



## **ANNUAL REPORT 2022-23**

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## **CORPORATE INFORMATION**

### **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. Pramod Waman Gajare*	Whole-Time Director	07932725
7	Mr. Anil Ganpat Suryavanshi**	Additional Director	10052423

#### ***Key Managerial Personnel:***

**Mr. Jayesh Vaishnav \*\*\***

Company Secretary

**Mr. Laxmikant Potdar**

Chief Financial Officer

*\* Ceased to be Whole-time Director w.e.f. March 31, 2023*

*\*\* Appointed as Additional Whole-time Director w.e.f. March 15, 2023*

*\*\*\* Appointed as Company Secretary and Compliance officer w.e.f August 27, 2022 and Ceased to be Company Secretary and Compliance officer w.e.f April 10, 2023.*

#### ***Registered office of the Company:***

*Gat No. 204, Vadivarhe, Igatpuri – 422403*

*<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 FOURTEENTH (14<sup>TH</sup>) ANNUAL GENERAL MEETING OF THE MEMBERS OF VADIVARHE SPECIALITY CHEMICALS LIMITED ('THE COMPANY') WILL BE HELD ON THURSDAY, SEPTEMBER 28, 2023 AT 03:00 P.M. THROUGH VIDEO CONFERENCING ('VC')/ OTHER AUDIO-VISUAL MEANS ('OAVM') AT THE REGISTERED ADDRESS OF THE COMPANY SITUATED AT THE GAT NO. 204, VADIVARHE, IGATPURI- 422403, MAHARASHTRA ('DEEMED VENUE OF THE MEETING') TO TRANSACT THE BUSINESSES MENTIONED BELOW:**

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**ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 together with the reports of the Board of Directors and Auditors thereon.**
- 2. To appoint Mr. Sunil H. Pophale (DIN: 00064412) as a director, who retires by rotation and being eligible offers himself for re-appointment.**

**SPECIAL BUSINESS:**

- 3. Appointment of Mr. Anil Suryavanshi (DIN: 10052423) as the Whole-time Director of the Company and to approve the remuneration payable to him.**

To consider and if thought fit, to pass the following resolution as **Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of 152, 161 196, 197, 198, 203 and 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) and based on the recommendation of the Audit Committee, Nomination and Remuneration Committee and as approved by the Board of Directors of the Company, approval of Members of the Company be and is hereby accorded for the appointment of Mr. Anil Suryavanshi (DIN: 10052423) as the Whole-Time Director of the Company, who was appointed as an additional director (designated as a whole-time director) in the board meeting held on March 15, 2023, for a period of Five (5) years with effect from March 15, 2023 to March 14, 2028 and the period of his office shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the remuneration of Rs. 48,01,480/- (Rupees Forty Eight Lakhs One Thousand Four Hundred and Eighty Only) per annum (inclusive of Salary, perquisites, benefits and allowances) for a term of Three (3) Financial Years starting from March 15, 2023 till March 14, 2026, subject to the terms and conditions which are given in the Explanatory Statement annexed hereto with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and as may be accepted to Mr. Anil Suryavanshi .

which may or may not exceed the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 read together with Schedule V of the Companies Act, 2013 (hereinafter referred to as the "Act") and other applicable provisions, if any of the Act, the consent of the members be and is hereby accorded to the Board to waive recovery of the excess remuneration of Rs. 2,00,100/- (Rupees Two Lakhs One Hundred only) paid to during the period from March 15, 2023 to March 31, 2023 in excess of the limits prescribed under Section 197 read together with Schedule V of the Companies Act, 2013."

**RESOLVED FURTHER THAT** Mr. Sunil Pophale, Executive Director of the Company, be and is hereby authorised to consider the payment of remuneration to Mr. Anil Suryavanshi or holding the same taking into consideration the revenue and ability of the Company to pay the remuneration due to market conditions.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof from time to time), approval of the members of the Company be and is hereby accorded to pay the Remuneration as mentioned above, to the WTD of the Company, in the event of inadequacy of profits or no profits in the Company, for three (3) financial years i.e. from 2022-23 till 2025-26.

**RESOLVED FURTHER THAT** any of the Director of the Company or the Chief Financial Officer, be and are hereby severally authorized to file the necessary forms and returns with the Registrar of Companies, and to make necessary entries in the Statutory Registers prescribed under the Companies Act, 2013 and do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

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

**Registered & Corporate 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)

Date: August 31, 2023

## NOTES

1. In view of the continuing outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 14/2020 dated April 08, 2020; Circular No.17/2020 dated April 13, 2020; Circular No. 20/2020 dated May 5, 2020; Circular No. 02/2021 dated January 13, 2021; Circular No. 19/2021 dated December 08, 2021; Circular No. 20/2021 dated December 12, 2021; Circular No. 21/2021 dated December 14, 2021 Circular No.2/2022 dated May 5, 2022 and Circular No.10/2022 dated December 28, 2022 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 followed by Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 (collectively referred to as "SEBI Circulars") permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio- Visual Means ("VC / OAVM"), without physical presence of the Members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and abovementioned MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') relating to the Special Business under Item No. 3, Item No. 4 and Item No. 5, to be transacted at the Annual General Meeting ('AGM' / 'Meeting') is annexed hereto.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional investors, who are members of the Company, are encouraged to attend the 14<sup>th</sup> AGM of the Company through VC/ OAVM mode and vote electronically. Corporate members are required to send a scanned copy (PDF/JPG Format) of the Board Resolution/ Power of Attorney authorizing its representatives to attend and vote at the AGM through VC / OAVM on its behalf pursuant to Section 133 of the Act. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [scrutinisers@mmjc.in](mailto:scrutinisers@mmjc.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

5. Details under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re- appointment at the Annual General Meeting, forms integral part of the notice.
6. All the documents referred to in the accompanying notice shall be available for inspection through electronic mode, on the basis of the request being sent on [accounts@vscl.in](mailto:accounts@vscl.in).
7. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection through electronic mode, on the basis of the request being sent on [cmd@vscl.in](mailto:cmd@vscl.in).
8. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members of Company including large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.
10. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their Demat Accounts.
12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 May 05, 2022 and December 28, 2022, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ('NSDL') for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using

remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

13. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories and has been uploaded on the website of the Company at <http://www.vscl.in>, the Notice can also be accessed from the website of the Stock Exchange i.e., National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
14. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at [accounts@vscl.in](mailto:accounts@vscl.in) between Thursday, September 21, 2023 (09.00 a.m. IST) and Sunday, September 24, 2023 (5.00 p.m. IST). Only those Members who have pre-registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
15. The Company has appointed Mrs. Deepti Kulkarni (Membership No. A34733) failing her Mr. Saurabh Agarwal, (Membership No. F9290) Partner at MMJB & Associates LLP, to act as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and Mrs. Deepti Kulkarni has communicated her willingness to be appointed and be available for the purpose.
16. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed with this Notice.
17. The Scrutinizer shall, immediately after the conclusion of the remote e-voting at the AGM, first count the votes cast through remote e-voting during the Meeting and thereafter unblock the votes cast through remote e-voting before the AGM, and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairperson or a person authorised by him in writing who shall countersign the same.
18. The results on resolutions shall be declared not later than 48 hours from the conclusion of the Meeting of the Company and the resolutions will be deemed to be passed on the date of the Meeting, subject to receipt of the requisite number of votes in favour of the resolutions.
19. The results declared along with the Scrutinizer's Report will be made available on the website of the Company ([www.vscl.in](http://www.vscl.in)) and on Service Provider's website ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) and the same shall be communicated to NSE Limited within 48 hours from the conclusion of the Meeting.

## **INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING: -**

1. The remote e-voting period commences on Monday, September 25, 2023 (09.00 a.m. IST) and Wednesday, September 27, 2023 (5.00 p.m. IST). During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the closure of working hours of cut-off date, i.e. Friday, September 22, 2023 may cast their vote by remote e- voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
2. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again.
3. Once the vote on a resolution is casted by the member, such member shall not be allowed to change it subsequently.
4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Friday, September 22, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use yourexisting user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Friday, September 22, 2023, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
5. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

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

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are*





***mentioned below:*****Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e- Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e- Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below</li> </ol>

	<p>for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> App Store  Google Play</p> <p> </p>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e- Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below:

<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 Physical Form.	EVEN Number followed by Folio Number registered with the company

For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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5. Password details for shareholders other than Individual shareholders 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

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 etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinisers@mmjc.in](mailto:scrutinisers@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 1020 990 and 1800 22 44 30 or send a request to Mr. Nihar Kudaskar at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [accounts@vscl.in](mailto:accounts@vscl.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self

attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to ([accounts@vscl.in](mailto:accounts@vscl.in)). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e- Voting and joining virtual meeting for Individual shareholders holding securities in dematmode.**

3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise notbarred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE ASUNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at ([accounts@vscl.in](mailto:accounts@vscl.in)). The same will be replied by the company suitably.

### **Notes for Non – Individual Shareholders and Custodians**

Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [accounts@vscl.in](mailto:accounts@vscl.in).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@ndslindia.com](mailto:helpdesk.evoting@ndslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [srcutinisers@mmjc.in](mailto:srcutinisers@mmjc.in) and to the Company at the email address viz; [accounts@vscl.in](mailto:accounts@vscl.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Nihar Kudaskar – 022-24997000/022-48867000.

All grievances connected with the facility for voting by electronic means may be addressed to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Nihar Kudaskar – 022-24997000/022-48867000.

