



Date: June 30, 2020

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot C/1,  
G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai- 400051

**Symbol:** VSCL

**Subject:** Outcome of Board meeting of the Company held today i.e. June 30, 2020

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that, inter alia, considered, approved and took on record the following transpired at the Meeting of the Board of Directors of the Company held today i.e. June 30, 2020, at K. K. Chambers Sir P. T. Road, Near Cathedral School, Fort, Mumbai -400001:

- The Audited Financial Results along with the Auditor's Report of the Company for the quarter and financial year ended March 31, 2020 pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board meeting commenced at 12:00 p.m. and concluded at 1:00 p.m.

Kindly take the same on record.

For **Vadivarhe Speciality Chemicals Limited**

**Pramod Gajare**  
Whole-Time Director  
DIN: 07932725



Address: Asha Appartment, Flat No. 6, Shivtirth Coloney,  
Near New Padma Hotel, Kamathwada, Nashik - 422008

*Encl: Audited Financial Results along with the Auditor's Report of the Company for the quarter and financial year ended March 31, 2020*

### **Vadivarhe Speciality Chemicals Ltd.**

**Corporate Office :** K. K. Chambers, Sir P. T. Road, Fort, Mumbai - 400 001. Tel : 022-22072526 Fax : 022-26740371  
**Registered Office & Factory :** Gat No. : 204, Nashik - Mumbai Highway, VTC Phata, Wadivarhe,  
Taluka - Igatpuri, Dist. : Nashik - 422403 Tel : 02553-282200 / 238  
Email : sales@vscl.co.in Website : www.vscl.net.in  
CIN:L24100MH2009PLC190516



1364, Karve Bungalow, Tilakwadi, Sharanpur Road, Nashik - 422 002. Phone : 0253 - 2314630  
E-mail : reachcakarve@gmail.com, mankarve@rediffmail.com

Date : / /201

To,

The Board of Directors,

Vadivarhe Speciality Chemicals Limited,

We have audited the accompanying standalone statement of financial results of Vadivarhe Speciality Chemicals Limited for the half year and year ended on 31<sup>st</sup> March, 2020, being submitted by the company pursuant to the requirement of Regulation 33 of SEBI( Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results

- i. Are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other financial information for the half year ended and year ended March, 31<sup>st</sup> 2020.

#### **Basis of Opinion**

We conducted the 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 standalone Financial Results 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 results under the provisions of the Companies Act, 2013 and the Rules there under, 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.

#### **Emphasis of Matter**

We draw attention to note no. 12 of the financial results, wherein the company has disclosed its assessment of the COVID-19 pandemic. As mentioned therein, the assessment of the management does not indicate any material effect on the carrying value of its assets and liabilities of the company on the reporting date or any adverse change in the ability of the company to continue as a going concern. The assessment of the management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

Our opinion is not modified in this matter.







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### **Management's responsibilities for the standalone financial Results**

These half yearly financial results as well as the year to date standalone financial results have been prepared on the basis of the audited financial statements. The company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design and implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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 for accounting unless the Board of Directors wither intends to liquidate the company or to seize 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.

### **Auditor's responsibilities for the audit of standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

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 standalone financial results, 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 but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.





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\* evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

\* Conclude on the appropriateness of the Board of Directors use of 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 results 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 to cease to continue as a going concern.

\* Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures and whether the financial results 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 the 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.

#### Other Matter

The statement includes the results for the half year ended 31st March, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to six months ended September 30<sup>th</sup> 2019 which were audited by us.

