shareholding of Non-executive directors	N.A.

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 3**



The tenure of the existing auditors of the Company i.e. M/s. S R Rahalkar & Associates, Chartered Accounts, expires at this Annual General Meeting. In view of the same, the Board of Directors of the Company recommends the appointment of M/s. Bhalchandra D Karve & Associates (Firm registration No: 135281W) as Statutory Auditors of the Company for a term of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company to be held in the year 2024.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice.

In accordance with provisions of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board states that:

1. Fees proposed to be paid to M/s. Bhalchandra D Karve & Associates is Rs.1,00,000/- per annum subject to reasonable increments as may be decided upon between the Board and M/s. Bhalchandra D Karve & Associates, as Statutory Audit Fees.
2. The aforesaid fees that is proposed to be paid commensurate to the size and scope of Audit and is as per industrial standards. There is no material change in the fee payable to M/s. Bhalchandra D Karve & Associates from that which was paid to M/s. S R Rahalkar & Associates.
3. M/s. Bhalchandra D Karve & Associates, possesses sufficient experience and expertise in conducting Audit of Companies of similar size and nature.

Further details of the Auditors are as follows:

<b>Sr. No</b>	<b>Particulars</b>	<b>Details</b>
<b>1.</b>	Name of the Auditor	Mr. Bhalchandra D Karve
<b>2.</b>	Terms and Conditions of Appointment	As per Appointment Letter
<b>3.</b>	Address	1364, Karve Bungalow, Tilakwadi, Sharanpur Road, Nashik – 422002
<b>4.</b>	Membership No	105965
<b>5.</b>	Contact details	0253 – 2314630
<b>6.</b>	Email Address	<a href="mailto:reachcakarve@gmail.com">reachcakarve@gmail.com</a>
<b>7.</b>	Whether any regulatory action has been faced	No

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said resolution.

#### **Item No. 4, 5 & 6**

The Members had at their Extraordinary General Meeting, held on November 10, 2016, approved the appointment Ms. Meena Sunil Pophale as Whole-Time Director of the Company for a term of five years with effect from November 10, 2016, along with remuneration payable to her. Pursuant to Schedule V of the Companies Act, 2013, the Resolution for payment of

remuneration should not be for a period exceeding three years.

The Members had at their Extraordinary General Meeting, held on March 28, 2017, approved the remuneration payable to Mr. Sunil Pophale as Executive Time Director of the Company for a term of three years with effect from April 01, 2017.

The Board of Directors had at its meeting held on October 31, 2018 subject to necessary approvals, has approved the revision in remuneration payable to Mr. Pramod Gajare as Whole-Time Director of the Company for a term of three years with effect from April 01, 2018.

In view of the contributions made by Mrs. Meena Sunil Pophale Mr. Sunil Pophale and Mr. Pramod Gajare, in the functioning of the Company, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, recommend to the Members of the Company, the approval of payment of remuneration to Ms. Meena Sunil Pophale for remaining period of her appointment, i.e. from November 10, 2019 to November 09, 2021; to Mr. Sunil Pophale for a further period of three years i.e. from April 01, 2020 to March 31, 2023 and to Mr. Pramod Gajare for three years w.e.f. April 01, 2018 to March 31, 2021.

## **STATEMENT CONTAINING REQUIRED INFORMATION AS PER SCHEDULE V OF THE COMPANIES ACT, 2013**

### ***I. General Information:-***

- (1) Nature of Industry: - Manufacturing of Organic, Speciality Chemicals & Intermediates
- (2) Date or Expected date of Commencement of Commercial Production:- 23.03.2009
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial Institution appearing in the prospectus: - Not Applicable
- (4) Financial Performance based on given indicators

The Company's Gross Income for the financial year ended March 31, 2019 increased to Rs. 32,82,34,154 from Rs. 25,94,44,871 in last year. The increase in gross income of the company is on account of sales of newly introduced products which are developed in Company's Research & Development Department. Company is expecting the growth in Turnover in coming years also.

The operating profit (PBT) of the Company decreased to Rs 5,28,888 from Rs. 2,16,98,731.

The brief statement indicating our profit related figures is given below:

(Amt. in Rs.)

Particulars	2018-19	2017-18
<b>Total Income</b>	32,82,34,154	25,94,44,871
<b>Less: Expenditure and Depreciation</b>	32,77,05,267	23,83,67,462
<b>Prior Period Items</b>	-	6,21,322
<b>Profit Before Tax (PBT)</b>	5,28,888	2,16,98,731
<b>Less: Tax</b>	7,73,585	66,31,997
<b>Deferred Tax Assets</b>	(8,64,689)	(25,92,768)
<b>Profit After Tax (PAT)</b>	6,19,991	1,76,59,502

(5) Export Performance and Net Foreign Exchange Collaborations: - Earning in foreign currency on cash Basis as mentioned below:-

Particulars	2018-19	2017-18
FOB value of Exports	3,83,65,331	3,90,71,898

Foreign Exchange Collaborations:- NIL

(6) Foreign Investments or Collaborations, if any-N.A.

## ***II. Information about the appointee***

### **1. Background Detail**

Name	Age	Designation	Qualification
Ms. Meena Sunil Pophale	56 Years	Whole-Time Director	B.A.
Mr. Sunil Pophale	63 Years	Executive Director	B-Tech
Mr. Pramod Gajare	57 Years	Whole-Time Director	B.Sc Chem

### **2. Past Remuneration**

Name	Year	Salary	Perquisites	Total
Ms. Meena Sunil Pophale	2016-17	12,00,000/-	0	12,00,000/-
	2017-18	12,00,000/-	0	12,00,000/-
	2018-19	12,08,400/-	0	12,08,400/-
Mr. Sunil Pophale	2016-17	12,00,000/-	0	12,00,000/-
	2017-18	12,00,000/-	0	12,00,000/-
	2018-19	12,00,000/-	0	12,00,000/-
Mr. Pramod Gajare	2016-17	0	0	0
	2017-18	11,02,473/-	0	11,02,473/-
	2018-19	24,69,872/-	0	24,69,872/-

3. Recognition or awards:- Not Applicable

4. Job profile and suitability: - Ms. Meena Sunil Pophale and Mr. Sunil Pophale are Executive Directors of the Company. They look after the daily operations, administration and overall functioning of the Company.

Mr. Pramod Waman Gajare is an Executive Director of the Company. He looks after the production, quality control and research and development of the Company.

5. Remuneration proposed: - The terms of remuneration proposed are detailed in the Resolution.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):- For the responsibility shouldered by Ms. Meena Sunil Pophale, Mr. Sunil Pophale and Mr. Pramod Gajare, as Executive Directors of the Company in driving the Company's growth plans, the remuneration paid to them is commensurate and compares favorably with the Compensations paid to the business heads of liked sized and similarly positioned businesses.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:- Mr. Sunil Pophale, from time to time has granted an unsecured loan to the Company.

### ***III. Other Information:***

#### **1. Reasons of loss or inadequate profits**

The revenue during the year under review has increased due to sales of newly developed products by Company's R&D Department. Initially the Raw Material & Conversion Cost is quite high & yield is below the expectations hence the sales increased but that could not convert into increase in profits.

Company is in process to reduce the cost & increasing yields to get the maximum profits. In the year Company has focused on R&D & appointed highly qualified & experienced personals in R&D, ADL & QA Department, hence Employee Cost increased drastically. Some of old Non-moving materials are write-off or disposed off or liquidate on lesser value, the company has inadequate profits.

#### **2. Steps taken or proposed to be taken for improvement**

We are in process of increasing our capacity to bring economies of scale to our business and will certainly boost our profitability. Company has developed new products and getting good sales orders in current year. Company is in process to reduce the cost & increasing yields to get the maximum profits.

#### **3. Expected increase in productivity and profits in measurable terms**

We as such cannot quantify the increase in profits in coming year but definitely will increase as compare to previous year as Company has developed new product which has a good market.

### ***IV. Disclosures:***

The Remuneration package of the managerial personnel has been provided in the notice.

The Board of Directors recommends the Special Resolutions as set out in Item No. 4, 5 & 6 of the Notice for the approval of the Members.

Except Ms. Meena Sunil Pophale, Mr. Sunil Pophale and Mr. Pramod Gajare, none of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said resolution.

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

Sd/-  
**Mr. Sunil H. Pophale**  
**Director**  
DIN: 00064412

**Place** : Mumbai

**Date** : August 23, 2019

**Registered Office:**

Gat No. 204, Vadivarhe Igatpuri 422403

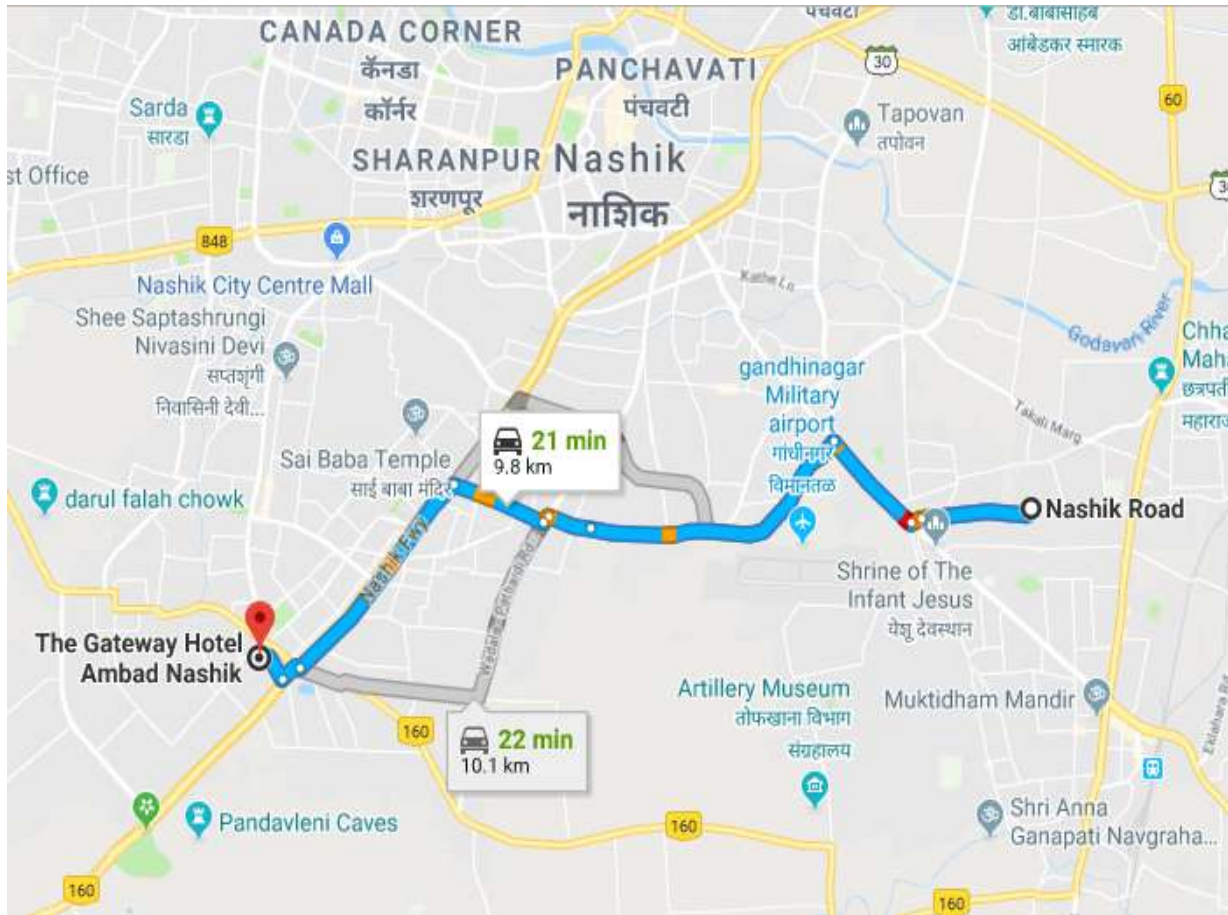
**CIN:** L24100MH2009PLC190516

**Website:** [www.vscl.in](http://www.vscl.in)

**E-mail:** [accounts@vscl.in](mailto:accounts@vscl.in)

# ROUTE MAP

**Landmark: Pandavleni Caves**



**FORM NO. MGT-11****Proxy Form**

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

**CIN** : L24100MH2009PLC190516  
**Name of the Company** : Vadivarhe Speciality Chemicals Limited  
**Regd. Office** : Gat No. 204, Vadivarhe Igatpuri 422403  
**Email** : [accounts@vscl.in](mailto:accounts@vscl.in)  
**Website** : [www.vscl.net.in](http://www.vscl.net.in)  
**Phone** : +91 2553 282200  
**Fax** : 022 26740371

<b>Name of the Member(s):</b>	
<b>Registered Address:</b>	
<b>E-mail Id:</b>	
<b>DP ID/Client ID/Folio No:</b>	

I / We, being the Member(s) of shares of the above named company, hereby appoint:

1. (Name): \_\_\_\_\_ Address: \_\_\_\_\_  
E-Mail ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
2. (Name): \_\_\_\_\_ Address: \_\_\_\_\_  
E-Mail ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
3. (Name): \_\_\_\_\_ Address: \_\_\_\_\_  
E-Mail ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 10<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at 12:00 noon at The Gateway Hotel Ambad Nashik situated at P-17, MIDC Ambad, Mumbai Agra Road, Nashik, Maharashtra 422010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against
<b>Ordinary Business:</b>			
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019 together with the Board's Report and the Auditors' Report thereon.		
2.	To appoint a Director in place of Ms. Meena Sunil Pophale (DIN: 00834085), who retires by rotation and being eligible offers herself for re-appointment.		
3.	To appoint Auditors and to fix their remuneration and in this regard.		
<b>Special Business:</b>			
4.	Approving Remuneration of Ms. Meena Sunil Pophale (DIN: 00834085) as Whole-Time Director.		
5.	Approving Remuneration of Mr. Sunil Pophale (DIN:-00064412) as Executive Director.		
6.	Approving Remuneration of Mr. Pramod Waman Gajare (DIN: 07932725) as Whole-Time Director.		