**Annexure I**

**ADDITIONAL INFORMATION IN RESPECT OF ITEM NO. 2 AND ITEM NO. 3**

**Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Secretarial Standard-2 and Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

<b>Name</b>	Mr. Sunil Haripant Pophale	Mr. Anil Suryavanshi
<b>Age</b>	66	50
<b>Brief resume, Qualifications and Experience</b>	Mr. Sunil Haripant Pophale aged 66 years has a Bachelor's Degree of Engineering in Aeronautical Engineering from Indian Institute of Technology, Bombay. He is having an overall experience of 40 years in the manufacturing of Cosmetics, Pharmaceuticals and specialty chemicals products and has a proven background and rich experience in the industry.	Mr. Anil Suryavashi holds a Master degree in MSc Chemistry, he has a vast and overall experience of around 26 years in API and Bulk Drugs Industry. Mr. Suryavashi has completed 50 years of age and was associated with Enaltec Labs for around 14 years. His designation while parting from Enaltec was Associate Vice President (Operations) and prior to that he has worked with Glenmark Pharmaceuticals Mumbai, RPG Life Sciences Mumbai, IPCA Laboratories etc.
<b>Date of first Appointment on the Board</b>	23 <sup>rd</sup> February, 2009	15 <sup>th</sup> March, 2023
<b>Expertise in Specific Functional Areas</b>	He is having an overall experience 40 years in the manufacturing of Cosmetics, Pharmaceuticals and specialty chemicals products and has a proven background and rich experience in the industry.	API and Bulk Drugs Industry.
<b>Directorship held in other</b>	N/A	N/A
<b>Directorship in other Companies (excluding foreign companies and Section 8 companies)</b>	N/A	N/A

<b>Chairmanship/ Membership of Committees of the Board of Directors of other listed companies</b>	N/A	N/A
<b>Chairmanship/ Membership of Committees of the Board of Directors of other companies</b>	N/A	N/A
<b>Number of shares held in the Company</b>	80,32,625 Equity Shares of face value of ₹ 10 each.	Nil
<b>Terms and Conditions of Appointment/re-appointment</b>	Executive Director, liable to retire by rotation.	As mentioned in the Explanatory statement u/s 102 in the Notice of AGM.
<b>Details of Remuneration sought to be paid</b>	Rs. 12,00,000/-	Rs. 48,01,480/-
<b>Remuneration last drawn</b>	Rs. 12,00,000/-	N/A
<b>Number of meetings attended during the year</b>	Four (4)	One (1)
<b>Disclosure of relationship between Directors, Key Managerial Personnel inter-se</b>	Spouse of Mrs. Meena Pophale, Whole-time Director of the Company.	Mr. Anil Suryavanshi is not related to any Director or Key Managerial Personnel of the Company.
<b>Listed companies from which the Director has resigned in the past 3 (three) years</b>	N/A	N/A

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")**

**ITEM NO. 3**

**Appointment of Mr. Anil Suryavanshi (DIN: 10052423) as the Whole-time Director of the Company and to approve the remuneration payable to him.**

Mr. Anil Suryavanshi aged 50 years holds a Master degree in MSc Chemistry and has a vast and overall experience of around 26 years in API and Bulk Drugs Industry. Mr. Suryavashi was associated with Enaltec Labs for around 14 years. His designation while parting from Enaltec was Associate Vice President (Operations) and prior to that he has worked with Glenmark Pharmaceuticals Mumbai, RPG Life Sciences Mumbai, IPCA Laboratories etc.

Considering his long industry experience, Management moved his candidature for consideration by the Nomination & Remuneration Committee for appointing him as Whole time-Director (Key Managerial Personnel) of the Company. The Nomination & Remuneration Committee in its meeting held on March 15, 2023 recommended his candidature to the Board.

On recommendation of Nomination & Remuneration Committee as well as after considering all requisite information and consents & declarations received from Mr. Anil Suryavanshi, Board of Directors in their board meeting held on March 15, 2023 appointed him as Additional Director and designated him as Whole-time Director (Key Managerial Personnel) of the Company effective from March 15, 2023 for a term of 5 years, at a remuneration of Rs. 48,01,480/- (Rupees Forty Eight Lakhs One Thousand Four Hundred and Eighty Only) per annum (inclusive of Salary, perquisites, benefits and allowances) on such terms and conditions as given below, subject to approval by the members of the Company:

<b>Tenure of Appointment</b>	5 years with effect from March 15, 2023
<b>Term of Remuneration</b>	3 years with effect from March 15, 2023
<b>Salary exclusive of all allowances</b>	Rs. 2,31,550/- per month. The Whole time Director shall be entitled to such increment from time to time as the Board may by its discretion determine.
<b>Perquisites and allowances in addition to salary</b>	A. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 46,310/- per month.

	<p>B. Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/- per month.</p> <p>C. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month</p> <p>D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month.</p> <p>E. Medical Allowance: The Company will pay Medical Allowance of Rs. 19,296/-</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>
<b>Retirement Benefits</b>	<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>
<b>Other benefits</b>	<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>

However, the Remuneration paid to the Mr. Anil Suryavanshi has exceeded the limits specified in Schedule V of the Companies Act, 2013 considering the limit specified in Schedule V of the Act. Accordingly, for waiver of excess remuneration paid to the Anil Suryavanshi during the period March 15, 2023 to March 31, 2023, the Company has to seek approval of the members by way of Special Resolution.

Further, Mr. Anil Suryavanshi was appointed as Additional Director by the Board, hence he holds the office of the Director upto this AGM. Therefore, members are requested for his regularization as Director and approval of his appointment as Whole-time Director (Key Managerial Personnel) for a term of Five (5) years, effective from March 15, 2023.

The requisite resolution is proposed in the Notice of AGM. Mr. Anil Suryavanshi holds Nil shares in the Company in his name.

**The following additional information as required by Schedule V to the Companies Act, 2013 is given below:**

**I. General Information:**

**(i) Nature of Industry:** The Company is in the business Manufacturing of Organic, Speciality Chemicals & Intermediates.

**(ii) Date of commencement of commercial production:** July 03, 2009.

**(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.

**(iv) Financial performance based on given indicators – as per audited financial results for the year ended 31<sup>st</sup> March, 2023:**

The total revenue from the operations for the year ended March 31, 2023 increased to Rs. 4,367.86 Lakhs as against Rs. 2,144.94 Lakhs in the previous financial year 2021-22. The revenue increased in the current financial year as compared to the previous financial year, the Company has earned a profit of Rs. 114.72 Lakhs in year ended March 31, 2023 as compare to a loss of Rs. 966.70 lakhs in the previous financial year. The Company has taken continuous efforts to reduce consumptions and to get maximum yield from its products and effective cost control and cost cuttings measures were also being implemented. The Company is confident that the newly developed products will contribute towards a significant growth in revenue in coming years.

**(Rs. In Lakhs)**

<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
Total Income	4,440.29	2,186.25
Less: Expenditure and Depreciation	4,362.88	3,172.55
Exception Income	37.31	25.53
<b>Profit/ (Loss) before tax</b>	<b>114.72</b>	<b>(960.77)</b>
<b>Less: Tax</b>	<b>-</b>	<b>-</b>
Deferred Tax Assets	-	-
<b>Profit after Tax</b>	<b>114.72</b>	<b>(960.77)</b>

**(v) Foreign investments or collaborators, if any:**

Particular	2022-23	2021-22
Actual Foreign Exchange earnings	359,943,100	11,14,55,299

**II. Information about the appointee:**

**(i) Background details:**

Particulars	Details
Age	50
Designation	Additional Whole-time Director
Qualification	Master's degree in MSc Chemistry

**(ii) Past remuneration during the financial year ended 31<sup>st</sup> March, 2023:** Not Applicable.

**(iii) Recognition or awards:** Not Applicable.

**(iv) Job Profile and his suitability:** Mr. Anil Suryavanshi was inducted on the Board of the Company on 15<sup>th</sup> March, 2023. His Job profile includes following roles and responsibilities:

1. Compliance with respect to all statutory obligations
2. Improve profits of the company.
3. Improve profitability of the company.
4. Improve morale of the workforce.
5. Improve the Reputation of the company with the customers.
6. Acquire new customers.
7. Increase business with existing customers.
8. Improve the working efficiency of the factory.

He was appointed as Additional Whole-time Director of the Company. Taking into consideration his qualification, experience and expertise, the designation of 'Whole-time Director' is best suited for the responsibilities currently assigned to him.

**(v) Remuneration proposed:** The details of remuneration proposed to be paid to Mr. Anil Suryavanshi have been disclosed Explanatory Statement.

**(vi) 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 Anil Suryavanshi, as Whole-time Director 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 like sized and similarly positioned businesses.

**(vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** Besides the remuneration proposed to be paid to Mr. Anil Suryavanshi, Whole-time Director, he does not have any other pecuniary relationship with the Company or relationship with any other Director / Key Managerial Personnel of the Company.

### III. Other Information:

- (i) **Reasons of loss or inadequate profits:** For last two financial year the performance of the Company was impacted due to delayed price rise, fluctuation in input costs and major states remaining dormant/unviable. The Company has incurred a Net Loss of Rs. 276.05 Lakhs and Rs. 960.77 Lakhs for the last two financial years. However, there are positive signs of overall improvement in the performance of the Company.
- (ii) **Steps taken or proposed to be taken for improvement:** The Company has taken continuous efforts to reduce consumptions and to get maximum yield from its products and effective cost control and cost cuttings measures were also being implemented. The Company is confident that the newly developed products will contribute towards a significant growth in revenue in coming years.
- (iii) **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 compared to the previous year as Company has developed new product which has a good market.