For Bhalchandra D Karve & Associates,

Chartered Accountants

FRN Regn No. 135281W



(CA Bhalchandra D Karve)

Proprietor

Membership No. 105965

UDIN: 20105965AAAACU6838

Date: 30<sup>th</sup> June, 2020

Place: Mumbai



**Vadivarhe Sepciality Chemicals Limited**

GAT NO. 204, VADIVARHE IGATPURI MH 422403,

CIN: L24100MH2009PLC190516,

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

Phone : 02553 282200 Fax :022 26740371

Statement of Standalone Audited Financial Results for the half year and year ended 31 March, 2020

(Rupees in Lakhs, except Earnings per share data)

Particulars	6 months ended (31/03/2020)	Preceding 6 months ended (30/09/2019)	Corresponding 6 months ended in the previous year (31/03/2019)	Year to date figure (31/03/2020)	Previous year ended (31/03/2019)
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I Revenue from Operations*	1,202.36	1,655.77	1,842.58	2,858.13	3,235.65
II Other Income	13.00	10.37	43.85	23.37	46.69
III Total Revenue (I+II)	1,215.36	1,666.14	1,886.43	2,881.50	3,282.34
IV Expenses					
1 Cost of Materials Consumed	1,036.93	988.83	845.13	2,025.76	1,429.83
2 Purchase of Stock-in Trade	-	-	-	-	12.03
3 Changes in inventories of finished goods work-in-progress and Stock-in-Trade	2.24	29.22	9.77	31.47	(379.31)
4 Employee benefits expense	223.96	299.43	285.47	523.39	560.00
5 Finance costs	67.00	59.08	50.51	126.08	81.71
6 Depreciation and amortization expense	81.86	92.94	89.06	174.80	162.73
7 Manufacturing expenses	384.39	435.49	481.72	819.89	940.83
8 Other Expenses	25.99	366.75	204.82	392.74	469.22
Total expenses	1,822.39	2,271.74	1,966.49	4,094.13	3,277.05
V Profit before exceptional and extraordinary items and tax (III - IV)	(607.03)	(605.60)	(80.06)	(1,212.63)	5.29
VI Exceptional Items - Prior Period Income/(Expenses)	-	-	-	-	-
VII Profit before extraordinary items and tax (V - VI)	(607.03)	(605.60)	(80.06)	(1,212.63)	5.29
VIII Extraordinary items	14.25	-	-	14.25	-
IX Profit before tax (VII- VIII)	(592.78)	(605.60)	(80.06)	(1,198.38)	5.29
X Tax expense:					
(1) Current tax	-	-	(20.84)	-	7.74
(2) Deferred tax	(191.51)	(22.99)	13.66	(214.50)	(8.65)
XI Profit (Loss) for the period from continuing operations (VII-VIII)	(401.27)	(582.60)	(72.88)	(983.88)	6.20
XII Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII Tax expense of discontinuing operations	-	-	-	-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV Profit (Loss) for the period (XI + XIV)	(401.27)	(582.60)	(72.88)	(983.88)	6.20
XVI Earnings per equity share:					
(1) Basic	(3.14)	(4.56)	(0.57)	(7.70)	0.05
(2) Diluted	(3.14)	(4.56)	(0.57)	(7.70)	0.05
XVII Paid-up Equity Share Capital ( Face Value Rs. 10/- each)	1,278.28	1,278.28	1,278.28	1,278.28	1,278.28
XVIII Reserves excluding Revaluation Reserves as per Balance Sheet of Previous accounting year	486.60	887.87	1,470.47	486.60	1,470.47

**Notes :**

- Financial Result for the period ended March 31, 2020 is being prepared in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The above financial results as approved by the Audit Committee have been approved by the Board of Directors at their meetings held on June 30, 2020. Audit Report of the result for the half year and year ended March 31, 2020 have been carried out by the statutory Auditor of the Company
- The Company operates in a single segment. Hence, segment reporting is not applicable.
- Tax expenses /(credit) is after adjusting MAT credit entitlement and adjustment of taxes for the previous period, if any.
- Figures of the previous period/year have been regrouped/re-arranged wherever necessary to confirm to the current period's presentations.
- Current year, Company issued Credit Note of Rs. 3,41,38,861/- to Enaltec Labs Pvt Ltd ( Loan License Income reversed by Rs. 2,95,25,462/-) & Rs. 12,32,877/- Write Off as Bad Debts which was receivable from Enaltec Labs Pvt Ltd.
- Sales for all periods are net of taxes .
- The Figures of second half for the current year and the previous year are the balancing figures in respect of the full financial year ended 31st March and the unaudited published year to date figures upto half year ended September 30, which are subject to limited review.
- The outbreak of COVID-19 and the resultant lockdown/restrictions affected the business/economics activities globally. Consequent to the lockdown/restrictions imposed by the Central and State Governments to tackle COVID-19 pandemic, the manufacturing and other operations were partially closed in the last week of March 2020. As per the Governments guidelines, as Company falling under essentials commodities, got permission on 24th March, 2020 to start its operations by following all the rules and regulations and safety and sanitary norms.  
  