Signed this \_\_\_\_ day of \_\_\_\_\_, 2019

Signature of the Shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

<p><b>Please affix the Revenue Stamp of Re.1</b></p>
--------------------------------------------------------------

**Note:**

- (1) This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 (forty eight) hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company. A person can act as a proxy on behalf of a member or members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.



**10<sup>th</sup> ANNUAL GENERAL MEETING**

Please fill this attendance slip and hand it over at the entrance of the venue of the meeting.

<b>Name of the Shareholder</b>	
<b>Address</b>	
<b>No. of Shares Held</b>	
<b>DP ID/Client ID/Registered Folio No.</b>	

I certify that I am an authorized representative for the above named shareholder of the Company. I hereby record my presence at the 10<sup>th</sup> Annual General Meeting of Vadivarhe Speciality Chemicals Limited on Monday, September 30, 2019 at situated at P-17, MIDC Ambad, Mumbai Agra Road, Nashik, Maharashtra 422010.

\_\_\_\_\_  
Name of the Member / Proxy (in block letters)

\_\_\_\_\_  
Signature of the Member / Proxy

**Notes:**

1. Only Members / Proxy holder can attend the Meeting
2. Members/proxies are requested to bring the duly completed Attendance Slip with them, and hand it over at the entrance, affixing their signature on the slip.

## DIRECTORS' REPORT

To  
The Members,  
Vadivarhe Speciality Chemicals Limited

Your Directors have pleasure in presenting the 10<sup>th</sup> Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2019.

### 1. FINANCIAL STATEMENTS & RESULTS:

#### a. Financial Results

The Company's performance during the year ended 31<sup>st</sup> March, 2019 as compared to the previous financial year, is summarized below:

Particulars	For the financial year ended 31 <sup>st</sup> March, 2019	For the financial year ended 31 <sup>st</sup> March, 2018
Income	328,234,154	259,444,871
Less: Expenses	327,705,267	238,367,462
Prior Period Income	0	621,322
Profit/ (Loss) before tax	528,888	21,698,731
Less: Provision for tax	101,758	5,226,318
Deferred Tax Expense/(Benefits)	(864,689)	(25,92,768)
MAT Credit entitlement	(101,758)	0
MAT Credit Utilized	0	8,02,196
Income Tax of earlier years w/ off	773,585	6,03,483
Exception Income	0	0
Exception expenditure	0	0
<b>Profit after Tax</b>	<b>619,991</b>	<b>17,659,502</b>
<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
<b>Balance carried to Balance sheet</b>	<b>619,991</b>	<b>17,659,502</b>

### 2. TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

### 3. OPERATIONS:

This is the tenth year of operation and your Company has achieved net sales of Rs.

328,234,154 and has earned a profit after tax of Rs. 6,19,991 as compared to previous year's net sales Rs. 259,444,871 and profit after tax of Rs. 17,659,502.

The revenue during the year under review has increased due to sales of newly developed products by Company's R&D Department. The raw material cost increased due to lesser than expected yields. However, the fresh orders were procured subsequently at higher rate to accommodate this cost increase.

#### **4. NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the year under review.

#### **5. 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. Marketing and Market environment**

No significant changes in Market environment in API and Intermediates.

##### **c. Future Prospects including constraints due to Government policies**

There are no significant changes in Government policies in API and Intermediates.

#### **6. DIVIDEND**

Considering the growth prospects and in order to conserve resources your Directors have not recommended any dividend for the year ended 31<sup>st</sup> March, 2019.

#### **7. 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.

## **8. 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.

## **9. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business as part of its philosophy of adhering to highest ethical standards, transparency and accountability.

The particulars of contracts or arrangements with related parties as defined under Section 188 of the Companies Act, 2013 in the prescribed Form AOC-2 is annexed hereto and marked as **ANNEXURE I** and forms part of this Report.

## **10. 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 II** which forms part of this Report.

## **11. 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, 2019 made under the provisions of Section 92(3) of the Act is attached as **ANNEXURE III** which forms part of this Report. Further the Company has placed its Annual Return (as at 31<sup>st</sup> March 2018), referred to in Section 92(3) in MGT-7 format on the below mentioned web-address: - [www.vscl.in](http://www.vscl.in)

## **12. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES:**

The Company has not made loans and provided guarantees covered under the provisions of Section 186 of the Companies Act, 2013. Further, the investment made by the Company is within the limits of the Section 186 of the said act.

## **13. 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.

#### **14. 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.

#### **15. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **a) Board of Directors & Key Managerial Personnel**

The Company has not appointed any new Directors or KMP on the Board of the Company and none of the Directors have resigned from the Company.

Mr. Jayesh Bhagwati Prasad Vaishnav has resigned as the Company Secretary w.e.f. 3<sup>rd</sup> June, 2019. The Company is on the lookout for a suitable candidate to be appointed as a Company Secretary.

##### **b) Retirement by rotation**

As per the provisions of Section 152 of the Companies Act, 2013, Mrs. Meena Sunil Pophale (DIN- 00834085) Directors of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

##### **c) Declaration by Independent Directors:**

During the financial year under review, declarations were received from all Independent Directors of the Company that they satisfy the "Criteria of Independence" as defined under Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of Section 149(6) of the Companies Act, 2013, the Schedules and Rules framed there under.

#### **16. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES**

##### **a) Board meetings:**

The Board of Directors met 5 times during the financial year ended 31<sup>st</sup> March, 2019 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The details of the same are as mentioned under:-

<b>Sr. No.</b>	<b>Date of meeting</b>	<b>Names of Directors as on the date of meeting</b>	<b>Directors Present</b>	<b>Directors Absent</b>
1	30-05-2018	Mr. Sunil Haripant Pophale Mr. Meena Sunil Pophale Mr. Prasanna Prabhakar Rege Mr. Rahul Durgaprasad Asthana Mr. Ravindra Keshav Paranjpe Mr. Uttara Adwait Kher Mr. Pramod Waman Gajare	6	1
2	01-08-2018	Mr. Sunil Haripant Pophale Mr. Meena Sunil Pophale Mr. Prasanna Prabhakar Rege Mr. Rahul Durgaprasad Asthana Mr. Ravindra Keshav Paranjpe Mr. Uttara Adwait Kher Mr. Pramod Waman Gajare	6	1
3	31-10-2018	Mr. Sunil Haripant Pophale Mr. Meena Sunil Pophale Mr. Prasanna Prabhakar Rege Mr. Rahul Durgaprasad Asthana Mr. Ravindra Keshav Paranjpe Mr. Uttara Adwait Kher Mr. Pramod Waman Gajare	6	1
4	12-02-2019	Mr. Sunil Haripant Pophale Mr. Meena Sunil Pophale Mr. Prasanna Prabhakar Rege Mr. Rahul Durgaprasad Asthana Mr. Ravindra Keshav Paranjpe Mr. Uttara Adwait Kher Mr. Pramod Waman Gajare	6	1
5	14-03-2019	Mr. Sunil Haripant Pophale Mr. Meena Sunil Pophale Mr. Prasanna Prabhakar Rege Mr. Rahul Durgaprasad Asthana Mr. Ravindra Keshav Paranjpe Mr. Uttara Adwait Kher Mr. Pramod Waman Gajare	3	4

The Company has complied with the applicable Secretarial Standards in respect of all the above Board meetings.

**b) Audit Committee:**

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee comprises of:

Mr. Prasanna Prabhakar Rege	Independent Director
Mr. Ravindra Paranjpe	Independent Director
Mrs. Uttara Kher	Independent Director

The scope and terms of reference of the Audit Committee have been framed in accordance with the Act and the Listing Agreement entered into with the Stock Exchanges read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Jayesh Bhagwati Prasad Vaishnav, the Company Secretary of the Company acted as the Secretary of the Audit Committee during the financial year 2018-19.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

**c) Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Companies Act, 2013.

The composition of the committee is as under:

Mr. Prasanna Prabhakar Rege	Independent Director
Mr. Ravindra Paranjpe	Independent Director
Mrs. Uttara Kher	Independent Director

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Mr. Jayesh Bhagwati Prasad Vaishnav, the Company Secretary of the Company acted as the Secretary of the Nomination and Remuneration Committee during the financial year 2018-19.

The Remuneration Policy is attached as **ANNEXURE IV**.

**d) Stakeholders Relationship Committee:**

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee, comprising of the following members:

Mr. Prasanna Prabhakar Rege	Independent Director
Mr. Ravindra Paranjpe	Independent Director
Mrs. Uttara Kher	Independent Director

Mr. Jayesh Bhagwati Prasad Vaishnav, the Company Secretary of the Company acted as the Secretary of the d)Stakeholders Relationship Committee during the financial year 2018-19.

**e) Vigil Mechanism:**

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, a listed Company and every such class of companies as prescribed thereunder are required to frame a Vigil Mechanism to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The Company has framed an appropriate Vigil mechanism policy and further re-affirms that the Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

**f) Risk Management Policy:**

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and defined a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

**g) Annual Evaluation of Directors, Committee and Board:**

The Board has carried out an annual performance evaluation of its own performance, and of the Directors individually, as well as the evaluation of all the committees i.e.



Audit, Nomination and Remuneration, Stakeholders Relationship and other Committees of Directors.

The Board adopted a formal evaluation mechanism for evaluating its performance and as well as that of its Committees and individual directors, including the Chairman of the Board. The exercise was carried out by feedback survey from each Directors covering Board functioning such as composition of Board and its Committees, experience and competencies, governance issues etc. Separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as attendance, contribution at the meeting etc.

**h) Management Discussion & Analysis:**

A separate report on Management Discussion & Analysis is appended to this Annual Report as an ANNEXURE V and forms part of this Directors' Report.

**17. 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:

Mr. Sunil Haripant Pophale	(Chairman & Executive Director)
Mrs. Meena Sunil Pophale	(Whole time Director)
Mr. Uttara Kher	(Independent Director)

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee and the Company spent 11,27,317/- (Eleven Lakh Twenty Seven Thousand Three Hundred and Seventeen) towards CSR activities in Financial Year 2018-19. The contents of the CSR policy and initiatives taken by the Company on Corporate Social Responsibility expenditure during the year 2018-19 is attached as ANNEXURE VI 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.in](http://www.vscl.in)

**18. 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 2019:**

M/s. S. R. Rahalkar & Associates, Chartered Accountants hold office till the conclusion of this Annual General Meeting to be held for the Financial Year 31<sup>st</sup> March, 2019. The Statutory Auditors have completed their tenure under section 139(2) as the Statutory Auditors of the Company. The Company further intends to appoint M/s. Bhalchandra D Karve & Associates (FRN: 135281W) as the Statutory Auditor of the Company for a period of 5 years from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2024 for the Financial year 2023-2024.

The Statutory Audit report does not contain any observations / qualifications / disclaimers /adverse remark from the auditors for the financial year ended 31<sup>st</sup> March, 2019.

b. **SECRETARIAL AUDITOR:**

The Board has appointed M/s Makarand M. Joshi and Co., Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and rules thereunder. The secretarial audit report for financial year 2018-19 forms part of the Directors Report as 'ANNEXURE VII'.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer except the following:

1. Company had submitted delayed outcome for the Board meeting held on August 01, 2018.
2. Report for reconciliation of Share Capital Audit for the quarter ended June 2018 was submitted with Stock Exchange with delay of one day.
3. The disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 was filed in delay with the stock exchange for three instances and for two instances disclosures were not filed.

The Company to its best extent strives to stay in compliance of all the laws, rules and regulations encompassing and applicable to it. However, even the most perfect of its stakeholders may err at times. The management of the company has taken note of the observations made by the secretarial auditor and replies to the same as follows:

1. The aforementioned delay in submission of outcome of Board Meeting was merely of 10 minutes, due to technical problems faced on the day of submission. The said delay was beyond reasonable control.

2. Delay in filing of Report for reconciliation of Share Capital Audit for the quarter ended June 30, 2018 was due to inadvertence.
3. A few inadvertent miscalculations led to certain flubs on multiple levels. The Company has taken note of the audit observation and shall stay alert to avoid any such instances in future. Further, the Company will file the missing disclosures at the earliest.

c. **INTERNAL AUDITOR:**

M/s. Bhalchandra D Karve & Associates were appointed as the Internal Auditor of the Company for the financial year 2018-19 based on the recommendation of the Audit Committee of the Company.

19. **INSURANCE**

All the insurable interests of your Company including properties, equipment, stocks etc. are adequately insured.

20. **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.

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, 2019, 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, 2019 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. internal financial controls were followed by the Company and such internal financial controls are adequate and are operating effectively; and
- f. 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.