Except Mr. Anil Suryavanshi, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

Mr. Anil Suryavanshi is not related to any Director or Key Managerial Personnel of the Company.

The other requisite details of Mr. Anil Suryavanshi are provided in '**Annexure-I**' to the Notice.

The Board of Directors recommends the passing of the Resolution as set out in Item No. 3 as **Special Resolution**.

By order of the BoardFor  
**Vadivarhe Speciality Chemicals Limited**

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

**Registered & Corporate 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)

Date: August 31, 2023

## **DIRECTORS' REPORT**

### **VADIVARHE SPECIALITY CHEMICALS LIMITED**

#### **FOR THE FINANCIAL YEAR 2022-23**

To,  
**The Members,**  
**Vadivarhe Speciality Chemicals Limited**  
Gat No. 204, Vadivarhe, Igatpuri – 422 403

Your Directors are hereby presenting the 14<sup>th</sup> Directors Report of the Company together with the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2023.

#### **1. FINANCIAL STATEMENTS & RESULTS:**

##### **Financial Results**

The Company's financial performance during the year ended 31<sup>st</sup> March, 2023 as compared to the previous financial year, is summarized as below:

(Rs. in Lacs)

<b>Particulars</b>	<b>For the financial year ended 31<sup>st</sup> March, 2023</b>	<b>For the financial year ended 31<sup>st</sup> March, 2022</b>
Income	4,440.29	2,186.25
Less: Expenses	4,362.88	3,172.55
Prior Period Income	-	-
<b>Profit before exceptional and extraordinary items and tax</b>	77.41	(986.31)
Exception Income	37.31	25.53
Exception expenditure	-	-
<b>Profit/ (Loss) before tax</b>	114.72	(960.78)
<b>Less:</b> Provision for tax	-	-
Deferred Tax Expense/(Benefits)	-	-
MAT Credit entitlement	-	-
MAT Credit Utilized	-	-
Income Tax of earlier years w/off	-	-
<b>Profit after Tax</b>	114.72	(960.78)
<b><u>APPROPRIATION</u></b>		
Interim Dividend	-	-
Final Dividend	-	-
Tax on distribution of dividend	-	-
Transfer of General Reserve	-	-
<b>Balance carried to Balance sheet</b>	114.72	(960.78)

## **2. TRANSFER TO RESERVES**

The Company has not transferred any amount to General Reserve.

## **3. OPERATIONS**

This is the Fourteenth year of operation, and your Company has achieved sales of Rs. 4,440.29 Lacs and had earned a Profit of Rs. 114.72 Lacs as compared to previous year's sales Rs. 2,186.25 Lacs and loss of Rs. 960.77.

## **4. NATURE OF BUSINESS**

The Company continues to be engaged in the activities pertaining to manufacturing of all types of Organic Chemicals, Inorganic Chemicals, Bio-Chemicals, Bulk Drugs, Drug Intermediaries and Active Pharmaceutical Ingredients and to provide related services.

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**

The Company is taking efforts to increase its productivity by making an optimum use of its production capacity, developing new products to fetch more revenue and minimization of the cost of production.

### **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 proposed future expansion plans and to conserve the profits your directors have not recommended any dividend for the financial year under review and same is being transferred to reserves.

## **7. UNPAID DIVIDEND & IEPF**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF; established by the Government of India, after completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

However, your Company did not have any funds lying unpaid or unclaimed for a period of seven years in Unpaid Dividend Account. Therefore, there were no funds which were required to be transferred to Investor Education and Protection fund ("IEPF").

## **8. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

During the year under review, the Company does not have any Subsidiary / Associate / Joint Venture Company.

## **9. 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.

## **10. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

All materially significant transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review are furnished in **Form AOC-2** which is annexed to this report as "**ANNEXURE I**" as per the provisions of section 188(1) of the Act.

All the related party transactions were placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval is also obtained from the Audit Committee for the related party transactions which cannot be foreseen and accordingly, the required disclosures are made to the Committee on quarterly basis for its approval.

Further, all related party transactions are mentioned in the notes to the accounts. The Directors draw attention of the members to the Notes to the financial statements which sets out the disclosure for related party transactions.

## **11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required have been taken. The company makes all the efforts towards conservation of energy, protection of environment and ensuring safety. The Company has not absorbed any technology.

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.

## **12. ANNUAL RETURN**

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the copy of Annual Return of the company as on 31<sup>st</sup> March, 2023 will placed on the website of the company at the following web address:  
<https://www.vscl.in/investor/annual-returns.php>

## **13. SHARE CAPITAL**

During the Financial Year 2022-23, there were no changes in the share capital of the Company. The existing share capital of the Company is as stated below: -

### **A. Authorized Share Capital**

The Authorised share capital of the Company is Rs. 15,00,00,000 comprising of 1,50,00,000 Equity Shares of Rs. 10 each.

### **B. Issued, subscribed and paid up share capital**

The issued, subscribed and paid-up Share Capital of the Company stood at Rs. 12,78,27,500 as at 31<sup>st</sup> March, 2023 comprising of 1,27,82,750 Equity Shares of Rs. 10 each fully paid-up. There was no change in Share Capital during the year under review.

**14. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India (“ICSI”) on Meetings of the Board of Directors and General Meetings.

**15. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES**

The Company has not made any loans or provided guarantees and securities covered under the provisions of Section 186 of the Companies Act, 2013. However, full particulars of the investments covered under the provisions of Section 186 of the Companies Act, 2013 as made by the Company during the financial year under review has been furnished in *Note N* of the Notes to Accounts which forms part of the financials of the Company.

**16. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

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.

**17. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are sound & 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.

Your Company has a robust Internal Audit Mechanism, conducted as per pre-approved calendar. Basis the audit, Internal auditor periodically report on the Design deficiency and Operational inefficiency, if any, apart from recommending further improvement measures, to accomplish the Company objectives more efficiently. The observations and agreed action plans are presented quarterly, to the Audit Committee that reviews the adequacy of the controls implemented by the Management.

**18. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**a) Board of Directors**

The Board of Directors of Vadivarhe Speciality Chemicals Limited (“VSCL”) is a balanced one with an optimum mix of Executive and Non-Executive Directors. They show active participation at the board and committee meetings, which enhances the transparency and adds value to their decision making. The Board of the Company is headed by an Executive Chairman. Chairman takes the strategic decisions, frames the policy guidelines

and extends wholehearted support to Executive Directors, business heads and associates.

The Board of Directors of the Company as on March 31, 2023 are as follows:

<b>Name of the Director</b>	<b>Designation</b>	<b>DIN</b>
Mr. Sunil Haripant Pophale	Executive Director	00064412
Mrs. Meena Sunil Pophale	Whole-time Director	00834085
Mr. Prasanna Prabhakar Rege	Independent Director	02795136
Mr. Ravindra Keshav Paranjpe	Independent Director	06816384
Mrs. Uttara Adwait Kher	Independent Director	07805920
Mr. Anil Ganpat Suryavanshi	Additional – Whole Time Director	10052423

**(i) Appointment**

Mr. Anil Ganpat Suryavanshi was appointed as Additional Director of the Company on March 15, 2023 to hold office upto the date of ensuing Annual General Meeting of the Company. It is proposed to recommend to the shareholders the appointment of Mr. Anil Suryavanshi as Directors at the ensuing Annual General Meeting.

**(ii) Resignation**

Mr. Pramod Waman Gajare placed his resignation from the office of Whole-time Director of the Company with effect from March 31, 2023 owing to his personal reasons.

**(iii) Retirement by rotation**

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Sunil H. Pophale, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The said Director is not disqualified from being re-appointed as a Director of a Company as per the disclosure received from her pursuant to Section 164(2) of the Companies Act, 2013. Your directors recommend their appointment as Director of the Company.

**b) Key Managerial Personnel**

Mr. Jayesh Vaishnav has been appointed as a Whole-time Company Secretary and Compliance Officer with effect from August 27, 2022.

The Key Managerial Personnel (KMP) of the Company as on March 31, 2023 are as follows:

Name	Designation	Date of appointment
Mr. Jayesh Vaishnav*	Company Secretary	27/08/2022
Mr. Laxmikant Potdar	Chief Financial Officer	24/03/2017

*\*Mr. Jayesh Vaishnav had resigned from the post of Company Secretary w.e.f April 10, 2023.*

**c) Declaration by Independent Directors**

As required under Section 149(7) of the Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, the Independent Directors have given the necessary declaration that they meet the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 and do not suffer from any disqualifications specified under the Act. Such declarations were placed in the Board meeting held on Tuesday, 14<sup>th</sup> February, 2023 which includes the confirmation to the effect that the Independent Directors have included their names in the Database maintained by the Indian Institute of Corporate Affairs and they have paid the necessary fees for the said registration and shall renew the registration timely.

**d) Remuneration / Commission drawn from Holding / Subsidiary Company**

The Company does not have any Holding Company or Subsidiary Company, hence question of remuneration or commission from any of its Holding or Subsidiary Company does not arise.

**19. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES**

**a) Board meetings**

The Board of Directors met 5 (Five) times during the financial year ended 31<sup>st</sup> March, 2023 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The details of the same are as mentioned under:-

Name of the Director	30 <sup>th</sup> May, 2022	23 <sup>rd</sup> August, 2022	14 <sup>th</sup> November, 2022	14 <sup>th</sup> February, 2023	15 <sup>th</sup> March, 2023
Mr. Sunil Haripant Pophale	✓	✓	✓	✓	✓
Mrs. Meena Sunil Pophale	✓	✓	✓	✓	✓

Mr. Prasanna Prabhakar Rege	✓	✓	✓	✓	✓
Mr. Ravindra Keshav Paranjpe	Absent	✓	✓	✓	✓
Mrs. Uttara Adwait Kher	✓	✓	✓	✓	✓
Mr. Pramod Waman Gajare	✓	✓	✓	✓	✓

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

**b) Audit Committee**

The Audit Committee is duly constituted in accordance with Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. It adheres to the terms of reference which is prepared in compliance with Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations 2015.