The Company considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventory, Trade Receivables and Other Current Assets of the Company. Based on the current estimates, taking into account external and internal information that are available up to the date of the approval of the financial results, the Company expects the carrying amount of these assets to be recovered and believes that there is no impact on its ability to continue as a going concern. The Company would continue to closely monitor any material changes to future economic/business conditions.  
  
The disclosure was made to the Stock Exchange on 17th June, 2020 for the material impact of COVID-19 pandemic on Business Operations as required in pursuant to SEBI circular dated 20th May 2020.
- The Company is listed on the SME Platform of the National Stock Exchange (NSE EMERGE). The disclosures as applicable, have been furnished.

For and Behalf of the Board of Directors

For Bhalchandra D. Karve & Associates  
FRN No. 135281W

(CA Bhalchandra D. Karve)  
M. No. 105895



*Sunil Haripant Pophale*

Name and Designation : Sunil Haripant Pophale  
Chairman & Executive Director



Date: June 30, 2020

Place: Mumbai

DIN: 00064412



## Vadivarhe Sepciality Chemicals Limited

GAT NO. 204, VADIVARHE IGATPURI MH 422403,  
CIN: L24100MH2009PLC190516,  
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Balance Sheet as at 31st March 2020

(Rupees in Lakh)

	Particulars	As at 31/03/2020 (Audited)	As at 31/03/2019 (Audited)
<b>I.</b>	<b>Equity and Liabilities</b>		
<b>1</b>	<b>Shareholders' Fund</b>		
(a)	Share Capital	1,278.28	1,278.28
(b)	Reserves and Surplus	486.60	1,470.47
(c)	Money Received against Share Warrants	-	-
<b>2</b>	Share Application money pending allotment	-	-
<b>3</b>	<b>Non-current Liabilities</b>		
(a)	Long - term borrowings	1,024.07	1,273.04
(b)	Deferred Tax Liabilities (Net)	-	214.50
(c)	Other Long Term Liabilities	4.10	0.98
(d)	Long-term provisions	62.66	58.34
<b>4</b>	<b>Current Liabilities</b>		
(a)	Short-term borrowings	719.58	578.52
	<b>Trade Payables</b>		
	(A) total outstanding dues of micro enterprises and small enterprises; and	-	1.22
(b)	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,146.75	518.58
(c)	Other Current Liabilities	276.01	272.61
(d)	Short-term provisions	134.08	107.36
	<b>Total</b>	<b>5,132.12</b>	<b>5,773.90</b>
<b>II</b>	<b>Assets</b>		
	<b>Non-current Assets</b>		
<b>1 (a)</b>	<b>Fixed Assets</b>		
(i)	Tangible Assets	2,512.06	2,597.80
(ii)	Intangible Assets	7.94	11.41
(iii)	Capital Work-in-progress	281.03	188.47
(iv)	Intangible Assets under development	-	-
(b)	Non-current Investments	5.10	5.10
(c)	Deferred Tax Assets (Net)	-	-
(d)	Long - term Loans and Advances	217.18	614.35
(e)	Other Non-current Assets	7.07	19.96
<b>2</b>	<b>Current Assets</b>		
(a)	Current Investments	-	-
(b)	Inventories	683.36	659.68
(c)	Trade Recievables	816.84	1,270.09
(d)	Cash and Cash Equivalent	65.53	57.74
(e)	Short-term Loans and Advances	532.92	346.21
(f)	Other Current Assets	3.09	3.09
	<b>Total</b>	<b>5,132.12</b>	<b>5,773.90</b>