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.

g. **POLICY ON SEXUAL HARASSMENT AT WORKPLACE:**

The Company has established an Internal Complaints Committee as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Company is committed to create and maintain an atmosphere in which employees can work together without fear of sexual harassment and exploitation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and the Company. During the year under review, there was no complaint of any sexual harassment at work place.

h. **DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

The disclosures as per Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 have been marked as ANNEXURE VIII

i. **LOANS FROM DIRECTORS OR DIRECTORS' RELATIVES:**

During the financial year under review, the Company has borrowed the following amount(s) from Directors and the respective director has given a declaration in writing to the Company to the effect that the amount is being given by him out of his own funds. Accordingly, the following amount is excluded from the definition of Deposit as per Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014:-

Name of Director giving loan	Amount borrowed during 2018-19
Mr. Sunil Haripant Pophale	6,74,25,000

j. **REPORTING OF FRAUDS BY STATUTORY AUDITORS UNDER SECTION 143(12):**

There were no incidences of frauds reported by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

**21. 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**

Sd/-  
**Sunil Haripant Pophale**  
Director  
DIN: 00064412  
Address: 15 Lalit Building, Wodehouse Road,  
Next To Badhwar Park, Colaba, Mumbai,  
400005

Sd/-  
**Meena Sunil Pophale**  
Wholtime Director  
DIN: 00834085  
Address: 15 Lalit Building, Wodehouse Road  
Next To Badhwar Park Colaba, Mumbai  
400005

Date: 23/08/2019  
Place: Mumbai

**ANNEXURES TO BOARDS REPORT**

**ANNEXURE-I**

**FORM AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies  
(Accounts) Rules, 2014)

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**Particulars of contracts/arrangements entered into by the Company with related parties referred to  
in sub-section (1) of section 188 of the Companies Act, 2013.**

1.	Details of contracts or arrangements or transactions not at arm's length basis	None
2.	Details of material contracts or arrangement or transactions at arm's length basis	As detailed below

1. Material contracts or arrangement or transactions at arm's length basis in the ordinary course of business: -

Name of the Party Nature of Relationship	Related Party Nature of	Nature of contracts / arrangement / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Remuneration to the Directors & KMP	to the	Services rendered	Ongoing	N.A	N.A	N.A

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

**Sd/-  
Sunil Haripant Pophale  
Director  
DIN: 00064412**

**Address: 15 Lalit Building, Wodehouse Road,  
Next To Badhwar Park, Colaba, Mumbai,  
400005**

**Sd/-  
Meena Sunil Pophale  
Wholetime Director  
DIN: 00834085**

**Address: 15 Lalit Building, Wodehouse Road  
Next To Badhwar Park Colaba, Mumbai  
400005**

**Date: 23/08/2019  
Place: Mumbai**

## ANNEXURE II

### 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:**

<b>Steps taken or impact on conservation of energy</b>	<ul style="list-style-type: none"> <li>• A total outlay of Rs. 400 Lakhs has been made on Conservation of Energy.</li> <li>• Installation of 193 Kwh Solar Power Plant.</li> <li>• 3000 Liter per day capacity Solar Water Heater Plant.</li> <li>• Installed new Boiler which run on Briquettes instead of Light Diesel Oil (LDO)</li> </ul>
<b>Steps taken by the company for utilizing alternate sources of energy</b>	
<b>Capital investment on energy conservation equipments</b>	

**(B) Technology absorption:**

Efforts made towards technology absorption	<ul style="list-style-type: none"> <li>• The products of the Company are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore, no technology absorption is required.</li> <li>• 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.</li> <li>• Efforts were made in developing new products to cater to customer's requirement, especially exports.</li> </ul>
Benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> <li>• As a result of sustained efforts, we have entered in to prestigious Japanese market.</li> <li>• Moreover, we are also being looked upon as a potential R&amp;D centre for their offshore R&amp;D activity.</li> </ul>
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	Nil
Year of import	Not Applicable
Whether the technology has been fully absorbed	Not Applicable
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
Expenditure incurred on Research and Development	Nil

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

	<b>April 01, 2018 to March 31, 2019 [Current F.Y.]</b>	<b>April 01, 2017 to March 31, 2018 [Previous F.Y.]</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
<b>Actual Foreign Exchange earnings</b>	3,83,65,331	3,90,71,898
<b>Actual Foreign Exchange outgo</b>	8,89,363	11,90,430

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

**Sd/-  
Sunil Haripant Pophale  
Director  
DIN: 00064412**

**Address: 15 Lalit Building, Wodehouse  
Road, Next To Badhwar Park, Colaba,  
Mumbai, 400005**

**Sd/-  
Meena Sunil Pophale  
Whole-Time Director  
DIN: 00834085**

**Address: 15 Lalit Building, Wodehouse Road  
Next To Badhwar Park Colaba, Mumbai  
400005**

**Date: 23/08/2019**

**Place: Mumbai**



**ANNEXURE III**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31<sup>st</sup> March 2019**  
*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies*  
*(Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	:	L24100MH2009PLC190516
<b>Registration Date</b>	:	23/02/2009
<b>Name of the Company</b>	:	Vadivarhe Speciality Chemicals Limited
<b>Category / Sub-Category of the Company</b>	:	Company limited by Shares Non-government company
<b>Address of the Registered office and contact details</b>	:	Gat No. 204, Vadivarhe Igatpuri 422403
<b>Whether listed company</b>	:	Yes (Listed on SME platform of NSE w.e.f 02nd June,2017)
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any:</b>	:	Adroit Corporate Services Pvt. Ltd 17/20, Jaferbhoy Indl. Estate , Makwana Road, Marol Naka, Andheri (E) Contact No.: 022 28590942

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

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**

Sr. No.	Name and address of the Company	CIN/ GLN	Holding subsidiary / associate	% of shares held	Applicable section
N.A.					



(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	497762	-	497762	3.89	411000	-	411000	3.22	(0.68)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1302988	6750	1309738	10.25	1129500	-	1129500	8.84	(1.41)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1485000	-	1485000	11.62	1635000	-	1635000	12.79	1.17
c) Others (specify)	-	-	-	-	-	-	-	-	-
c-1) Non-Resident	78000	-	78000	0.61	57000	-	57000	0.45	(0.16)

Indians (Individuals)									
c-2) Clearing Member	9000	-	9000	0.07	12000	-	12000	0.09	0.02
<b>Sub-total(B)(2):</b>	<b>3372750</b>	<b>6750</b>	<b>3379500</b>	<b>26.44</b>	<b>3244500</b>	<b>-</b>	<b>3244500</b>	<b>25.38</b>	<b>-1.06</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)( 2)</b>	<b>3372750</b>	<b>6750</b>	<b>3379500</b>	<b>26.44</b>	<b>3244500</b>	<b>-</b>	<b>3244500</b>	<b>25.38</b>	<b>-1.06</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>12776000</b>	<b>6750</b>	<b>12782750</b>	<b>100</b>	<b>12782750</b>	<b>-</b>	<b>12782750</b>	<b>100</b>	<b>-</b>

ii. SHAREHOLDING OF PROMOTERS:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	7897625	61.78	-	8032625	62.84	-	1.06
2.	Manasi Sunil Pophale	250	0.00	-	250	0.00		0.00
3.	Meena Sunil Pophale	5375	0.04	-	5375	0.04		0.00
4.	Aditi Sunil Pophale	1500000	11.73	-	1500000	11.73		0.00

iii. CHANGE IN PROMOTERS' SHAREHOLDING ( PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Mr. Sunil H. Pophale</b>					
	At the beginning of the year	7897625	61.78	7897625	61.78
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)				
	06.04.2018	48000	0.38	7945625	62.16
	13.04.2018	6000	0.05	7951625	62.21
	04.05.2018	6000	0.05	7957625	62.25
	18.05.2018	3000	0.02	7960625	62.28
	01.06.2018	3000	0.02	7963625	62.30
	08.06.2018	24000	0.19	7987625	62.49
	03.08.2018	15000	0.12	8002625	62.60
	22.02.2019	30000	0.23	8032625	62.84
	At the End of the year	8032625	62.84	8032625	62.84

iv. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Mr. Saurabh Jain</b>				

	At the beginning of the year	150000	1.17	150000	1.17
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)	150000	1.17	150000	1.17
<b>2</b>	<b>Mr. Umesh Sharad Gandhi</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) 29.03.2019	123000	0.96	123000	0.96
	At the End of the year ( or on the date of separation, if separated during the year)	123000	0.96	123000	0.96
<b>3</b>	<b>Mr. Ramesh Damani</b>				
	At the beginning of the year	114000	0.89	114000	0.89
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) 21.12.2018	9000	0.07	123000	0.96
	At the End of the year ( or on the date of separation, if separated during the year)	123000	0.96	123000	0.96
<b>4</b>	<b>M/s. Gini Silk Mills Ltd</b>				
	At the beginning of the year	69000	0.54	69000	0.54
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)	69000	0.54	69000	0.54
<b>5</b>	<b>M/s. Maverick Share Brokers Limited - Client</b>				
	At the beginning of the year	66000	0.52	66000	0.52
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) 06.04.2018	12000	0.09	78000	0.61
	25.05.2018	-3000	0.02	75000	0.59
	30.06.2018	-9000	0.07	66000	0.52
	24.08.2018	-3000	0.02	63000	0.49
	31.12.2018	-6000	0.05	57000	0.45
	15.03.2019	6000	0.05	63000	0.49

	At the End of the year ( or on the date of separation, if separated during the year)	63000	0.49	63000	0.49
<b>6</b>	<b>Rajeev Chitrabhanu HUF</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) 29.03.2019	63000	0.49	63000	0.49
	At the End of the year ( or on the date of separation, if separated during the year)	63000	0.49	63000	0.49
<b>7</b>	<b>Mr. Hem Chand Jain</b>				
	At the beginning of the year	39000	0.31	39000	0.31
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) 20.04.2018 27.04.2018	-39000 63000	0.31 0.49	- 63000	- 0.49
	At the End of the year ( or on the date of separation, if separated during the year)	63000	0.49	63000	0.49
<b>8</b>	<b>Mrs. Sonu Agarwal</b>				
	At the beginning of the year	39000	0.31	39000	0.31
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) 29.06.2018 28.09.2018	24000 -3000	-0.19 -0.02	63000 60000	0.49 0.47
	At the End of the year ( or on the date of separation, if separated during the year)	60000	0.47	60000	0.47
<b>9</b>	<b>Mrs. Tina Biswas</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) 14.12.2018 11.01.2019 18.01.2019 01.02.2019 15.02.2019 22.02.2019 22.03.2019	3000 3000 3000 9000 30000 6000 6000	0.02 0.02 0.02 0.07 0.23 0.05 0.05	3000 6000 9000 18000 48000 54000 60000	0.02 0.05 0.07 0.14 0.38 0.42 0.47

	At the End of the year ( or on the date of separation, if separated during the year)	60000	0.47	60000	0.47
<b>10</b>	<b>Mr. Ramesh S Damani</b>				
	At the beginning of the year	60000	0.47	60000	0.47
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)	60000	0.47	60000	0.47

**v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Mr. Sunil H. Pophale</b>					
	At the beginning of the year	7897625	61.78	7897625	61.78
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)				
	06.04.2018	48000	0.38	7945625	62.16
	13.04.2018	6000	0.05	7951625	62.21
	04.05.2018	6000	0.05	7957625	62.25
	18.05.2018	3000	0.02	7960625	62.28
	01.06.2018	3000	0.02	7963625	62.30
	08.06.2018	24000	0.19	7987625	62.49
	03.08.2018	15000	0.12	8002625	62.60
	22.02.2019	30000	0.23	8032625	62.84
	At the End of the year	8032625	62.84	8032625	62.84
<b>Mrs. Meena S. Pophale</b>					
	At the beginning of the year	5375	0.04	5375	0.04
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/	-	-	-	-



	sweat equity etc.)				
	At the End of the year	5375	0.04	5375	0.04
<b>Mr. Rahul Asthana</b>					
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the End of the year	-	-	-	-
<b>Mr. Prasanna Prabhakar Rege</b>					
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the End of the year	-	-	-	-
<b>Mr. Ravindra Keshav Paranjpe</b>					
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the End of the year	-	-	-	-
<b>Mrs. Uttara Kher</b>					
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-

	At the End of the year	-	-	-	-
<b>Mr. Pramod Gajare</b>					
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the End of the year	-	-	-	-
<b>Mr. Jayesh Vaishnav</b>					
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the End of the year	-	-	-	-
<b>Mr. Laxmikant Potdar</b>					
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the End of the year	-	-	-	-

**I INDEBTEDNESS:**

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

**(Rupees in Lakh)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of				

the financial year				
i) Principal Amount	830.66	135.22	-	965.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>830.66</b>	<b>135.22</b>	<b>-</b>	<b>965.88</b>
Change in Indebtedness during the financial year				
Addition	934.57	674.25	-	1608.82
Reduction	226.63	246.71	-	473.34
<b>Net Change</b>	<b>707.94</b>	<b>427.54</b>	<b>-</b>	<b>1135.48</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1538.60	562.76	-	2101.36
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due	3.90	-	-	3.90
<b>Total (i+ii+iii)</b>	<b>1542.50</b>	<b>562.76</b>	<b>-</b>	<b>2105.26</b>

## II REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

*(Rupees in Lakh)*

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mrs. Meena Pophale (Whole-time Director)	Mr. Sunil Pophale (Executive Director)	Mr. Pramod Gajare (Whole-time Director)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.08	12.00	24.70	48.70

	(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	- -	- -	- -	-
	<b>Total (A)</b>	<b>12.08</b>	<b>12.00</b>	<b>24.70</b>	<b>48.70</b>
	<b>Ceiling as per the Act</b>	<b>12.00</b>	<b>12.00</b>	<b>24.70</b>	

**B. REMUNERATION TO OTHER DIRECTORS:**

*(Rupees in Lakh)*

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Prasanna Rege	Rahul Asthana	Uttara Kher	Ravindra Paranjpe	
	<b>1. Independent Directors</b>					
	Fee for attending board / committee meetings	0.40	0.20	0.40	0.20	1.20
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-				
	<b>2. Other Non-Executive Directors</b>					
	Fee for attending board / committee meetings	-	-	-	-	-

Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (2)	-	-	-	-	-
Total (B)=(1+2)	-	-	-	-	-
Total Managerial Remuneration	0.40	0.20	0.40	0.20	1.20
Overall Ceiling as per the Act	Rs. 1 Lakh per Meeting				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

*(Rupees in Lakh)*

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1.82	14.33	16.15
	(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	-	1.82	14.33	16.15

**III 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**

**Sd/-  
Sunil Haripant Pophale  
Director  
DIN: 00064412**

**Address:** 15 Lalit Building, Wodehouse Road,  
Next To Badhwar Park, Colaba, Mumbai,  
400005

**Sd/-  
Meena Sunil Pophale  
Whole-Time Director  
DIN: 00834085**

**Address:** 15 Lalit Building, Wodehouse Road  
Next To Badhwar Park Colaba, Mumbai  
400005

**Date: 23/08/2019  
Place: Mumbai**

**VADIVARHE SPECIALITY CHEMICALS**  
**LIMITED**

**NOMINATION AND REMUNERATION POLICY**

VADIVARHE SPECIALITY CHEMICALS LIMITED

## **INTRODUCTION**

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee.