The Audit Committee comprises of:

Mr. Prasanna Prabhakar Rege	Chairman & Independent Director
Mr. Ravindra Keshav Paranjpe	Member & Independent Director
Mrs. Uttara Adwait Kher	Member & Independent Director

The Audit Committee met 5 (Five) times during the financial year ended 31<sup>st</sup> March 2023. The details of the same are as mentioned under:-

Name of the Director	30 <sup>th</sup> May, 2022	23 <sup>rd</sup> August, 2022	14 <sup>th</sup> November, 2022	14 <sup>th</sup> February, 2023	15 <sup>th</sup> March, 2023
Mr. Ravindra Keshav Paranjpe	Absent	✓	✓	✓	✓

Mrs. Uttara Adwait Kher	✓	✓	✓	✓	✓
Mr. Prasanna Rege	✓	✓	✓	✓	✓

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

During the year under review, the Board of Directors of the Company had accepted all therecommendations of the Committee and no personnel has been denied access to the Audit Committee.

**c) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is constituted in accordance with Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time.

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 of Directors, Key Managerial Personnel and other employees. The Policy has been placed on the Website of the Company at <https://vscl.in/uploads/pdf/NRC%20Policy.pdf> and the same is also attached as '**ANNEXURE III**' to this report.

The composition of the Committee is as under:

Mr. Prasanna Prabhakar Rege	Chairman & Independent Director
Mr. Ravindra Keshav Paranjpe	Member & Independent Director
Mrs. Uttara Adwait Kher	Member & Independent Director

The Nomination & Remuneration Committee met 4 (Four) times during the financial year ended 31<sup>st</sup> March 2023. The details of the same are as mentioned under: -

<b>Name of the Director</b>	<b>30<sup>th</sup> May, 2022</b>	<b>23<sup>rd</sup> August, 2022</b>	<b>14<sup>th</sup> February, 2023</b>	<b>15<sup>th</sup> March, 2023</b>
Mr. Ravindra Keshav Paranjpe	Absent	✓	✓	✓
Mrs. Uttara Adwait Kher	✓	✓	✓	✓

Mr. Prasanna Rege	✓	✓	✓	✓
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**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	Chairman & Independent Director
Mr. Ravindra Keshav Paranjpe	Member & Independent Director
Mrs. Uttara Adwait Kher	Member & Independent Director

The scope and terms of reference of the Stakeholders Relationship Committee have been framed in accordance with the Act.

The Stakeholders Relationship Committee met once on February 14, 2023 during the financial year ended 31<sup>st</sup> March 2023.

During the year under review, the Company has not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2023.

**e) Independent Directors meeting**

In Compliance with Clause VII of Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Independent Directors Meeting of the Company was held on February 14, 2023. Independent Directors Meeting considered the performance of Non-Independent Directors and Board as a whole, reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

Whenever any new Independent Director is appointed, he/she is made familiar to the business and its operations and also about his/her role and duties through presentations/programmes by Chairman, Managing Director and Senior Management.

The independent directors present at the meeting held on February 14, 2023 are as follows:

<b>Name of the Director</b>	<b>Position</b>	<b>Status</b>
Mr. Ravindra Keshav Paranjpe	Chairman	Independent Director
Mrs. Uttara Adwait Kher	Member	Independent Director

Mr. Prasanna Rege	Member	Independent Director
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**f) 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.

The Whistle Blower Policy of the Company is also available on the website of the company at the link: <https://vscl.in/uploads/pdf/Whistle%20Blower%20Policy.pdf>

**g) 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.

**h) 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 Board 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.

The various criteria considered for evaluation of Executive Directors included qualification, experience, knowledge, commitment, integrity, leadership, engagement, transparency, analysis, decision making, governance etc. The Board commended the valuable contributions and the guidance provided by each Director in achieving the

desired levels of growth. This is in addition to evaluation of Non-Independent Directors and the Board as a whole by the Independent Directors in their separate meeting being held every year.

**i) Management Discussion & Analysis**

A separate report on Management Discussion & Analysis is appended to this Annual Report as an “**ANNEXURE IV**” and forms part of this Directors’ Report.

**20. 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 Adwait Kher	(Independent Director)

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. The Company does not fall under the criteria as specified under the provisions of Section 135(1) of the Act and hence, compliance of CSR provisions was not applicable to the Company for FY 2022-23.

**21. AUDITORS AND REPORTS**

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

**a. STATUTORY AUDITOR & AUDIT REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Bhalchandra D. Karve & Associates (Firm registration No: 135281W), Chartered Accountants, the Statutory Auditors of the Company have been appointed for a term of 5 (Five) years and they will continue to be the Statutory Auditors of the Company until the conclusion of Annual General Meeting to be held in the Financial Year 2023-24.

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, 2023.

**b. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended 31<sup>st</sup> March 2023 read with the explanatory notes

therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**c. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. The Board has appointed M/s MMJB & Associates LLP, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2022-23.

The secretarial audit report issued by M/s MMJB & Associates LLP, Practicing Company Secretaries, in Form MR-3 for the financial year 2022-23, forms part of the Directors Report as "**ANNEXURE V**".

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer requiring explanation.

**d. INTERNAL AUDITOR**

M/s S. R. Rahalkar & Associates, Chartered Accountants (FRN: 108283W) were appointed as the Internal Auditor of the Company for the financial year 2022-23 based on the recommendation of the Audit Committee of the Company.

**e. MAINTENANCE OF COST RECORDS**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain Cost Records under said Rules.

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

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

**22. INSURANCE**

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

**23. 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 could 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, 2023, the Board of Directors hereby confirms that:

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. 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, 2023 and of the loss of the Company for that year;
- iii. 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;
- iv. The annual accounts of the Company have been prepared on a going concern basis;
- v. Internal financial controls were followed by the Company and such internal financial controls are adequate and are operating effectively; and
- vi. 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. CORPORATE GOVERNANCE**

The corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i), (t) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirement) Regulations, 2015 ("Listing Regulations") is not applicable to the Company. However, the Company consistently strives to ensure that best corporate governance practices are adopted and followed in its functioning and administration.

**d. 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.

**e. 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.

**f. 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.

**g. 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.

**h. 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. The 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 were no complaints received of any sexual harassment at work place.

**i. 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 VI**".

**j. DISCLOSURE PURSUANT TO PART II, SECTION II OF SCHEDULE V OF THE COMPANIES ACT, 2013**

Particulars	Details
Name of Person & Designation to whom Remuneration is paid as per Section II of Schedule V	Anil Suryavanshi (Whole-time Director)
All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	<b>1. <u>Salary exclusive of all allowances</u></b> Rs. 2,31,550/- per month. The Whole time Director shall be entitled to such increment from time to time as the Board may by its discretion determine.

	<p><b>2. <u>Perquisites and allowances in addition to salary</u></b></p> <p>A. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 46,310/- per month.</p> <p>B. Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/- per month.</p> <p>C. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month</p> <p>D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month.</p> <p>E. Medical Allowance: The Company will pay Medical Allowance of Rs. 19,296/-</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>
<b>Details of fixed component and performance linked incentives along</b>	<b>Fixed Component : 48,01,480/- Performance linked incentives :</b>

<b>with the performance criteria</b>	There is no such criteria formulated by the Company.
<b>Service contracts, notice period, severance fees</b>	As per the Company's Policy
<b>Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable</b>	N/A

**k. LOANS FROM DIRECTORS OR DIRECTOR'S 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: -

<b>Name of Director giving loan</b>	<b>Amount borrowed during FY 2022-23</b>
Mr. Sunil Pophle	4,02,75,900/-

**24. DISCLOSURE OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

No application was filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT.

**25. DISCLOSURE OF REASON FOR DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE TIME SETTLEMENT**

There was no instance of onetime settlement with any Bank or Financial Institution.

**26. 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

**Date:** August 31, 2023

**Place:** Mumbai

**SD/-**  
**Meena Sunil Pophale**  
**Whole-time Director**

**DIN:** 00834085

**Address:** 15 Lalit Building,  
Wodehouse Road,next to Badhwar Park,  
Colaba, Mumbai, 400005

## Annexure I

### FORM NO. AOC.2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

The Company has not entered into such transactions during the year.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

Name of Related Party	Nature of Relationship	Nature of the transaction	Duration	Salient terms of the transaction including the value	Date(s) of approval by the Board	Amount paid as advance
Sunil Pophale	Executive Director	Borrowing	Recurring	As per the terms of Loan Agreement. Value: 4.02 Crores.	30-05-2022	NIL

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:** August 31, 2023  
**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 Lacs has been made on Conservation of Energy.</li><li>• Installation of 193 Kwh Solar Power Plant, same is being upgraded.</li><li>• 3000 Liter per day capacity Solar Water Heater Plant.</li><li>• The Company uses LED light systems wherever required.</li></ul>
<b>Steps taken by the company for utilizing alternate sources of energy</b>	
<b>Capital investment on energy conservation equipment</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 into prestigious western market.</li><li>• Moreover, we are also being looked upon as a potential R&amp;D center 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, 2022 to March 31, 2023 [Current F.Y.]</b>	<b>April 01, 2021 to March 31, 2022 [Previous F.Y.]</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
<b>Actual Foreign Exchange earnings</b>	359,943,100	11,14,55,299
<b>Actual Foreign Exchange outgo</b>	472,500	567,700

**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:** August 31, 2023  
**Place:** Mumbai

**ANNEXURE III**

**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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## **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 sources for chemical intermediates in India.