Figures for the previous period/year have been rearranged/reclassified wherever necessary to correspond with current period/year presentation



For Bhalechandra D. Karve & Associates  
FRN No. 135281W

(CA Bhalechandra D. Karve)  
M. No. 105985



For and Behalf of the Board of Directors

*Sunil Haripant Pophale*

Name and Designation : Sunil Haripant Pophale  
Chairman & Executive Director

Date: June 30, 2020

Place: Mumbai

DIN: 00064412

## Cash Flow statement for the year ended 31st March, 2020

Rupees

Particulars	Period ended 31st March, 2020	Period ended 31st March, 2019
<b>Cash flows from operating activities</b>		
Profit before taxation	(119,837,979)	528,888
<b>Adjustments for:</b>		
Depreciation	17,479,994	16,273,110
Dividend Income	(50,000)	(50,000)
Interest Received	(1,066,029)	(1,355,647)
Interest expense	12,607,990	8,170,785
(Profit) / Loss on the sale of property, plant & equipment	97,001	749,133
<b>Operating Profits before Working Capital Changes</b>	<b>(90,769,023)</b>	<b>24,316,269</b>
<b>Working capital changes:</b>		
(Increase) / Decrease in trade receivables	45,325,126	(40,905,354)
(Increase) / Decrease in inventories	(2,367,827)	(35,090,238)
(Increase) / Decrease in Other receivables	(17,381,823)	2,411,375
(Increase) / Decrease in Long term Loans and advances*	39,716,745	3,113,753
Increase / (Decrease) in trade payables	62,695,350	27,162,893
Increase / (Decrease) in other payables	3,755,662	7,611,259
<b>Cash generated from operations</b>	<b>40,974,210</b>	<b>(11,380,044)</b>
Income taxes paid( Deferred tax liability written off)	-	(773,585)
<b>Net cash from operating activities (A)</b>	<b>40,974,210</b>	<b>(12,153,629)</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(17,949,764)	(84,533,032)
Proceeds from sale of equipment	37,000	431,932
Adjusted against accumulated balances write off	-	-
Dividend income	50,000	50,000
Interest Received	1,066,029	1,355,647
<b>Net cash used in investing activities(B)</b>	<b>(16,796,735)</b>	<b>(82,695,453)</b>
<b>TOTAL (A+B)</b>	<b>24,177,474</b>	<b>(94,849,082)</b>
<b>Cash flows from financing activities</b>		
Increase / (Decrease) in Short term Borrowings - Cash credit facility & Packing Credit	14,106,174	17,091,905
Proceeds from issue of share capital	-	-
Proceeds from Term loan	(6,817,038)	40,853,702
Interest on Loan	(12,607,990)	(8,170,785)
Proceed from unsecured loan from Director	(18,079,961)	42,754,350
<b>Net cash used in financing activities [C]</b>	<b>(23,398,815)</b>	<b>92,529,172</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>778,660</b>	<b>(2,319,910)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5,774,313</b>	<b>8,094,223</b>
<b>Cash and cash equivalents at end of period</b>	<b>6,552,972</b>	<b>5,774,313</b>
<b>Components of Cash and cash equivalents</b>		
Cash in hand	159,453	58,731
Balances with Scheduled banks :		
in current accounts	1,587,519	2,049,582
in deposits accounts	4,806,000	3,666,000
<b>Cash and cash equivalents in Cash Flow Statement</b>	<b>6,552,972</b>	<b>5,774,313</b>

\* Long Term Advance provided to a customer of Rs. 4,00,00,099 refunded back on termination of the Loan License Agreement



For Vadivarhe Speciality Chemicals Ltd

Chairman &amp; Executive Director

DIN : 00064412

Place : Mumbai

Date : June 30, 2020