The Board of Directors of the Company (the Board) therefore, constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

In terms of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee shall inter alia recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Accordingly, this Nomination and Remuneration Policy of the Company is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

## **DEFINITIONS**

- a) **“Board”** means Board of Directors of the Company.
- b) **“Company”** means **“Vadivarhe Speciality Chemicals Limited”**
- c) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- d) **“Key Managerial Personnel” (KMP)** means (i) Chief Executive Officer or the Managing Director or the Manager, (ii) Company Secretary, (iii) Whole-time Director, (iv) Chief Financial Officer and (v) Such other officer as may be prescribed.
- e) **“Committee or Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- f) **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”



- g) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- h) **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

### **SCOPE**

The Remuneration Policy applies to the Company's senior management, including its Key Managerial Person and Board of Directors.

### **OBJECTIVES**

#### **The Key Objectives of the policy and the Committee would be:**

1. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
2. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
3. To guide and recommend the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
4. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
5. To Formulate criteria for evaluation of performance of Independent Directors, the Board as a whole and the each Director on an Individual Basis.

### **GUIDING PRINCIPLES**

The Policy ensures that:

1. The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person;

2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets.

### **ROLE AND POWERS OF THE COMMITTEE**

1. Recommend to the Board of Directors, appointment and removal of Directors, KMP and Senior Management.
  - Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal
  - Ensure that the person(s) identified as aforesaid possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
  - The Committee shall not recommend appointment of and recommend retirement of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
  - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.
  - Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.
2. Review of term/tenure of Directors, KMP and Senior Management, with special reference to:
  - a. **Managing Director/Whole-time Director:**

- The Committee shall ensure that the Company appoints or re-appoints any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time and no re-appointment is to be made earlier than one year before the expiry of term.

**b. Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of a cooling off period of three years after ceasing to become an Independent Director consequent to expiry of 2<sup>nd</sup> term of his/her appointment. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

3. Facilitate retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

4. Recommend to the Board of Directors, the remuneration of Directors, KMP and Senior Management.

**a. General:**

- The remuneration / compensation / commission etc. to the Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;
- The remuneration and commission to be paid to the Directors shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director/Whole-time Director;

- Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**b. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management:**

- Fixed pay:

The Whole-time / Executive / Managing Director, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**c. Remuneration to Non- Executive / Independent Director:**

- Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

- Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees

shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

➤ **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

➤ **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**MEMBERSHIP OF THE COMMITTEE**

1. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
2. Minimum two (2) members shall constitute a quorum for the Committee meeting.
3. Membership of the Committee shall be disclosed in the Annual Report.
4. Term of the Committee shall be continued unless terminated by the Board of Directors.

**CHAIRMAN OF THE COMMITTEE**

1. Chairman of the Committee shall be an Independent Director;
2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
4. Chairman of the Nomination and Remuneration Committee meeting should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

## **COMMITTEE MEMBERS' INTERESTS**

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **VOTING**

1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be entered in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

## **IMPLEMENTATION**

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may Delegate any of its powers to one or more of its members.

## **AMENDMENTS TO THE POLICY**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

**AMENDMENTS IN THE LAW**

Any subsequent amendment/modification in applicable laws in this regard shall automatically apply to this Policy.

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VADIVARHE SPECIALITY CHEMICALS LIMITED

## **Annexure IV**

### **Management Discussion and Analysis Report**

#### **Industry Structure and Development**

Your company is engaged in manufacture of organic chemicals, intermediates, active pharmaceutical ingredient (API's), personal care products and speciality chemicals. We have emerged as one of the major source for chemical intermediates in India.

#### **Opportunities & Threats**

Your company is in the industry since last over 10 years. It has a very high degree of operating synergy, economies of scale and high quality standards. The products of your company have diverse uses and applications in several industries ranging from pharmaceutical, agro-chemicals and personal cares.

The Company is having a good clientele base, which is well diversified over the world. Considering the market situation, global companies have chosen Indian Manufacturers as compared to Chinese companies due to better documentation, reliability and quality product supply from India which has resulted in providing growth opportunities. Your Company is WHO-GMP certified company.

The introduction of revolutionary change in taxation regime viz. GST is having positive impact on your company.

#### **Segment/ Product Wise Performance**

Your company is engaged in manufacture of organic chemical, intermediates, active pharmaceutical ingredient (API's), personal care products and speciality chemicals, which is considered as a single segment.

Your company has shown continuous growth in Turnover. The Company is striving hard for increasing profits from year to year. The total revenue from the operations for the year ended March 31, 2019 has increased to Rs. 3235.65 Lakhs as against Rs. 2555.88 Lakhs in the previous financial year 2018.

#### **Market and Outlook**

Your company has healthy order book position. The Company's R&D programs are focused on new products development & successfully added a range of products in its basket. The newly developed products will contribute a significant growth in revenue in coming years and has also started contributing which can be seen in the growth chart of the Company.



A better product mix, operational efficiency and stringent control on the cost have contributed towards increasing productivity, production and operating margins.

The Company continued to focus on cost control at every level to improve the operational efficiency which alongwith the increased operating level and upward revision of product prices is expected to improve the margin. Continuous efforts are being made for efficient energy and raw material consumption. The rate of flow of orders is encouraging. Production facilities are realigned to meet the demand. Your company, barring unforeseen circumstances, expects to further improve the turnover and performance. Increasing working capital is vital towards substantial growth in the coming years. Recently the Company has installed greener technologies like briquette fired boilers to save fuel costs, the positive effect of which will be reflected in the coming financial years.

### **Risks and Concerns**

Extreme volatility of exchange rate of rupee against US dollar is having significant impact on Raw Material cost of the Company. Approximately 40% of its raw materials are imported from other countries. However, the company has managed to mitigate the risk to a great extent through exports.

### **Internal Control Systems and their Adequacy**

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The preparation, designing and documentation of Policy on Internal Financial Control has been finalized and implemented which is being reviewed periodically and modified suitably to ensure controls. The internal audit functions are carried out by a separate firm of Chartered Accountants. This is supplemented through an extensive internal audit programme and periodic review by management and Audit Committee.

### **Discussion on Financial Performance with respect to operational performance**

The total revenue from the operations for the year ended March 31, 2019 increased to Rs. 3235.65 Lakhs as against Rs. 2555.88 Lakhs in the previous financial year 2018. Though the revenue increased around 26.60% in the current financial year but profit before tax (PBT) decreased 97.56% of revenue. The major reason is the consumption of newly developed products which is quite high as compare to other products. Company is taking efforts to reduce consumption cost & get higher yield to achieve maximum profits. However, the Company is confident that the newly developed products will contribute towards a significant growth in revenue in coming years.

### **Human Resources**

Human Resources are always the most important and valuable asset to the Company. The Company has approximately 115 permanent employees as on 31st March, 2019 at factory

and office level. Recently Company has appointed highly qualified and well experienced team in R&D. Human Resource, Quality Control and Quality Assurance Department had arranged a number of training programs on cGMP, Safety Awareness. Apart from these internal training programs, employees are also sent for training/seminars on regular basis for upgrading their knowledge and skill level. Your company believes in investing in people to develop and expand their capability. The Company has been able to create a favorable work environment that motivates performance, customer focus and innovation VSCL's strategies are based, inter alia, on processes of continuous learning and improvement.

### **Key Financial Ratios**

<b>Particulars of Ratio</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
Debt Turnover	2.95	3.42
Inventory Turnover	1.61	2.16
Interest Coverage Ratio	1.06	4.88
Current Ratio	1.58	1.72
Debt Equity Ratio	0.76	0.35
Operating Profit Margin (%)	2.69%	10.68%
Net Profit Margin (%)	0.19%	6.91%

### **Return on Net Worth**

The return on net worth has declined to 0.23% as against 6.44% in the previous year due to sharp decrease in the profits of the Company.

### **Cautionary Statement**

Statements in the Management Discussion & Analysis Report describing the Company's expectations, opinion, and predictions may please be considered as "forward looking statements" only. Actual results could differ from those expressed or implied. Company's operations should be viewed in light of changes in market conditions, prices of raw materials, economic developments in the country and such other factors..

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

**Sd/-**

**Sunil Haripant Pophale**

**Director**

**DIN: 00064412**

**Address:** 15 Lalit Building, Wodehouse Road, Next To Badhwar Park, Colaba, Mumbai, 400005

**Sd/-**

**Meena Sunil Pophale**

**Whole-Time Director**

**DIN: 00834085**

**Address:** 15 Lalit Building, Wodehouse Road, Next To Badhwar Park Colaba, Mumbai 400005

Date: 23.08.2019

Place: Mumbai

## Annexure VI

### 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 also has the responsibility 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.in](http://www.vscl.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. Mrs. Uttara A. Kher, 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 2018	2,17,21,111
2	Net profit for the year ended 31 <sup>st</sup> March 2017	9,45,63,980
3	Net profit for the year ended 31 <sup>st</sup> March 2016	4,96,51,755
*	Total of profits of preceding three financial years	16,59,36,846
*	Average Net Profit for the preceding three financial years	5,53,12,282

4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above) - **Rs. 11,06,246/-**

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

(a) Total amount to be spent for the financial year - **Rs. 11,27,317/-**

(b) Amount unspent, if any - **Nil**

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

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	Paid to Six Sigma Medicare & Research Ltd for Medical Aid to Mast. Sarthak Dabhade	Providing Health Assistant	Local Area-Vadivarhe, District-Nasik, State-Maharashtra	1,00,000	1,00,000	1,00,000	Spent Directly
2	Paid to Nature	Conservat	Local Area-Vadivarhe,	4,00,000	4,00,000	5,00,000	Spent Directly

	Conservation Society of Nashik	ion of Nature	District-Nasik, State-Maharashtra				
3	Repairs of School Room	Promoting Rural Education	Local Area-Vadivarhe, District-Nasik, State-Maharashtra	1,19,193	1,19,193	6,19,193	Spent Directly
4	Construction of School Room	Promoting Rural Education	Local Area-Vadivarhe, District-Nasik, State-Maharashtra	2,12,400	2,12,400	8,31,593	Spent Directly
5	Removal of Pond Mud, under Jal Sandharan	Providing necessary facilities	Local Area-Vadivarhe, District-Nasik, State-Maharashtra	1,77,000	1,77,000	10,08,593	Spent Directly
6	Providing Track Suit	Promoting Rural Education	Tribal Area-Surgana, ,District-Nasik, State-Maharashtra	45,423	45,424	10,54,017	Spent Directly
7	Tree Plantation	Environmental Sustainability	Near Pandavlene Hill, District-Nasik, State-Maharashtra	10,000	10,000	10,64,017	Spent Directly
8	Donation to Rashtriya Vikas Mandal	Promoting Cultural Activities	Local Area-Nashik, District-Nasik, State-Maharashtra	11,000	11,000	10,75,017	Spent Directly
9	Medical Camp	Providing Health Services	Local Area-Bharvir,- Nashik, District-Nasik, State-Maharashtra	52,300	52,300	11,27,317	Spent Directly
	<b>Total</b>			<b>11,27,317</b>	<b>11,27,317</b>	<b>11,27,317</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.