#### **Opportunities & Threats**

Your company is in the industry since last 14 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.

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

Your company is engaged in manufacturing of Organic Chemical, Intermediates, Active Pharmaceutical Ingredient (APIs), Personal Care Products and Speciality Chemicals, which is considered as a single segment.

The Company is making all the possible efforts for increasing turnover and profits from year to year by developing new products. The total revenue from the operations for the year ended March 31, 2023 amounts to Rs. 4,367.87 Lakhs as against Rs. 2,144.94 Lakhs in the previous financial year.

#### **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 along with 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 35% 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 have 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, 2023 increased to Rs. 4,367.86 Lakhs as against Rs. 2,144.94 Lakhs in the previous financial year 2021-22. The revenue increased in the current financial year as compared to the previous financial year, the Company has earned a profit of Rs. 114.72 Lakhs in year ended March 31, 2023 as compared to a loss of Rs. 966.70 lakhs in the previous financial year. The Company has taken continuous efforts to reduce consumptions and to get maximum yield from its products and effective cost control and cost cuttings measures were also being implemented. 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 72 permanent employees as on 31<sup>st</sup> March, 2023 at factory and office level. 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**

Particulars of Ratio	31.03.2023	31.03.2022
Debt Turnover	7.81	11.52
Inventory Turnover	3.07	2.19
Interest Coverage Ratio	1.78	-5.11
Current Ratio	0.87	0.73
Debt Equity Ratio	4.19	4.62
Operating Profit Margin (%)	6.00	-37.46
Net Profit Margin (%)	2.63	-44.79

**Return on Net Worth**

The return on net worth has increased to 17.85% as against (181. 65%) in the previous year due to increase in 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

**Date:** August 31, 2023

**Place:** Mumbai

**Sd/-**  
**Meena Sunil Pophale**  
**Whole time Director**

**DIN:** 00834085

**Address:** 15 Lalit Building, Wodehouse Road  
next to Badhwar Park Colaba, Mumbai, 400005

# *MMJB & Associates LLP*

## Company Secretaries

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803-804, 8<sup>th</sup> floor, 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 March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Vadivarhe Speciality Chemicals Limited**  
Gat no. 204, Vadivarhe,  
Igatpuri-422403

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.

### **Auditor's Responsibility:**

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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 from April 01, 2022 to March 31, 2023 (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 and in the manner reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provision 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 thereunder to the extent of Overseas Direct Investments, Foreign 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, 2018; **(Not Applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company 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, 2021; **(Not Applicable to the Company during the Audit Period)**
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. ('Buy-back Regulations') **(Not Applicable to the Company during the Audit Period)** and;

(i) The Securities and Exchange Board of India (Depositories and Participants) Regulations 2018.

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 and amendments made thereunder. ('Listing Regulations')
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under *except that the Company has updated details of designated persons with the designated depository in delay.*

Further, the remuneration paid to one of its Whole Time Director is in excess of the limits specified in Section 197 of the Act for the Financial Year 2022-23 as the Company does not have profits in terms of Section 198 of the Act. The Company has represented to us that it is in the process of complying with the prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders, as necessary.

Since the Company did not have Company Secretary as compliance officer from the start of the financial year till August 27, 2022 under Regulation 6(1) of Listing Regulations, Director had discharged the duty of compliance officer.

**We further report that,** having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- The Drugs and Cosmetics Act, 1940 and Rules, 1945 amended thereunder;
- Drugs (Price Control) Order 2013;
- Drugs & Magic Remedies (Objectionable Advertisement) Act, 1954 & Rules 1955 amended thereunder; and
- 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 changes in the composition of the Board of Directors that took place during the audit period were carried out 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 (except for few meetings which were convened at a shorter notice for which necessary approvals obtained as per the applicable provisions of Act) , 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 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 MMJB & Associates LLP.  
Company Secretaries**

**Deepti Joshi  
Designated Partner**

**FCS: 8167**

**CP: 8968**

**PR: 2826/2022**

**UDIN: F008167E000902995**

**Date:** 31-08-2023

**Place:** Mumbai

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**  
Gat no. 204, Vadivarhe,  
Igatpuri-422403

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. Wherever 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 MMJB & Associates LLP.**  
**Company Secretaries**

**Deepti Joshi**  
**Designated Partner**  
FCS: 8167  
CP: 8968  
PR: 2826/2022  
UDIN: F008167E000902995

**Date:** 31-08-2023  
**Place:** Mumbai

## ANNEXURE VI

### ***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 2022-23, 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. 2022-23 (in Rs.)	% Increase in remuneration for financial year 2022-23	Ratio of remuneration of Director to median remuneration of employees
1.	Mrs. Meena Pophale	Whole-time Director	12,00,000	0%	3.36:1
2.	Mr. Sunil H. Pophale	Executive Director	12,00,000	0%	3.36:1
3.	Mr. Pramod Gajare	Whole-time Director	26,56,257	0%	7.37:1
4.	Mr. Laxmikant Potdar	Chief Financial Officer	16,91,928	0%	4.85:1
5.	Mr. Jayesh Vaishnav*	Company Secretary	3,80,669	0%	1.07:1

\*From 27th August, 2022 to 31st March, 2023

- II. The median remuneration of employees during the financial year was **Rs. 3,57,110/-** p.a. (For calculating the median remuneration of employees, only the remuneration paid to employees who have served throughout the financial year 2022-23 has been considered.
- III. There were **72** permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2023.
- IV. In the financial year there was an increase of **0%** in the median remuneration.
- V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2022-23 was **0%** and average increase in the managerial remuneration w.r.t the managerial personnel for the financial year 2022-23 was **0%**
- 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.

Sr. No	Name of the Employee	Designation	Remuneration	Nature of Employment	Date of commencement of employment	Age of employee	Last employment held by such employee	Qualification	If the employee is a relative of Director or Manager
1	Mr. Sunil H. Pophale	Executive Director	1,200,000	Employee	23-02-2009	67	Fem Care Pharma Ltd	B. Tech	Yes
2	Mrs. Meena S. Pophale	Whole-time Director	1,200,000	Employee	23-02-2009	61	Pentagon Manufacturing and Marketing Ltd	B.A.	Yes
3	Mr. Pramod W. Gajare	Executive Director	2,631,171	Employee	16-05-2013	61	V & V Pharma	BSc Chemistry	No
4	Mr. Pramod D. Narkhede	Sr. Manager-QC	2,139,604	Employee	03-07-2009	59	Fem Care Pharma Ltd	MSc Applied Chemistry	No
5	Mr. Dinesh N. Malpe	Sr. Manager-Production	1,947,143	Employee	07-09-2021	42	Kasyap Sweetners Ltd	BE Chemicals	No
6	Mr. Laxmikant S. Potdar	Chief Financial Officer	1,731,383	Employee	13-07-2011	50	Jyoti Structures Ltd	MCom	No
7	Mr. Anirudha S. Mhaske	Manager-HR & Admin	1,635,613	Employee	23-08-2012	51	Dabur India Ltd	B Com, MBA	No
8	Mr. Sambhaji S. Powar	Manager-ADL	1,621,504	Employee	08-03-2018	41	Macleods Pharmaceuticals Ltd	Msc Analytical Chemistry	No
9	Mr. Sachin A. Bichave	Sr. Manager-Maintenance	1,397,055	Employee	09-08-2021	52	Megafine Pharma Pvt Ltd	BE Electrical	No
10	Mr. Satish P. Paithankar	Manager-Stores & Excise	1,393,428	Employee	01-07-2012	51	Dabur India Ltd	BA	No

**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

**Date:** August 31, 2023

**Place:** Mumbai

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

**Address:** 15 Lalit Building, Wodehouse Road,  
next to Badhwar Park, Colaba, Mumbai, 400005

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of **VADIVARHE SPECIALITY CHEMICALS LIMITED**  
Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of **VADIVARHE SPECIALITY CHEMICALS LIMITED** which comprise the standalone balance sheet as at March 31, 2023 and the standalone statement of profit and loss (including other comprehensive income) standalone statement of changes in equity and standalone statement of cash flows for the year then ended and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (herein referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31 2023 and profit and other comprehensive income changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

### Description of Key Audit Matter

Revenue recognition (refer note 3)

The Key Audit Matter	How the matter is addressed in our audit
Revenue is recognised when the control over the underlying products has been transferred to the customer.	Our audit procedures included: <ul style="list-style-type: none"><li>- Focusing on the Company's revenue recognition for compliance with AS;</li><li>- Testing the design, implementation and operating effectiveness of the Company's manual and automated (Information Technology - IT) controls on recording revenue. We focused on controls around the timely and accurate recording of sales transactions.</li></ul>

## **INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON**

The company's management and board of directors are responsible for the other information. The other information comprises the information included in the company's annual report but does not include the financial statements and our auditors' report thereon.

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

## **MANAGEMENT'S AND BOARD OF DIRECTORS RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

in connection with our audit of the standalone financial statements our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be the company's management and board of directors are responsible for the matters stated in section 134(5) of the act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs profit and other comprehensive income changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India including the Indian accounting standards (Ind AS) specified under section 133 of the act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

In preparing the financial statements management and 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 of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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 users 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 standalone financial statements whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion forgery intentional omissions misrepresentations or the override of internal control.

Obtain an understanding of internal 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 exist, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to 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 standalone financial statements including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

**(A)** 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on April 1 2023 taken on record by the Board of Directors none of the directors is disqualified as on March 31 2023 from being appointed as a director in terms of Section 164(2) of the Act .

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B".

**(B)** With respect to the other matters to be included in the Auditors' 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 as at March 31 2023 on its financial position in its standalone financial statements;
- ii. The Company has made provision as required under the applicable law or accounting standards for material foreseeable losses if any on long-term contracts including derivative contracts;
- iii. There were no amounts to be transferred to the Investor Education and Protection Fund by the Company.

IV. The reporting on disclosures relating to Specified Bank Notes Is not applicable to the company for the year ended on March 31, 2023.

V. (i) In our opinion, according to the information, explanations given to us, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether,

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries")

- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) In our opinion, according to the information, explanations given to us, no funds have been received by the company from any person(s) or entity (ies), including foreign entities. ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries")

- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

VI. The company has not declared/proposed any interim and final dividend for the year and previous financial year.

VII. the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

**(C)** With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**FOR BHALCHANDRA D KARVE & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**Sd/-**

(FIRM'S REGISTRATION NO. 135281W)

**CA BHALCHANDRA D KARVE**

**PLACE: NASHIK**

**DATE: 30/05/2023**

**UDIN: 23105965BGVNZS5593**

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT MARCH 31<sup>ST</sup> 2023

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the **VADIVARHE SPECIALITY CHEMICALS LIMITED** on the Standalone Financial Statements for the year ended March 31, 2023, we report the following:

- (I) In respect of company's Property, Plant and Equipment, right-of-use assets and intangible Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties and relevant details of right-of-use assets.
  - (b) The Company has a programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment and investment properties during the year and we are informed that the discrepancies were not material and have been properly dealt with in the books of account.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings as disclosed in Note 4 to the Standalone Financial Statements, are held in the name of the Company
  - (d) The company has not revalued any of its Property, Plant and Equipment (include right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the company as at March 31<sup>st</sup>, 2023 for holding any Benami property under the Benami Transactions(Prohibition) Act, 1988(As amended in 2016) and Rules thereunder.
- (II) (a) The inventory, except for goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
  - (b) As explain to us, during any point of time of the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets, and hence our comments on quarterly returns on value of current assets given as security as filed with the bank are not required.
- (III) (a) As per the information and explanation given to us, during the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
  - (b) As per the information and explanation given to us, The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
  - (c) For Loans and Advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in such cases the borrowers have been regular in repayment of principal and interest.
  - (d) No amounts are overdue is respect of above loans, for more than ninety days. Reasonable steps have been taken by the company for recovery of the principal and interest overdue.
  - (e) According to the information and explanations given to us and on the basis of our

examination of the records, the company has not renewed or extended or granted fresh loans to settle the over dues of existing loans or advances in the nature of loans given to the same party.

(f) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted loans repayable on demand or without specifying any terms or period of repayment to the Promoters, Related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

- (IV) The company has complied with provisions of section 185 & 186 in respect of loans investments, guarantees, and securities provided as applicable.
- (V) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 or rules made thereunder hence this clause is not applicable.
- (VI) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (VII) (a) According to the records of the company, undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2023 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us no undisputed amounts payable in respect of provident fund employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable
- (VIII) According to the records of the company, there is no surrendered or disclosure of income during the year in the income tax assessment under the Income Tax Act, 1961 (43 of 1961),
- (IX) (a) According to the information and explanations given to us the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to the lender.  
(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.  
(c) In our opinion and according to the information and explanations given to us the company has utilised the money obtained by way of term loans during the year for the purpose for which they were obtained.  
(d) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long term purposes by the company.  
(e) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of the financial statements of the company, we report that the company has not taken any funds from any entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures.  
(f) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of the financial statements of the company, we report that the company has not raised the loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures. The company has not defaulted in repayment of such loans.
- (X) (a) In our opinion and according to the information and explanations given to us the company has not raised by way of initial public offer or further public offer (including debt instruments). The term loans have been applied for the purpose for which they were raised.  
(b) The company has not raised by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (XI) (a) According to the information and explanations given to us, and the procedures performed by

us, and on overall examination of the financial statements of the company, there is no any fraud by the company or any fraud on the company has been noticed or reported during the year.

(b) According to the information and explanations given to us report under sub-section (12) of section 143 of the Companies Act is not required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government as no fraud or suspected fraud has been noticed during audit and upto the date of this report.

(c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.

(XII) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(XIII) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 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) (a) In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.

(b) we have considered the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(XV) According to the information and explanations given to us, the company has not entered into non-cash transactions with directors or persons connected with the director during the year by the acquisition of assets and / or by assuming directly related liabilities, which in our opinion is covered under the provision of section 192 of the Act.

(XVI) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934)

In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(XVII) The company has not incurred cash losses in the financial year covered by our audit and incurred cash losses in the immediately preceding financial year.

(XVIII) There has been no resignation of the statutory auditors during the year and accordingly, this clause is not applicable.

(XIX) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment off in financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (XX) (a) According to the information and explanations given to us and based on our examination of the records of the company, there are no unspent amount pertaining to the year under report required to be transferred to a Fund specified in schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.
- (b) According to the information and explanations given to us and based on our examination of the records of the company there is no amount which is remaining unspent under the sub section 5 of section 135 of the Act pursuant to any ongoing CSR Project.

For **BHALCHANDRA D KARVE & ASSOCIATES,**  
Chartered Accountants  
**Firm's Registration No:** 135281W

**Sd/-**  
**(CA BHALCHANDRA D KARVE)**  
**Proprietor**  
**Membership No:** 105965  
**Place:** Nashik  
MAY 30, 2023  
**UDIN : 23105965BGVNZS5593**

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

**Refer to Para 6 (2)(f) of the Independent Auditor's Report of the even date to the members of VadivarheSpecialty Chemicals Limited on financial statements for the year ended 31<sup>st</sup> March 2023**

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

We have audited the internal financial controls over financial reporting of M/s **Vadivarhe Speciality Chemicals Limited** as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal

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

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

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

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023 , based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Bhalchandra D Karve & Associates**  
**Chartered Accountants**  
**Firm Registration Number – 135281W**

Sd/-  
**CA Bhalchandra D Karve**  
**Proprietor**  
**Membership Number 105965**

**Date :30/05/2023**

**Place: Nashik**

**UDIN: 23105965BGVNZS5593**

**Vadivarhe Speciality Chemicals Limited**  
**Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,**  
**CIN: L24100MH2009PLC190516,**  
**Email id: accounts@vscl.in Website: www.vscl.in**  
**Phone : 02553 691200 Fax :022 26740371**  
**Balance Sheet as at 31st March, 2023**

<b>In Rupees (Nearest Hundred)</b>			
<b>Particulars</b>	<b>Note No</b>	<b>Figures As at 31st March, 2023</b>	<b>Figures As at 31st March, 2022</b>
<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.	(63,550,600)	(75,022,300)
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	C.	162,640,500	159,056,000
(b) Deferred tax liabilities (Net)	D.	-	-
(c) Other Long term Liabilities	E.	409,700	409,700
(d) Long Term Provisions	F.	3,719,500	6,302,400
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	G.	106,740,300	85,114,800
(b) Trade payables	H.	103,324,700	88,535,600
(c) Other current liabilities	I.	2,682,500	7,216,700
(d) Short-term provisions	J.	20,559,700	17,288,900
<b>Total</b>		<b>464,353,800</b>	<b>416,729,300</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipments and Intangible Assets			
(i) Property, Plant & Equipments	K.	233,625,900	243,015,200
(ii) Intangible assets	L.	8,200	201,800
(iii) Capital work-in-progress	M.	9,933,700	10,862,100
(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.	15,910,100	15,924,300
(e) Other non-current assets	P.	2,564,000	2,865,100
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	Q.	85,746,600	68,234,900
(c) Trade receivables	R.	57,716,200	20,234,300
(d) Cash and cash equivalents	S.	8,065,400	8,020,300
(e) Short-term loans and advances	T.	48,571,200	45,590,500
(f) Other current assets	U.	1,702,500	1,270,800
<b>Total</b>		<b>464,353,800</b>	<b>416,729,300</b>

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date.