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

**Sd/-**  
**Sunil Haripant Pophale**  
**Director**  
**DIN: 00064412**

**Address:** 15 Lalit Building, Wodehouse Road, Next To Badhwar Park, Colaba, Mumbai, 400005

**Sd/-**  
**Meena Sunil Pophale**  
**Whole-Time Director**  
**DIN: 00834085**

**Address:** 15 Lalit Building, Wodehouse Road Next To Badhwar Park Colaba, Mumbai 400005

**Date: 23.08.2019**

**Place: Mumbai**

# Makarand M. Joshi & Co.

## Company Secretaries

803-804, Ecstasy, City of Joy, JSD Road, Mulund West, Mumbai 400080 (T) 022-21678100

FORM NO. MR.3

### SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31<sup>st</sup> March, 2019

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members,  
**Vadivarhe Speciality Chemicals Limited,**  
Gate No. 204, Vadivarhe,  
Igatpuri - 422403, Maharashtra

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 (hereinafter called the '**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit**)



**Period).**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 notified on 11<sup>th</sup> September, 2018 **(Not Applicable during the audit period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable during the audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable during the audit period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable during the audit period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 notified on 11<sup>th</sup> September, 2018 **(Not Applicable during the audit period).**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulation').

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

- *The Company had submitted outcome for the board meeting held on August 01, 2018 in delay.*
- *Report for Reconciliation of Share capital audit for the quarter ended June 2018 was submitted with Stock Exchange in delay of one day.*

- *The disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 was filed in delay with the Stock exchange for three instances, and for two instances disclosures were not filed .*

**We further report that** the following laws are specifically applicable to the Company. However, as confirmed by the management there were no compliance required to be done under those laws during the audit period.

- The Drugs and Cosmetics Act, 1940;
- The Drugs and Cosmetics Rules, 1945; &
- The Indian Boilers Act, 1923

**We further report that,** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The composition of the Board of Directors during the period under review was in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**For Makarand M. Joshi & Co.  
Practising Company Secretaries**

**Sd/-  
Kumudini Bhalerao  
Partner  
FCS No: 6667  
CP No. 6690**

Place: Mumbai  
Date: 23<sup>rd</sup> August, 2019

*\*This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

To  
The Members,  
**Vadivarhe Speciality Chemicals Limited,**  
Gate No. 204, Vadivarhe,  
Igatpuri - 422403, Maharashtra

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Makarand M. Joshi & Co.**  
**Practising Company Secretaries**

Sd/-  
**Kumudini Bhalerao**  
**Partner**  
FCS No: 6667  
CP No. 6690

Place: Mumbai  
Date: 23<sup>rd</sup> August, 2019

## ANNEXURE VIII

*Disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014*

- I. The percentage increase in remuneration of the executive Directors, Chief Financial Officer and Company Secretary during the financial year 2018-19, the ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year and the comparison of remuneration of each Key Managerial personnel (KMP) against the performance of the Company is as under:

Sr. No.	Name	Designation	Remuneration for F.Y. 2018-19 (in Rs.)	% increase in the remuneration for financial year 2018-19	Ratio of remuneration of Director to median remuneration of employees
1.	Mrs. Meena Pophale	Whole-time Director	1200000	0%	3.92:1
2.	Mr. Sunil H. Pophale	Executive Director	1200000	0%	3.92:1
3.	Mr. Pramod Gajare	Executive Director	2469872	30%	7.88:1
4.	Mr. Laxmikant Potdar	Chief Financial Officer	1433133	15%	4.57:1
5.	Mr. Jayesh Vaishnav	Company Secretary	181664	0%	0.58:1

- II. The median remuneration of employees during the financial year was Rs. 3,13,375/- (For calculating the median remuneration of employees, only the remuneration paid to employees who have served throughout the financial year 2018-19 has been considered)
- III. There were 115 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2019
- IV. In the financial year there was an increase of 13.00% in the median remuneration.
- V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 13% and average increase in the managerial remuneration w.r.t the managerial personnel for the financial year 2018-19 was 15%. In wake of the IPO of the Company and the entailing efforts of the managerial personnel coupled with their visionary as evident from the growth story of the Company, the remuneration of the Managerial personnel has been increased to the said figure.
- VI. It is hereby affirmed that the remuneration is paid as per the remuneration policy of the company.
- VII. List of top 10 employees in terms of remuneration drawn

<b>Sr. No.</b>	<b>Name of the Employee</b>	<b>Designation</b>	<b>Remuneration</b>	<b>Nature of Employment</b>	<b>Date of commencement of employment</b>	<b>Age of employee</b>	<b>Last employment held by such employee</b>	<b>Qualification</b>	<b>If the employee is a relative of Director or Manger</b>
1	Mr. Sunil H. Pophale	Executive Director	1200000	Employee	23-02-09	62	Fem Care Pharma Ltd	B. Tech	Yes
2	Mrs. Meena S. Pophale	Whole-time Director	1200000	Employee	23-02-09	58	Pentagon Manufacturing and Marketing Ltd	B.A.	Yes
3	Mr. Pramod W. Gajare	Executive Director	2469872	Employee	16-05-13	57	V & V Pharma	BSc Chemistry	No
4	Mr. Pramod Digambar Narkhede	Sr. Manager-QC	1684328	Employee	03-07-09	55	Fem Care Pharma Ltd	MSc Applied Chemistry	No
5	Mr. Prashant Gangadhar Patil	Manager-QA	1600318	Employee	14-02-18	49	Avesta Pharma Pvt Ltd	MSc Chemistry	No
6	Mr. Laxmikant S. Potdar	Chief Financial Officer	1433133	Employee	13-07-11	46	Jyoti Structures Ltd	MCom	No
7	Mr. Dinesh Nilkanthrao Malpe	Manager-Production	1290013	Employee	25-09-17	38	Harman Finochem Ltd	BE Chemical	No
8	Mr. Anirudha Shamrao Mhaske	Manager-HR & Admin	1353371	Employee	23-08-12	44	Dabur India Ltd	B Com, MBA	No
9	Mr. Sambhaji Shamrao Powar	Manager-ADL	1295363	Employee	08-03-18	37	MacLeod's Pharmaceuticals Ltd	Msc Analytical Chemistry	No
10	Mr. Satish Pandharinath Paithankar	Manager-Stores & Excise	1146632	Employee	01-07-12	47	Dabur India Ltd	BA	No

## INDEPENDENT AUDITOR'S REPORT

**To the Members of VADIVARHE SPECIALITY CHEMICALS LIMITED**

### **1] Opinion**

We have audited the accompanying financial statements of **VADIVARHE SPECIALITY CHEMICALS LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2019, 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.

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 2019 &
- (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.

### **2] Basis for opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled

our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

### **3] Information Other than the Financial Statements and Auditor's Report.**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information

### **4] Responsibilities of Management and those charged with the Governance 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **5] Auditor's Responsibility**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and



obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## **6] 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;

(e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

Place: Nasik

Date: 21 May, 2019

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

S.R.RAHALKAR

Partner

Membership Number 014509

**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 31/03/2019. 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. In respect of inventory lying with third parties, these have been confirmed by them.
- (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 to the information and explanations given to us, the company has not accepted deposits from the public during the year in terms of provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly paragraph 3 (v) of the Order is not applicable to the company.
- (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.

- (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 banks or to financial institutions Further, no loans or borrowings were taken from government and there were no debentures issued during the year or outstanding as at 31 March 2019.
- (ix) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, The company has not raised any money by way of initial pulic offer or further public offer. Further, the term loans taken by the Company have been applied for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) 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.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review . Accordingly, paragraph 3(xiv) of the order is not applicable to the company.
- (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: 21/05/2019

For S.R.RAHALKAR & ASSOCIATES.  
Chartered Accountants  
Firm Registration Number 108283W

S. R. RAHALKAR.  
PARTNER  
Membership Number 014509

**Vadivarhe Speciality Chemicals Limited**  
**Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,**  
**CIN: L24100MH2009PLC190516,**

Email id : accounts@vscl.in Website: www.vscl.in

Phone : 02553 282200 Fax :022 26740371

**Statement of Profit and Loss for the year ended 31st March, 2019**

**In Rupees**

Particulars	Note No	Figures for the year ended 31st March, 19	Figures for the year ended 31st March, 18
I. Revenue from operations	1	323,565,232	255,588,325
II. Other Income	2	4,668,922	3,856,546
<b>III. Total Revenue (I +II)</b>		<b>328,234,154</b>	<b>259,444,871</b>
<u>IV. Expenses:</u>			
Cost of materials consumed	3	142,983,084	68,383,346
Purchase of Stock-in-Trade	4	1,203,040	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	5	(37,930,561)	(1,666,444)
Employee benefit expense	6	55,999,956	44,660,165
Financial costs	7	8,170,785	5,586,265
Depreciation and amortization expense	8	16,273,110	12,730,661
Manufacturing Expenses	9	94,083,400	74,610,138
Other expenses	10	46,922,454	34,063,330
<b>IV. Total Expenses</b>		<b>327,705,267</b>	<b>238,367,462</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	528,888	21,077,409
VI. Exceptional Items		-	-
- Prior Period Income		-	621,322
VII. Profit before extraordinary items and tax (V - VI)		528,888	21,698,731
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		528,888	21,698,731
X. Tax expense:			
(1) Current tax		101,758	5,226,318
(2) Income Tax of earlier years		773,585	603,483
(3) Deferred tax		(864,689)	(2,592,768)
(4) MAT Credit entitlement		(101,758)	-
(5) MAT Credit utilised		-	(802,196)
XI. Profit/(Loss) for the period (IX - X)		619,991	17,659,502
No. of Shares Outstanding at the end of the period		12,782,750	12,665,714
XII. Earning per equity share:			
(1) Basic		0.05	1.39
(2) Diluted		0.05	1.39

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

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

S. R. Rahalkar  
Partner  
Membership No.014509

Sunil H. Pophale  
Chairman and Executive Director

Pramod W Gajare  
Executive Director

Laxmikant S Potdar  
Chief Financial Officer

Jayesh Vaishnav  
Company Secretary

Place : Mumbai  
Date : May 21, 2019

**Vadivarhe Speciality Chemicals Limited**  
**Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,**  
**CIN: L24100MH2009PLC190516,**  
**Email id: accounts@vscl.in Website: www.vscl.in**  
**Phone : 02553 282200 Fax :022 26740371**  
**Balance Sheet as on 31st March, 2019**

In Rupees

Particulars	Note No	Figures As at 31st March, 19	Figures As at 31st March, 18
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	A.	127,827,500	127,827,500
(b) Reserves and Surplus	B.	147,047,415	146,427,424
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	C.	127,303,942	43,695,889
(b) Deferred tax liabilities (Net)	D.	21,450,456	22,315,145
(c) Other Long term Liabilities	E.	97,808	2,629,714
(d) Long Term Provisions	F.	5,833,732	4,845,488
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	G.	57,852,303	40,760,398
(b) Trade payables	H.	49,033,765	21,870,872
(c) Other current liabilities	I.	30,206,686	17,412,196
(d) Short-term provisions	J.	10,736,339	14,375,909
<b>Total</b>		<b>577,389,947</b>	<b>442,160,535</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	K.	259,779,687	195,333,589
(ii) Intangible assets	L.	1,140,768	1,515,025
(iii) Capital work-in-progress	M.	18,847,342	15,840,326
(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.	61,434,953	64,548,706
(e) Other non-current assets	P.	1,996,004	1,979,304
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	Q.	65,968,307	30,878,069
(c) Trade receivables	R.	127,009,426	86,104,072
(d) Cash and cash equivalents	S.	5,774,313	8,094,222
(e) Short-term loans and advances	T.	34,620,552	37,354,128
(f) Other current assets	U.	308,594	3,094
<b>Total</b>		<b>577,389,947</b>	<b>442,160,535</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

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

S. R. Rahalkar  
Partner  
Membership No.014509

Sunil H. Pophale  
Chairman and Executive Director

Pramod W Gajare  
Executive Director

Place : Mumbai  
Date : May 21, 2019

Laxmikant S Potdar  
Chief Financial Officer

Jayesh Vaishnav  
Company Secretary



Vadivarhe Speciality Chemicals Limited

Cash Flow statement for the Year ended 31st March, 2019

Rupees

Particulars	Year ended 31st March, 2019	Year ended 31st March 2018
<b>Cash flows from operating activities</b>		
Profit before taxation	528,888	21,698,731
<b>Adjustments for:</b>		
Depreciation	16,273,110	12,730,661
Dividend Income	(50,000)	(60,000)
Interest Received	(1,355,647)	(83,634)
Interest expense	8,170,785	5,586,265
(Profit) / Loss on the sale of property, plant & equipment	749,133	22,380
<b>Operating Profits before Working Capital Changes</b>	<b>24,316,269</b>	<b>39,894,403</b>
<b>Working capital changes:</b>		
(Increase) / Decrease in trade receivables	(40,905,354)	67,115,402
(Increase) / Decrease in inventories	(35,090,238)	(11,048,336)
(Increase) / Decrease in Other receivables	2,411,375	4,154,757
(Increase) / Decrease in Long term Loans and advances	3,113,753	2,555,649
Increase / (Decrease) in trade payables	27,162,893	(15,333,569)
Increase / (Decrease) in other payables	7,611,259	(9,206,308)
<b>Cash generated from operations</b>	<b>(11,380,044)</b>	<b>78,131,999</b>
Income taxes paid( Deferred tax liability written off)	(773,585)	(6,631,997)
<b>Net cash from operating activities (A)</b>	<b>(12,153,629)</b>	<b>71,500,002</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(84,533,032)	(54,873,685)
Proceeds from sale of equipment	431,932	1,483,000
Adjusted against accumulated balances write off	-	-
Dividend income	50,000	60,000
Interest Received	1,355,647	83,634
<b>Net cash used in investing activities(B)</b>	<b>(82,695,453)</b>	<b>(53,247,051)</b>
<b>TOTAL (A+B)</b>	<b>(94,849,082)</b>	<b>18,252,951</b>
<b>Cash flows from financing activities</b>		
Increase / (Decrease) in Short term Borrowings - Cash credit facility & Packing Credit	17,091,905	(33,550,199)
Proceeds from issue of share capital	-	21,907,398
Proceeds from Term loan	40,853,702	(7,470,097)
Interest on Loan	(8,170,785)	(5,586,265)
Payment of unsecured loan from Director	42,754,350	13,461,000
<b>Net cash used in financing activities [C]</b>	<b>92,529,172</b>	<b>(11,238,164)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(2,319,910)</b>	<b>7,014,787</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>8,094,223</b>	<b>1,079,435</b>
<b>Cash and cash equivalents at end of period</b>	<b>5,774,313</b>	<b>8,094,223</b>
<b>Components of Cash and cash equivalents</b>		
Cash in hand	58,731	25,388
Balances with Scheduled banks :		
in current accounts	2,049,582	7,383,834
in deposits accounts	3,666,000	685,000
<b>Cash and cash equivalents in Cash Flow Statement</b>	<b>5,774,313</b>	<b>8,094,222</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