For Bhalchandra D Karve & Associates  
Chartered Accountants  
Firm Registration No.135281W

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

Bhalchandra D Karve  
Proprietor  
Membership No.105965

Chairman and Executive Director  
Sunil H Pophale  
DIN -00064412

Additional Whole-time Director  
Anil G Suryawanshi  
DIN -10052423

Laxmikant S Potdar  
Chief Financial Officer

Place : Mumbai  
Date : May 30, 2023

**Vadivarhe Speciality Chemicals Limited**

**Cash Flow statement for the year ended 31st March, 2023**

**In Rupees (Nearest Hundred)**

<b>Particulars</b>	<b>Year ended 31st March, 2023</b>	<b>Year ended 31st March, 2022</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	11,471,700	(96,077,500)
<b>Adjustments for:</b>		
Depreciation	17,886,400	17,902,500
Dividend Income	(70,000)	-
Interest Received	(533,500)	(793,800)
Interest expense	14,724,900	15,718,500
(Profit) / Loss on the sale of property, plant & equipment	171,600	102,000
<b>Operating Profits before Working Capital Changes</b>	<b>43,651,100</b>	<b>(63,148,300)</b>
<b>Working capital changes:</b>		
(Increase) / Decrease in trade receivables	(37,481,900)	70,881,600
(Increase) / Decrease in inventories	(17,511,700)	(34,817,100)
(Increase) / Decrease in Other receivables	(3,111,300)	7,586,100
(Increase) / Decrease in Long term Loans and advances*	14,200	677,600
Increase / (Decrease) in trade payables	14,789,100	22,486,600
Increase / (Decrease) in other payables	(3,846,300)	8,757,100
<b>Cash generated from operations</b>	<b>(3,496,800)</b>	<b>12,423,600</b>
Income taxes paid( Deferred tax liability written off)	-	-
<b>Net cash from operating activities (A)</b>	<b>(3,496,800)</b>	<b>12,423,600</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(7,588,000)	(9,048,700)
Proceeds from sale of equipment	41,400	75,200
Adjusted against accumulated balances write off	-	-
Dividend income	70,000	-
Interest Received	533,500	793,800
<b>Net cash used in investing activities(B)</b>	<b>(6,943,100)</b>	<b>(8,179,700)</b>
<b>TOTAL (A+B)</b>	<b>(10,439,900)</b>	<b>4,243,900</b>
<b>Cash flows from financing activities</b>		
Increase / (Decrease) in Short term Borrowings - Cash credit facility, Packing Credit, Current maturity of Long Term Borrowings	21,625,500	(3,785,200)
Proceeds from issue of share capital	-	-
Proceeds from Term loan	(28,680,000)	(29,768,300)
Interest on Loan	(14,724,900)	(15,718,500)
Proceed from unsecured loan from Director	32,264,500	43,259,300
<b>Net cash used in financing activities [C]</b>	<b>10,485,000</b>	<b>(6,012,700)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>45,100</b>	<b>(1,768,800)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>8,020,300</b>	<b>9,789,100</b>
<b>Cash and cash equivalents at end of period</b>	<b>8,065,400</b>	<b>8,020,300</b>
<b>Components of Cash and cash equivalents</b>		
Cash in hand	510,900	131,300
Balances with Scheduled banks :		
in current accounts	645,500	1,080,000
in deposits accounts	6,909,000	6,809,000
<b>Cash and cash equivalents in Cash Flow Statement</b>	<b>8,065,400</b>	<b>8,020,300</b>

As per our Report attached of even date.

For Bhalchandra D Karve & Associates  
Chartered Accountants  
Firm Registration No.135281W

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

Bhalchandra D Karve  
Proprietor  
Membership No.105965

Chairman and Executive Director  
Sunil H Pophale  
DIN -00064412

Additional Whole-time Director  
Anil G Suryawanshi  
DIN -10052423

Laxmikant S Potdar  
Chief Financial Officer

Place : Mumbai  
Date : May 30, 2023

**Vadivarhe Speciality Chemicals Limited**  
**Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,**  
**CIN: L24100MH2009PLC190516,**  
**Email id: accounts@vscl.in Website: www.vscl.in**  
**Phone : 02553 691200 Fax :022 26740371**  
**Profit and Loss statement for the year ended**

In Rupees (Nearest Hundred)

Particulars	Note No	Figures for the year ended 31st March, 2023	Figures for the year ended 31st March, 2022
I. Revenue from operations	1	436,786,600	214,493,800
II. Other Income	2	7,242,500	4,131,000
<b>III. Total Income (I +II)</b>		<b>444,029,100</b>	<b>218,624,800</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	3	257,652,200	187,774,800
Purchase of Stock-in-Trade	4	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	5	5,314,400	(38,234,200)
Employee benefit expense	6	44,003,100	43,067,100
Financial costs	7	14,724,900	15,718,500
Depreciation and amortization expense	8	17,886,400	17,902,500
Other Expenses	9	96,707,400	91,026,600
<b>IV. Total Expenses</b>		<b>436,288,400</b>	<b>317,255,300</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	7,740,700	(98,630,500)
VI. Exceptional Items - DIC PSI-2013 Incentive - Prior Period Income		3,731,000 -	2,553,000 -
VII. Profit before extraordinary items and tax (V - VI)		11,471,700	(96,077,500)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		11,471,700	(96,077,500)
X. Tax expense:			
(1) Current tax		-	-
(2) Income Tax of earlier years		-	-
(3) Deferred tax		-	-
(4) MAT Credit entitlement		-	-
(5) MAT Credit utilised		-	-
XI. Profit/(Loss) for the period (IX - X)		11,471,700	(96,077,500)
No. of Shares Outstanding at the end of the period		12,782,750	12,782,750
XII. Earning per equity share:			
(1) Basic		1	(8)
(2) Diluted		1	(8)

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date.

For Bhalchandra D Karve & Associates  
Chartered Accountants  
Firm Registration No.135281W

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

Bhalchandra D Karve  
Proprietor  
Membership No.105965

Chairman and Executive Director  
Sunil H Pophale  
DIN -00064412

Additional Whole-time Director  
Anil G Suryawanshi  
DIN -10052423

Laxmikant S Potdar  
Chief Financial Officer

Place : Mumbai  
Date : May 30, 2023

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

### **NOTES FORMING PART OF ACCOUNTS AS AT 31<sup>st</sup> MARCH 2023**

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

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

The financial statements are presented under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles (GAAP) and applicable Accounting Standards prescribed under Section 133 of Companies Act, 2013. The accounting policies adopted in the preparation of Financial statements are consistent with those followed in previous year.

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

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

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

Sale of goods is recognized when significant risks and rewards of ownership are transferred to the customers., net of taxes (wherever applicable) and is net of discount.

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

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

##### **(4) FIXED ASSETS:**

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

##### **(5) METHOD OF DEPRECIATION AND AMORTISATION:**

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

##### **(6) INVENTORIES:**

- a) Raw Materials are valued on the basis of the Batch wise balance stock at the end of the year. This method has been consistently followed.
- b) Cost of Semi-finished and finished goods comprise of materials cost and conversion cost.
- c) Inventories are valued at lower of cost and net realizable value

(7) INVESTMENTS:

Investments are to be stated at cost.

(8) TAXATION:

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

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

(10) Employment Retirement Benefits:

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

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

(11) Contingent Liabilities:

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

(12) Foreign Exchange Transactions:

- i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- ii) Monetary items in the form of Loans, Current Assets and Current Liabilities in Foreign Currency , outstanding at the close of the year , are converted in Indian currency the appropriate rates of exchange prevailing on the date of the Balance Sheet , resultant gain or loss is accounted in the statement of Profit and loss during the year.
- iii) All other incomes or expenditure in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

For & on behalf of Directors of

**Vadivarhe Specialty Chemicals Limited**

Sd/-  
Sunil H Pophale  
Executive Director

Sd/-  
Anil G Suryawanshi  
Additional Whole-time Director

For Bhalchandra D Karve & Associates  
Chartered Accountants  
Firm Reg. No.135281W

Sd/-  
Laxmikant Potdar  
Chief Financial Officer

Sd/-  
CA Bhalchandra D Karve  
Proprietor  
Membership No. 105965

**Date:** 30<sup>th</sup> MAY, 2023

**Place:** Nashik

**Vadivarhe Speciality Chemicals Limited**

**Cash Flow statement for the year ended 31st March, 2023**

**In Rupees (Nearest Hundred)**

<b>Particulars</b>	<b>Year ended 31st March, 2023</b>	<b>Year ended 31st March, 2022</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	11,471,700	(96,077,500)
<b>Adjustments for:</b>		
Depreciation	17,886,400	17,902,500
Dividend Income	(70,000)	-
Interest Received	(533,500)	(793,800)
Interest expense	14,724,900	15,718,500
(Profit) / Loss on the sale of property, plant & equipment	171,600	102,000
<b>Operating Profits before Working Capital Changes</b>	<b>43,651,100</b>	<b>(63,148,300)</b>
<b>Working capital changes:</b>		
(Increase) / Decrease in trade receivables	(37,481,900)	70,881,600
(Increase) / Decrease in inventories	(17,511,700)	(34,817,100)
(Increase) / Decrease in Other receivables	(3,111,300)	7,586,100
(Increase) / Decrease in Long term Loans and advances*	14,200	677,600
Increase / (Decrease) in trade payables	14,789,100	22,486,600
Increase / (Decrease) in other payables	(3,846,300)	8,757,100
<b>Cash generated from operations</b>	<b>(3,496,800)</b>	<b>12,423,600</b>
Income taxes paid( Deferred tax liability written off)	-	-
<b>Net cash from operating activities (A)</b>	<b>(3,496,800)</b>	<b>12,423,600</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(7,588,000)	(9,048,700)
Proceeds from sale of equipment	41,400	75,200
Adjusted against accumulated balances write off	-	-
Dividend income	70,000	-
Interest Received	533,500	793,800
<b>Net cash used in investing activities(B)</b>	<b>(6,943,100)</b>	<b>(8,179,700)</b>
<b>TOTAL (A+B)</b>	<b>(10,439,900)</b>	<b>4,243,900</b>
<b>Cash flows from financing activities</b>		
Increase / (Decrease) in Short term Borrowings - Cash credit facility, Packing Credit, Current maturity of Long Term Borrowings	21,625,500	(3,785,200)
Proceeds from issue of share capital	-	-
Proceeds from Term loan	(28,680,000)	(29,768,300)
Interest on Loan	(14,724,900)	(15,718,500)
Proceed from unsecured loan from Director	32,264,500	43,259,300
<b>Net cash used in financing activities [C]</b>	<b>10,485,000</b>	<b>(6,012,700)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>45,100</b>	<b>(1,768,800)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>8,020,300</b>	<b>9,789,100</b>
<b>Cash and cash equivalents at end of period</b>	<b>8,065,400</b>	<b>8,020,300</b>
<b>Components of Cash and cash equivalents</b>		
Cash in hand	510,900	131,300
Balances with Scheduled banks :		
in current accounts	645,500	1,080,000
in deposits accounts	6,909,000	6,809,000
<b>Cash and cash equivalents in Cash Flow Statement</b>	<b>8,065,400</b>	<b>8,020,300</b>

As per our Report attached of even date.