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

S. R. Rahalkar  
Partner  
Membership No.014509

Sunil H. Pophale  
Chairman and Executive Director

Pramod W Gajare  
Executive Director

Place : Mumbai  
Date : May 21, 2019

Laxmikant S Potdar  
Chief Financial Officer

Jayesh Vaishnav  
Company Secretary

	March 31,2019 Amount	March 31,2018 Amount
<b>Note A : Share Capital</b>		
<b>Authorised:</b>		
1,50,00,000 Equity Shares of Rs. 10 each (Previous Year: 1,50,00,000 Equity Shares of Rs. 10 each)	<b>150,000,000</b>	150,000,000
<b>Issued, Subscribed and Paid-up:</b>		
1,27,82,750 Equity Shares of Rs.10 each fully paid up, (Previous Year: 1,27,82,750 Equity Shares of Rs.10 each fully paid up)	<b>127,827,500</b>	127,827,500
<b>Total</b>	<b>127,827,500</b>	127,827,500

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.

**Details of Share holder holding more than 5% Shares in the company**

Name of Shareholder	%	No of Shares	%	No of Shares
Mr. Sunil H Pophale	62.84%	8,032,625	61.78%	7,897,625
Ms. Aditi S Pophale	11.73%	1,500,000	11.73%	1,500,000
<b>TOTAL</b>		<b>9,532,625</b>		<b>9,397,625</b>

**Note B : Reserves and Surplus**

Securities Premium Account		
Opening Balance	59,579,898	44,562,500
Less : Utilised during the year for Issuing bonus shares	-	-
Less : Utilised during the year for IPO costs	-	7,030,602
Add : Premium received during the year in respect of shares issued in IPO	-	22,048,000
Closing balance	<b>59,579,898</b>	59,579,898

Brokerage Expenses in connection with the IPO amounted to Rs 82.80 lacs (including Service Tax) , of which Rs 16.56 lacs have been adjusted towards the securities premium reserve during the previous year ended 31 March 2018 and balance expenses have been borne by the selling shareholders.

Other IPO expenses amounting to Rs.53.74 lacs , directly attributable to the Company (such as legal counsel cost, auditor fee, Listing fee and stamp duty expense) have been adjusted towards the securities premium reserves during the previous year ended 31st March, 2018.

Surplus / ( Loss ) in the statement of Profit & Loss		
Opening Balance	<b>86,847,526</b>	69,188,024
Profit / ( Loss ) of the current year	<b>619,991</b>	17,659,502
Closing balance	<b>87,467,517</b>	86,847,526
<b>Total</b>	<b>147,047,415</b>	146,427,424

**Vadivarhe Speciality Chemicals Limited**

**Notes To and Forming Part of the Balance Sheet**

	March 31,2019 Amount	March 31,2018 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 )	1,064,000	1,352,000
(Above term loan will be settled as on 10/09/2023 Balance Sheet date 31/03/2024) Number of Installment due 53 Rs.24000/- and last 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 )	9,420,000	12,060,000
(Above term loan will be settled as on 10/09/2023 Balance Sheet date 31/03/2024) Number of Installment due 41 Rs.2,20,000/- and 1 Installment of Rs.4,00,000/-,		
Term Loan From Small Industries Development Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors ) (Lien on Term Deposit Receipts of Rs. 30 Lakhs)	14,200,000	-
(Above term loan will be settled as on 13/03/2024 Balance Sheet date 31/03/2024) Number of Installment due 53 Rs.3,00,000/- and 1 Installment of Rs.1,00,000/-,		
From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )	4,384,490	12,406,749
(Above term loan will be settled as on 01/11/2020 Balance Sheet date 31/03/2021) Number of Installment due 17, Amount of Installment Rs.7,10,151/-, Above term loan is FCTL in USD, outstanding as on 31/03/19: USD 189271.5 (P.Y: 315838.84 ) and applicable rate of Interest is LIBOR + 425 BPS)		
From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )	38,820,007	-
(Above term loan will be settled as on 28/02/2024 Balance Sheet date 31/03/2024) Number of Installment due 59 Rs.8,30,000/- and 1 Installment of Rs.10,30,000/-,		
From Kotak Mahindra Prime Ltd (Secured by Car ) (Above term loan will be settled as on 01/09/2022 Balance Sheet date 31/03/2023) Number of Installment due 42, Amount of Installment Rs.1,19,288/-, (Inclusive of Finance Charges)	3,139,158	4,355,203.00
<b>(b) Unsecured Loans</b>		
Loan from Promotor Director Mr.Sunil H Pophale	56,276,287	13,521,937
	<u>127,303,942</u>	<u>43,695,889</u>
<b>Note D : Deferred Tax Liability (Net)</b>		
<b>Deferred Tax Liability</b>		
Difference in depreciation and other differences in block of fixed assets as per tax books and financial books	(29,122,973)	(24,377,568)
Gross Deferred Tax Liability	(29,122,973)	(24,377,568)
<b>Deferred Tax Assets</b>		
Change in method of valuation of stock pursuant to Sec 145A	3,303,429	-
Unabsorbed Depreciation	1,927,125	-
Provision for Bonus	476,862	424,124
Provision for Leave Encashment	500,072	453,231
Provision for Gratuity and LTA	1,465,030	1,185,069
Gross Deferred Tax Assets	7,672,517	2,062,423
<b>Net Deferred tax liability</b>	<u>(21,450,456)</u>	<u>(22,315,145)</u>
<b>Note E: Other Long term Liabilities</b>		
Trade Payables	-	2,039,985
Payables on purchase of fixed assets	97,808	589,729
	<u>97,808</u>	<u>2,629,714</u>
<b>Note F: Long Term Provisions</b>		
Provision for Employee Benefits :		
Provision for Gratuity	4,194,034	3,447,263
Provision for Leave Encashment	1,639,698	1,398,225
	<u>5,833,732</u>	<u>4,845,488</u>

## Notes To and Forming Part of the Balance Sheet

	March 31,2019 Amount	March 31,2018 Amount
<b>Note G: Short-term borrowings</b>		
<b>Secured Loan</b>		
<b>Cash Credit Facility</b>		
From Axis Bank Ltd	47,886,195	40,760,398
(Secured by an exclusive charge by way of hypothecation of Stock & Book Debts)		
<b>Packing Credit</b>	9,966,108	-
From Axis Bank Ltd		
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )		
	<u>57,852,303</u>	<u>40,760,398</u>
<b>Note H: Trade Payable</b>		
Creditors for Goods	37,380,092	14,058,265
Other Creditors	11,653,673	7,812,607
	<u>49,033,765</u>	<u>21,870,872</u>
( Please refer Notes to Accounts, Note No 08 for Due to micro and small enterprises)		
<b>Note I: Other Current Liabilities</b>		
<b>Current maturities of long-term debt</b>		
<b>Term Loans</b>		
Soft Loan From Small Industries Development Bank of India	288,000	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 53 Rs.24000/- and last 1 Installment of Rs.80,000/-,		
Term Loan From Small Industries Development Bank of India	2,640,000	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 41 Rs.2,20,000/- and 1 Installment of Rs.4,00,000/-,		
Term Loan From Small Industries Development Bank of India	1,800,000	-
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors ) (Lien on Term Deposit Receipts of Rs. 30 Lakhs)		
(Above term loan will be settled as on 13/03/2024 Balance Sheet date 31/03/2024) Number of Installment due 53 Rs.3,00,000/- and 1 Installment of Rs.1,00,000/-,		
From Axis Bank Ltd	8,686,049	8,166,993
(Above term loan will be settled as on 01/11/2020 Balance Sheet date 31/03/2021) Number of Installment due 17, Amount of Installment Rs.7,10,151/-, Above term loan is FCTL in USD, outstanding as on 31/03/19: USD 189271.5 (P.Y: 315838.84 ) and applicable rate of Interest is LIBOR + 425 BPS)		
From Axis Bank Ltd	9,960,000	-
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors ) (Above term loan will be settled as on 28/02/2024 Balance Sheet date 31/03/2024) Number of Installment due 59 Rs.8,30,000/- and 1 Installment of Rs.10,30,000/-,		
From Kotak Mahindra Prime Ltd	1,216,045	1,036,227
(Secured by Car ) (Above term loan will be settled as on 01/09/2022 Balance Sheet date 31/03/2023) Number of Installment due 42, Amount of Installment Rs.1,19,288/-, (Inclusive of Finance Charges)		
<b>Other Payables</b>		
Advance from Customers	-	-
Payables on purchase of fixed assets	2,945,896	4,350,957
Statutory Dues	1,901,517	889,119
Retention Amount Payable	379,186	40,900
Interest Accrued and due	389,993	-
	<u>30,206,686</u>	<u>17,412,196</u>
<b>Note J: Short Term Provisions</b>		
Provision for Employees Benefit		
Provision for L.T.A.	1,279,237	755,130
Provision for Bonus	1,714,096	1,524,530
Provision for Gratuity	129,480	57,379
Provision for Leave Encashment	157,829	230,929
Salary and Other Payables (including director remuneration payable )	3,992,480	2,830,196
Provision Others		
Provision for Tax	-	5,226,318
Provision for Tax for earlier years	101,758	-
Provision for Expences	3,361,459	3,751,427
Others	-	-
	<u>10,736,339</u>	<u>14,375,909</u>

Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Balance Sheet

Notes K, L, & M : Fixed Assets

Amount

Description	Gross block				Depreciation / Amortization				Net block	
	As at April 1, 2018	Additions	Deletions / Adjustments	As at March 31, 2019	As at April 1, 2018	For the Year	Deletions / Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
<b>Note K :Tangible Assets</b>										
Freehold land	12,802,260	-	-	12,802,260	-	-	-	-	12,802,260	12,802,260
Buildings	66,350,553	776,093	-	67,126,646	17,873,467	2,170,837	-	20,044,304	47,082,342	48,477,086
Air Conditioners	374,477	731,403	-	1,105,880	181,280	39,849	-	221,129	884,751	193,197
Office Equipments	4,296,022	240,400	(10,868)	4,525,554	3,919,979	76,079	(10,325)	3,985,733	539,821	376,043
Plant and machinery	92,086,798	22,808,522	(2,491,596)	112,403,724	35,142,930	4,098,894	(1,528,263)	37,713,561	74,690,163	56,943,868
Solar Power & Water Heater Plant	29,972,383	-	-	29,972,383	2,865,579	1,898,251	-	4,763,830	25,208,553	27,106,804
R & D Lab & Equipments	4,622,984	431,964	-	5,054,948	290,725	232,353	-	523,078	4,531,870	4,332,259
Q.C. Equipments	23,505,917	13,146,343	-	36,652,260	7,358,139	1,352,222	-	8,710,361	27,941,899	16,147,778
ETP	5,634,388	13,727,202	-	19,361,590	877,888	683,342	-	1,561,230	17,800,360	4,756,500
Utility	20,736,744	11,778,657	(587,105)	31,928,296	9,244,728	1,135,212	(369,916)	10,010,024	21,918,272	11,492,016
Electrical installation	12,233,652	1,152,270	-	13,385,922	9,465,941	1,582,156	-	11,048,097	2,337,825	2,767,711
Computers	2,589,127	1,335,992	-	3,925,119	2,121,728	373,354	-	2,495,082	1,430,037	467,399
Furniture and fixtures	2,341,779	15,358,170	-	17,699,949	1,422,416	1,024,205	-	2,446,621	15,253,328	919,363
Vehicles	10,693,136	-	-	10,693,136	2,141,831	1,193,099	-	3,334,930	7,358,206	8,551,305
<b>Total</b>	<b>288,240,220</b>	<b>81,487,016</b>	<b>(3,089,569)</b>	<b>366,637,667</b>	<b>92,906,631</b>	<b>15,859,853</b>	<b>(1,908,504)</b>	<b>106,857,980</b>	<b>259,779,687</b>	<b>195,333,589</b>
<b>Note L :Intangible Assets</b>										
Computer Softwares	3,262,430	39,000	-	3,301,430	2,095,472	413,257	-	2,508,729	792,701	1,166,958
ERP Software	739,416	-	-	739,416	391,349	-	-	391,349	348,067	348,067
<b>Total</b>	<b>4,001,846</b>	<b>39,000</b>	<b>-</b>	<b>4,040,846</b>	<b>2,486,821</b>	<b>413,257</b>	<b>-</b>	<b>2,900,078</b>	<b>1,140,768</b>	<b>1,515,025</b>
<b>Note M :Capital Work-in-Progress</b>										
Capital Work in Progress including Capital Advances	15,840,326	18,847,342	(15,840,326)	18,847,342	-	-	-	-	18,847,342	15,840,326
<b>Total</b>	<b>15,840,326</b>	<b>18,847,342</b>	<b>(15,840,326)</b>	<b>18,847,342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,847,342</b>	<b>15,840,326</b>
<b>Grand Total</b>	<b>308,082,392</b>	<b>100,373,358</b>	<b>(18,929,895)</b>	<b>389,525,855</b>	<b>95,393,452</b>	<b>16,273,110</b>	<b>(1,908,504)</b>	<b>109,758,058</b>	<b>279,767,797</b>	<b>212,688,940</b>
Previous year	257,424,995	55,734,839	(5,077,441)	308,082,392	85,373,698	12,730,661	(2,710,907)	95,393,452	212,688,940	172,051,296

**Vadivarhe Speciality Chemicals Limited**

**Notes To and Forming Part of the Balance Sheet**

	March 31,2019 Amount	March 31,2018 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 - Unsecured, considered good	40,029,233	40,029,233
Mat Credit entitlement		
MAT credit FY 2014-15	990,704	2,578,235
MAT credit FY 2015-16	10,113,148	10,113,148
MAT credit FY 2016-17	3,248,160	3,248,160
MAT credit FY 2018-19	101,758	
Deposits - Others	3,250,796	2,365,796
VAT Credit (Input) Receivable -Earlier Period	3,701,154	4,377,119
VAT Credit (Input) Receivable - Current Period		1,837,015
	<u>61,434,953</u>	<u>64,548,706</u>
<b>Note P: Other non-current assets</b>		
Interest accrued but not received on NSC, FD and Others	32,402	15,702
Insurance Claim Receivable	1,963,602	1,963,602
	<u>1,996,004</u>	<u>1,979,304</u>
<b>Note Q : Inventories (at lower of cost and net realisable value)</b>		
Raw Materials	18,359,194	21,362,917
Packing Materials	545,200	381,799
Works In Progress	22,238,301	5,845,479
Finished Goods	24,825,613	3,287,874
<b>Total</b>	<u>65,968,307</u>	<u>30,878,069</u>
<b>Note R : Trade receivables</b>		
Debts outstanding for a period exceeding six months -		
Unsecured, considered good	5,854,738	132,261
Unsecured, Considered doubtful	-	-
Other debts		
Unsecured, considered good	121,154,688	85,971,811
Unsecured, considered doubtful	-	-
	<u>127,009,426</u>	<u>86,104,072</u>
Less: Provision for doubtful debts	-	-
<b>Total</b>	<u>127,009,426</u>	<u>86,104,072</u>
<b>Note S : Cash and cash equivalents</b>		
Cash on hand	58,731	25,388
Balances with Scheduled banks :		
in current accounts	2,049,582	7,383,834
in deposits accounts ( Fixed deposits with maturity more than three months)	3,666,000	685,000
<b>Total</b>	<u>5,774,313</u>	<u>8,094,222</u>

**Vadivarhe Speciality Chemicals Limited****Notes To and Forming Part of the Balance Sheet**

**March 31,2019**  
**Amount**

**March 31,2018**  
**Amount**

**Note T : Short-term loans and advances**

(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)

Advances to suppliers

Loans and Advances to Staff

(Secured to the extent of Rs. Nil (Previous Year: Rs. Nil)

Income tax refund - F.Y 13-14

Income tax refund - F.Y 14-15

Income tax refund - F.Y 17-18

Advance tax - F.Y 18-19

Advance tax - F.Y 17-18

TDS Receivable - F.Y 17-18

Statutory Receivables

Deposit others

Prepaid Expenses

**Total**

-	-
<b>423,812</b>	6,946,065
<b>591,589</b>	701,510
<b>260,045</b>	260,045
<b>423,151</b>	-
<b>4,272,190</b>	
<b>4,849,086</b>	
-	5,700,000
	3,011,508
<b>20,409,725</b>	16,012,088
-	1,446,480
<b>3,390,954</b>	3,276,432
<b>34,620,552</b>	<b>37,354,128</b>

**Note U : Other Current Assets**

Claim receivable

**Total**

<b>308,594</b>	3,094
<b>308,594</b>	<b>3,094</b>

**Vadivarhe Speciality Chemicals Limited**

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

	<b>March 31,2019</b>	<b>March 31,2018</b>
	<b>Amount</b>	<b>Amount</b>
<b>Note 1 : Revenue from operations</b>		
Sales of Goods (Gross)	161,481,663	114,307,441
Less - Excise Duty	-	3,184,205
	<u>161,481,663</u>	<u>111,123,236</u>
Service Income	162,083,569	144,465,089
	<u>323,565,232</u>	<u>255,588,325</u>
<b>Note 2 : Other income</b>		
Interest on		
- NSC, FD and Others	1,355,647	83,634
- Income Tax, Sales Tax and Others	-	-
Dividend Received	50,000	60,000
Discount Received	89,164	13,212
Exchange Diference (Gain)	-	475,060
Insurance Claim Received	-	-
Excise Rebate (MEIS)	369,493	3,221,976
Miscellaneous Income	2,804,619	2,664
<b>Total</b>	<u>4,668,922</u>	<u>3,856,546</u>
<b>Note 3 : Cost of Materials consumed</b>		
Raw Materials		
Opening stock	21,362,917	12,119,469
Purchases during the year	144,409,773	77,076,978
Inventory Gain/(Loss)/Others	(5,443,608)	-
Closing stock	18,359,194	21,362,917
Raw material consumed	<u>141,969,889</u>	<u>67,833,530</u>
Packing Materials		
Opening stock	381,799	243,355
Purchases during the year	1,176,596	688,260
Closing stock	545,200	381,799
Packing material consumed	<u>1,013,195</u>	<u>549,816</u>
<b>Total</b>	<u>142,983,084</u>	<u>68,383,346</u>
<b>Note 4 : Purchase of Stock-in-Trade</b>		
Trading goods purchased	1,203,040	-
	<u>1,203,040</u>	<u>-</u>
<b>Note 5 : Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade</b>		
<b>Work-In-Progress</b>		
Opening Stock	5,845,479	5,077,656
Less: Closing Stock	22,238,301	5,845,479
	<u>(16,392,822)</u>	<u>(767,823)</u>
<b>Finished Goods</b>		
Opening Stock	3,287,874	2,389,253
Less: Closing Stock	24,825,613	3,287,874
	<u>(21,537,739)</u>	<u>(898,621)</u>
<b>Stock-in-Trade</b>		
Opening Stock	-	-
Less: Closing Stock	-	-
	<u>-</u>	<u>-</u>
	<u>(37,930,561)</u>	<u>(1,666,444)</u>



Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Profit and Loss Accounts

	March 31,2019 Amount	March 31,2018 Amount
<b>Note 6 : Employee Benefit Expense</b>		
Salaries, Wages and Bonus (Including Directors Remuneration Rs, 48.69 lacs Refer Note 11 [9.7] )	46,811,915	36,880,336
Contribution to Provident and other funds	3,565,433	2,857,427
Gratuity Expenses (Refer Note 11.05 )	1,331,532	954,012
Workmen and Staff Welfare Expenses	4,291,076	3,968,390
<b>Total</b>	<b>55,999,956</b>	<b>44,660,165</b>
<b>Note 7 : Financial Expenses</b>		
Interest		
- On Term Loan from Axis Bank/SIDBI	3,511,033	2,526,846
- On Bank Cash credit facility	4,264,523	2,849,261
- On Loan from NBFC	395,229	210,158
<b>Total</b>	<b>8,170,785</b>	<b>5,586,265</b>
<b>Note 8 : Depreciation and Amortization Expenses</b>		
Depreciation on Tangible Fixed Assets	15,859,853	12,298,379
Depreciation on Intangible Fixed Assets	413,257	432,282
<b>Total</b>	<b>16,273,110</b>	<b>12,730,661</b>
<b>Note 9 : Manufacturing Expenses</b>		
Consumption of Consumables, Stores and Spares	9,858,416	8,140,091
R&D and other Material Consumed	3,450,493	579,818
Labour Charges	30,305,282	25,315,639
Job Work Charges	5,447,766	322,560
Power and Fuel	28,339,075	24,933,362
Rates and Taxes	3,478,812	3,598,881
Repairs and Maintenance of Plant and Machinery	13,203,556	11,719,788
<b>Total</b>	<b>94,083,400</b>	<b>74,610,138</b>
<b>Note 10 : Other Expenses</b>		
Repairs and Maintenance of:		
- Building	3,008,287	1,321,100
- General and Others	3,358,985	6,933,301
Insurance	1,102,443	1,000,728
Exchange Difference (Loss)	502,297	-
Printing and Stationery	761,284	717,987
Communication Costs	389,726	548,773
Travelling and Conveyance	6,275,271	4,649,067
Legal and Professional Charges	10,202,630	4,918,575
Bank Charges	1,834,684	1,208,169
Rent	394,300	429,500
Interest /Penalties	1,108,072	920,270
Auditors' Remuneration (Refer Note 11 [9.8])	125,000	135,000
Freight and Forwarding Charges	3,254,088	2,104,333
Advertisement and Sales Promotion	817,977	731,761
Commission	206,700	283,958
Security Charges	2,396,221	2,038,661
Loss on Sale of Asset	749,133	22,380
Corporate Social Responsibility Expenses	1,127,317	1,627,260
Inventory Written off	4,289,660	
Testing, sampling EHS safety Expes	2,038,208	
Administration Expenses	2,980,172	4,472,507
<b>Total</b>	<b>46,922,454</b>	<b>34,063,330</b>

## Vadivarhe Speciality Chemicals Limited

### 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, 2019 Amount	March 31, 2018 Amount
<b>Sales Revenue by Geographical Market (including Service Income)</b>		
India	285,199,901	216,516,427
Outside India	38,365,331	39,071,898
Total	323,565,232	255,588,325

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, 2019 Amount	March 31, 2018 Amount
<b>Carrying amount of Segment Assets and Intangible Assets</b>		
India	260,920,455	196,848,614
Outside India	-	-
Total	260,920,455	196,848,614
<b>Additions to Fixed Assets including Capital Work In Progress</b>		
India	100,373,358	55,734,839
Outside India	-	-
Total	100,373,358	55,734,839

## Notes to the accounts

## Note 11

## 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 (Retired w e f 30/09/2017)
	Director	Mr. Pramod W Gajare (Appointed w e f 11/09/2017)

Enterprises over which key management personnel exercise significant influence	Zenvision Pharma LLP
	ReecordCure Enterprises
	Reelabs Pvt Ltd
	Starkut Media & Entertainment pvt Ltd
	Respects Lab LLP

Independent Directors	Mr. Rahul D. Asthana
	Mr. Prasanna P. Rege
	Mr. Ravindra K. Paranjape
	Mrs. Uttara A. Kher

**a) Related party transactions:**

Particulars	Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Purchase of goods	-	-	-	-	-	-
Sale of goods	-	-	-	-	-	-
Services Provided	-	-	-	-	-	-
Services Taken	-	-	2,570,000	-	2,570,000	-
Security Deposit Given	-	-	-	-	-	-
Security Deposit Returned	-	-	-	25,000,000	-	25,000,000
Purchase of fixed assets	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Loan taken	67,425,000	21,461,000	-	-	67,425,000	21,461,000
Loan given	-	2,005,660	-	-	-	2,005,660
Loan repaid to	24,670,650	8,000,000	-	-	24,670,650	8,000,000
Loan repaid by	-	2,005,660	-	-	-	2,005,660
Dividend paid	-	-	-	-	-	-
Managerial remuneration	4,878,272	4,736,540	-	-	4,878,272	4,736,540
<b>Closing Outstanding Balances:</b>						
Receivables	-	-	-	-	-	-
Payables	56,964,192	13,521,937	1,254,948	126,000	58,219,140	13,647,937

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

Particulars	Key Management Personnel	
	March 31, 2019	March 31, 2018
<b>Managerial remuneration:</b>		
Director -Mrs. Meena S Pophale	1,208,400	1,200,000
Director -Mr.Sunil H Pophale	1,200,000	1,200,000
Director -Mr.Vasant P Jagtap (Retired w e f 30/09/2017)	-	1,234,067
Director -Mr.Pramod W Gajare Appointed w e f 11/09/2017)	2,469,872	1,102,473
<b>Total</b>	<b>4,878,272</b>	<b>4,736,540</b>
Loan taken :		
Director -Mr.S H Pophale	67,425,000	21,461,000
<b>Total</b>	<b>67,425,000</b>	<b>21,461,000</b>
Loan given :		
W T Director -Mrs.Meena S Pophale	-	2,005,660
<b>Total</b>	<b>-</b>	<b>2,005,660</b>

Loan repaid to : Director -Mr.S H Pophale	<b>24,670,650</b>	8,000,000
<b>Total</b>	<b>24,670,650</b>	8,000,000
Loan repaid by : W T Director -Mrs.Meena S Pophale	-	2,005,660
<b>Total</b>	-	2,005,660
Interest received : W T Director -Mrs.Meena S Pophale	-	-
<b>Total</b>	-	-
Security Deposit given: Zenvision Pharma LLP	-	-
<b>Total</b>	-	-
Security Deposit returned: Zenvision Pharma LLP	-	25000000*
<b>Total</b>	-	-
Services Taken From: Zenvision Pharma LLP Respect Labs LLP	<b>1,710,000</b> <b>860,000</b>	- -
<b>Total</b>	<b>2,570,000</b>	-

\*The company had 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 Patner in Zenvision pharma LLP. Purrsuant to the agreement , the Company had given a security deposit to Zenvision Pharma LLP of Rs. 2,50,00,000 (Rupees Two crore fifty lacs only) during FY 16-17.The agreement was cancelled and deposit was returned by Zenvision Pharma LLP in FY 17-18. In the current year the company has entered into a service agreement for providing technical services

#### Payment of sitting fees to independent directors

<b>Particulars</b>	<b>March 31, 2019 Amount</b>	March 31, 2018 Amount
Siting fees	<b>120,000</b>	

All decisions relating to the remuneration of the directors are taken by Board of Directors of the Company in accordance with shareholders approval, wherever necessary. All other related party transactions are made in the normal course of business and on terms equivalent to those that prevail in an arms length transaction

**Vadivarhe Speciality Chemicals Limited**

**Notes to the accounts**

**Note 11**

	<b>March 31, 2019</b>	March 31, 2018
	<b>Amount</b>	Amount
<b>03 Capital Commitments</b>		
Estimated amount Of contracts remaining to be executed on capital account and not provided for	<b>12,028,888</b>	20,211,346

**04 Provisions and Contingencies**

Bank Gaurantee provided to Maharashtra Pollution Control Board of Rs 20,00,000/- (P.Y Rs 10,00,000/-)

## 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, 2019 Amount	March 31, 2018 Amount
<b>Profit and Loss Account</b>		
<b>Net employee benefit expense (recognized in Employee Cost)</b>		
Current service cost	814,353	625,124
Interest cost on benefit obligation	252,095	208,305
Expected Return on plan assets	(199,530)	(153,200)
Net Actuarial (gain)/ loss recognized in the year	38,945	126,307
Net benefit expense	<u>905,863</u>	<u>806,536</u>
Actual return on plan assets	199,530	153,200
<b>Balance Sheet</b>		
<b>Net liability recognised in the balance sheet</b>		
Defined benefit obligation	4,323,514	3,504,643
Fair value of plan assets	3,296,607	2,870,939
Plan (Liability)	<u>(1,026,907)</u>	<u>(633,704)</u>
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligations	3,504,643	3,024,745
Current service cost	814,353	625,124
Interest cost	252,095	208,305
Benefits paid	286,740	494,692
Actuarial (gain)/Loss on obligations	39,163	141,161
Closing defined benefit obligations	<u>4,323,514</u>	<u>3,504,643</u>
<b>Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	2,870,939	2,798,418
Planned assets transferred from Fem Care		
Expected return on plan assets	199,530	153,200
Contributions by employer	512,660	399,159
Benefits paid	286,740	494,692
Actuarial (gain)/Loss on Plan Assets	218	14,854
Closing fair value of plan assets	<u>3,296,607</u>	<u>2,870,939</u>
<b>Asset &amp; Liability ( Balance Sheet Position ):</b>		
Present Value of Defined Benefit Obligations at the end	4,323,514	3,504,642
Fair Value of Plan Assets at the end	3,296,607	2,870,939
Funded Status - Deficit / (Surplus)	1,026,907	633,704
Unrecognized Past Service Cost	-	-
Effects of Asset Ceiling	-	-
Net Liability / (Asset) at the end of the period	1,026,907	633,704
<b>Fair Value of Plan Asset:</b>		
<b>Fair Value of Plan Assets at the beginning</b>		
Adjustment to Opening Balance	-	-
Actual Return on Plan Assets	199,748	168,054
Employer Contributions	512,660	399,159
Employees Contributions	-	-
Benefits Paid	(286,740)	(494,692)
Net transfer in / (out) (including the effect of any business combinations / divestures)	-	-
Fair Value of Plan Assets at the end	3,296,607	2,870,939
Excess of Actual over estimated return on Plan Assets	218	14,854
<b>Bifurcation of Present Value of Obligations at the end of the current period as per Schedule III of the Companies Act, 2013 :</b>		
Current Liability (Short Term)	129,480	57,379
Non-Current Liability (Long Term)	4,194,034	3,447,263
Present Value of Obligation as at the end	4,323,514	3,504,642

## Vadivarhe Speciality Chemicals Limited

### Notes to the accounts

#### Note 11

#### 05 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, 2019 %	March 31, 2018 %
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	7.72%	7.50%
Expected rate of return on assets	6.95%	6.01%
Withdrawal rate	1.00%	1.00%
Expected rate of Salary increase	5.00%	5.00%
Mortality Pre-retirement	LIC(2006-08) Ultimate	LIC(2006-08) 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. 35,65,433/- (Previous Year: Rs.28,57,427/-) is recognized as an expense and included in Note 6 - "Contribution to Provident and other funds" in the Profit and Loss account.

#### 06 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, 2019		March 31, 2018	
		Foreign Currency	Amount	Foreign Currency	Amount
Export Debtors	USD	97,204	6,734,293	78,830	5,134,986
Import Creditors	USD	98,855	6,848,674	58,100	3,784,634
Advance to Import Creditors	USD	-	-	26,700	1,739,238
FCTL from Banks (incl. acc int)	USD	189,272	13,112,730	315,839	20,573,742
PCFC from Axis Bank	USD	143,853	9,966,108	-	-
EEFC account in Axis Bank	USD	-	-	36,004	2,345,286

## Vadivarhe Speciality Chemicals Limited

### Notes to the accounts

#### Note 11

#### 07 Earning Per Share (EPS)

Particulars	March 31, 2019 Amount	March 31, 2018 Amount
<b>Basic and Diluted earning per share</b>		
Profit after tax attributable to equity shareholders (in Rs.)	619,991	17,659,502
<u>Calculation of Weighted Average number of Equity Shares</u>		
Number of equity shares at the beginning of the year	12,782,750	12,093,750
Number of shares issued during the year	-	689,000
Number of equity shares outstanding at the end of the year	12,782,750	12,782,750
Weighted average number of equity shares outstanding during the year	12,782,750	12,665,714
Basic and diluted earnings per share (in Rs.)	0.05	1.39
Face Value per share (in Rs.)	10	10

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

Particulars	March 31, 2019 Amount	March 31, 2018 Amount
Dues of micro and small enterprises	-	121,533
Dues of Creditors other than micro and small enterprises	49,033,765	21,749,339

Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro and small enterprises is as below:

Particulars	March 31, 2019 Amount	March 31, 2018 Amount
Principle amount remaining unpaid to supplier at the end of the year	-	121,533
Interest due thereon remaining unpaid to supplier at the end of year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	-	-
Amount of interest accrued during the year and remaining unpaid at the end of the year	-	-



## 09 Additional Information

## 9.1 Licensed capacity, Installed Capacity and Actual Production

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

Particulars	Units	Installed Capacity *		Actual Production	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Quantity	Quantity	Quantity	Quantity
Chemicals	Tons	150	150	109	91

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

## 9.2 Details of Finished Goods

Opening stocks (including inventory acquired):

Particulars	Units	March 31, 2019		March 31, 2018	
		Quantity	Amount	Quantity	Amount
		Chemicals	Tons	2.33	3,287,874
		2.33	3,287,874	2.99	2,389,253

Closing Stocks:

Particulars	Units	March 31, 2019		March 31, 2018	
		Quantity	Amount	Quantity	Amount
		Chemicals	Tons	4.60	24,825,613
		4.60	24,825,613	2.33	3,287,874

## 9.3 Sales

Particulars	Units	March 31, 2019		March 31, 2018	
		Quantity	Amount	Quantity	Amount
		Chemicals	Tons	111.17	161,481,663
		111.17	161,481,663	90.24	111,123,236

## Notes to the accounts

## Note 11

## 09 Additional Information

## 9.4 Consumption of Raw Materials

Particulars	Units	March 31, 2019		March 31, 2018	
		Quantity	Amount	Quantity	Amount
Aloe Vera Juice (RM)	Tons	57.50	3,277,500	64.85	3,696,450
Iso Propyl Alcohol	Tons	23.90	2,133,482	61.22	4,754,235
Hydrochloric Acid 36% To 38%	Tons	14.06	358,650	37.11	946,317
Methanol	Tons	103.10	3,181,910	32.57	995,766
Ethylene Di-Chloride	Tons	19.18	899,782	31.94	1,259,732
Acetone	Tons	37.49	2,114,383	4.19	330,682
Methylene Chloride (MDC)	Tons	34.35	2,357,562	18.56	984,675
Hexane	Tons	61.93	5,352,098	17.32	1,300,876
Toluene	Tons	22.45	1,528,448	4.15	242,505
Glutaraldehyde	Tons	9.46	2,327,967	1.21	315,158
Ethyl Acetate	Tons	37.39	2,997,243	9.36	625,171
Citric Acid Anhydrous	Tons	14.17	878,598	1.17	91,178
1-Nitroanthraquinone	Tons	5.60	6,997,844	-	-
Anhydrous Hcl (AHCL) Cylinder	Tons	4.46	2,057,520	7.61	2,918,211
2-Chlorotriyl Chloride	Tons	3.45	10,511,850	-	-
Others		-	94,995,051	-	49,372,574
<b>Total</b>			<b>141,969,889</b>		<b>67,833,530</b>

## 9.5 Value of imports calculated on CIF basis

Particulars	March 31, 2019 Amount	March 31, 2018 Amount
Raw Material	42,484,908	20,523,286
Capital Goods	9,471,860	3,876,294
<b>Total</b>	<b>51,956,768</b>	<b>24,399,580</b>

## 9.6 Imported and indigenous raw materials consumed

Particulars	March 31, 2019		March 31, 2018	
	Amount	%	Amount	%
a) Imported	50,080,305	35.28	18,082,802	26.66
b) Indigenously obtained	91,889,584	64.72	49,750,728	73.34
<b>Total</b>	<b>141,969,889</b>	<b>100.00</b>	<b>67,833,530</b>	<b>100.00</b>

**Vadivarhe Speciality Chemicals Limited**

**Notes to the accounts**

**Note 11**

<b>9.7 Directors' Remuneration</b>	<b>March 31, 2019</b>	March 31, 2018
	<b>Amount</b>	Amount
To Executive Directors:		
Salaries	4,727,048	4,587,012
Contribution to Provident and Other funds	151,224	149,528
Other allowances including Commission (includes directors' sitting fees of Nil (Previous Year: Rs. Nil))	-	-
	<b>4,878,272</b>	<b>4,736,540</b>
<b>9.8 Auditors' Remuneration</b>	<b>March 31, 2019</b>	March 31, 2018
	<b>Amount</b>	Amount
Statutory audit fees (Inclusive Service Tax)	100,000	85,000
Tax Audit Fees	25,000	25,000
VAT Audit Fees	-	25,000
Out of pocket expenses	-	-
	<b>125,000</b>	<b>135,000</b>
<b>9.9 Expenditure in foreign currency (on Cash basis)</b>	<b>March 31, 2019</b>	March 31, 2018
	<b>Amount</b>	Amount
Travelling expenses	842,050	830,230
Business Promotion, Exhibition Expenses (Including Advance/Prepaid)	47,313	360,200
Legal Expenses	-	-
	<b>889,363</b>	<b>1,190,430</b>
<b>9.10 Earnings in foreign currency (on Cash basis)</b>	<b>March 31, 2019</b>	March 31, 2018
	<b>Amount</b>	Amount
FOB value of exports	38,365,331	39,071,898
	<b>38,365,331</b>	<b>39,071,898</b>
<b>10 Details of Revenue Expenditure directly related to R&amp;D</b>		
Raw material consumed	1,786,678	1,449,409
Packing Material	-	-
	<b>1,786,678</b>	<b>1,449,409</b>

Note O: Long term advances includes advance given to customer Enaltec Labs private Limited of Rs 4,00,00,099/- pursuant to a Loan License agreement

Note R: Trade receivables include the interest due of Rs 194,32,679 for delayed payments from customer as per agreement for which confirmation is awaited

During the year, the company has written back long outstanding balances of Creditors amounting to Rs 25,43,924 as these were no longer payable owing to default in agreed terms and conditions

Other noncurrent Assets includes Insurance claim receivable of Rs 19,63,602 is pending with Oriental Insurance Company Ltd (OIC) since September 2013. OIC has rejected the claim on 2/11/2016.

The company has filed a complaint (Case Number 368/2017) in the Court of Honorable State Consumer Dispute Redressal commission Mumbai on 24/3/17. The case is pending till date.

15 Details of CSR spent during the financial year:-

(a) Total amount to be spent for the financial year – **Rs. 11,05,760/- @ 2% of the average net profit**

(b) Amount unspent if any – **Nil**

(c) Amount spent and debited to Profit and Loss - Rs 11,27,317 towards Promoting Rural Education, Providing Health Services, Conservation of Nature

Out of the above, Rs Nil is towards construction /acquisition of asset that will be owned by Company.

16 Previous year comparatives

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

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

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

Sunil H. Pophale  
Chairman and Executive Director

Pramod W Gajare  
Executive Director

Place : Mumbai  
Date : May 21, 2019

Laxmikant S Potdar  
Chief Financial Officer

Jayesh Vaishnav  
Company Secretary