For Bhalchandra D Karve & Associates  
Chartered Accountants  
Firm Registration No.135281W

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

Bhalchandra D Karve  
Proprietor  
Membership No.105965

Chairman and Executive Director  
Sunil H Pophale  
DIN -00064412

Additional Whole-time Director  
Anil G Suryawanshi  
DIN -10052423

Laxmikant S Potdar  
Chief Financial Officer

Place : Mumbai  
Date : May 30, 2023

**Vadivarhe Speciality Chemicals Limited**  
**Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,**  
**CIN: L24100MH2009PLC190516,**  
**Email id: accounts@vscl.in Website: www.vscl.in**  
**Phone : 02553 691200 Fax :022 26740371**  
**Profit and Loss statement for the year ended**

In Rupees (Nearest Hundred)

Particulars	Note No	Figures for the year ended 31st March, 2023	Figures for the year ended 31st March, 2022
I. Revenue from operations	1	436,786,600	214,493,800
II. Other Income	2	7,242,500	4,131,000
<b>III. Total Income (I +II)</b>		<b>444,029,100</b>	<b>218,624,800</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	3	257,652,200	187,774,800
Purchase of Stock-in-Trade	4	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	5	5,314,400	(38,234,200)
Employee benefit expense	6	44,003,100	43,067,100
Financial costs	7	14,724,900	15,718,500
Depreciation and amortization expense	8	17,886,400	17,902,500
Other Expenses	9	96,707,400	91,026,600
<b>IV. Total Expenses</b>		<b>436,288,400</b>	<b>317,255,300</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	7,740,700	(98,630,500)
VI. Exceptional Items - DIC PSI-2013 Incentive - Prior Period Income		3,731,000 -	2,553,000 -
VII. Profit before extraordinary items and tax (V - VI)		11,471,700	(96,077,500)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		11,471,700	(96,077,500)
X. Tax expense:			
(1) Current tax		-	-
(2) Income Tax of earlier years		-	-
(3) Deferred tax		-	-
(4) MAT Credit entitlement		-	-
(5) MAT Credit utilised		-	-
XI. Profit/(Loss) for the period (IX - X)		11,471,700	(96,077,500)
No. of Shares Outstanding at the end of the period		12,782,750	12,782,750
XII. Earning per equity share:			
(1) Basic		1	(8)
(2) Diluted		1	(8)

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date.

For Bhalchandra D Karve & Associates  
Chartered Accountants  
Firm Registration No.135281W

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

Bhalchandra D Karve  
Proprietor  
Membership No.105965

Chairman and Executive Director  
Sunil H Pophale  
DIN -00064412

Additional Whole-time Director  
Anil G Suryawanshi  
DIN -10052423

Laxmikant S Potdar  
Chief Financial Officer

Place : Mumbai  
Date : May 30, 2023

**Vadivarhe Speciality Chemicals Limited**  
**Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,**  
**CIN: L24100MH2009PLC190516,**  
**Email id: accounts@vscl.in Website: www.vscl.in**  
**Phone : 02553 691200 Fax :022 26740371**  
**Balance Sheet as at 31st March, 2023**

**In Rupees (Nearest Hundred)**

Particulars	Note No	Figures As at 31st March, 2023	Figures As at 31st March, 2022
<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.	(63,550,600)	(75,022,300)
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	C.	162,640,500	159,056,000
(b) Deferred tax liabilities (Net)	D.	-	-
(c) Other Long term Liabilities	E.	409,700	409,700
(d) Long Term Provisions	F.	3,719,500	6,302,400
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	G.	106,740,300	85,114,800
(b) Trade payables	H.	103,324,700	88,535,600
(c) Other current liabilities	I.	2,682,500	7,216,700
(d) Short-term provisions	J.	20,559,700	17,288,900
<b>Total</b>		<b>464,353,800</b>	<b>416,729,300</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipments and Intangible Assets			
(i) Property, Plant & Equipments	K.	233,625,900	243,015,200
(ii) Intangible assets	L.	8,200	201,800
(iii) Capital work-in-progress	M.	9,933,700	10,862,100
(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.	15,910,100	15,924,300
(e) Other non-current assets	P.	2,564,000	2,865,100
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	Q.	85,746,600	68,234,900
(c) Trade receivables	R.	57,716,200	20,234,300
(d) Cash and cash equivalents	S.	8,065,400	8,020,300
(e) Short-term loans and advances	T.	48,571,200	45,590,500
(f) Other current assets	U.	1,702,500	1,270,800
<b>Total</b>		<b>464,353,800</b>	<b>416,729,300</b>

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date.

For Bhalchandra D Karve & Associates  
Chartered Accountants  
Firm Registration No.135281W

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

Bhalchandra D Karve  
Proprietor  
Membership No.105965

Chairman and Executive Director  
Sunil H Pophale  
DIN -00064412

Additional Whole-time Director  
Anil G Suryawanshi  
DIN -10052423

Laxmikant S Potdar  
Chief Financial Officer

Place : Mumbai  
Date : May 30, 2023

## Notes To and Forming Part of the Balance Sheet

	March 31,2023 Amount	March 31,2022 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.

**Disclosure related to Outstanding share detail**

Particulars	March 31,2023		March 31,2022	
	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the begining of the year	12,782,750	127,827,500	12,782,750	127,827,500
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12,782,750	127,827,500	12,782,750	127,827,500

**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	62.84%	8,032,625
Ms. Aditi S Pophale	11.73%	1,500,000	11.73%	1,500,000
<b>TOTAL</b>		<b>9,532,625</b>		<b>9,532,625</b>

**Shares held by Promoters at end of the year**

Promoter Name	No of Shares		% of total Shares	
	FY 22-23	FY 21-22	FY 22-23	FY 21-22
Mr. Sunil H Pophale	8,032,625	8,032,625	62.84%	62.84%
Ms. Aditi S Pophale	1,500,000	1,500,000	11.73%	11.73%
Mrs. Meena Sunil Pophale	5,375	5,375	0.04%	0.04%
Ms. Manasi Sunil Pophale	250	250	0.00%	0.00%

**Note B : Reserves and Surplus**

Securities Premium Account		
Opening Balance	59,579,900	59,579,900
Less : Utilised during the year for Issuing bonus shares	-	-
Less : Utilised during the year for IPO costs	-	-
Add : Premium received during the year in respect of shares issued in IPO	-	-
Closing balance	<b>59,579,900</b>	59,579,900

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 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.

Surplus / ( Loss ) in the statement of Profit & Loss		
Opening Balance	<b>(134,602,200)</b>	(38,524,700)
Profit / ( Loss ) of the current year	<b>11,471,700</b>	(96,077,500)
Closing balance	<b>(123,130,500)</b>	(134,602,200)
<b>Total</b>	<b>(63,550,600)</b>	(75,022,300)

## Notes To and Forming Part of the Balance Sheet

	March 31,2023 Amount	March 31,2022 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 )	-	296,000
(Above term loan will be settled as on 10/01/2024 Balance Sheet date 31/03/2024) Number of Installment due 9 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 )	-	2,380,000
(Above term loan will be settled as on 10/01/2024 Balance Sheet date 31/03/2024) Number of Installment due 9 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. 32.56 Lakhs)	700,000	4,300,000
(Above term loan will be settled as on 10/06/2024 Balance Sheet date 31/03/2025) Number of Installment due 14 Rs.3,00,000/- and 1 Installment of Rs.1,00,000/-,		
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. 12.50 Lakhs)	2,045,000	4,265,000
(Above term loan will be settled as on 10/02/2025 Balance Sheet date 31/03/2025) Number of Installment due 22 Rs.1,85,000/- and 1 Installment of Rs.1,95,000/-,		
Term Loan From Small Industries Development Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors ) ECLGS Scheme	925,000	2,749,000
(Above term loan will be settled as on 10/09/2024 Balance Sheet date 31/03/2025) Number of Installment due 17 Rs.1,52,000/- and 1 Installment of Rs. 1,65,000/-,		
From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors ) (Above term loan will be settled as on 30/05/2024 Balance Sheet date 31/03/2025) Number of Installment due 13 Rs.8,30,000/- and 1 Installment of Rs.10,30,000/-,	1,860,000	11,820,000
From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors ) (Above term loan will be settled as on 30/07/2024 Balance Sheet date 31/03/2025) Number of Installment due 15 Rs.7,00,000/- and 1 Installment of Rs.5,00,000/-,	2,600,000	11,000,000
From Kotak Mahindra Prime Ltd (Secured by Car ) (Above term loan is settled as on 01/09/2022 Balance Sheet date 31/03/2023) Number of Installment due Nil,	-	-
<b>(b) Unsecured Loans</b>		
Loan from Promotor Director Mr.Sunil H Pophale	153,510,500	121,246,000
Loan from Director Mr. Pramod W Gajare	1,000,000	1,000,000
Loan from Dhumal Industries India Pvt Ltd (Above term loan will be settled as on 31/08/2023 Balance Sheet date 31/03/2024) Number of Installment due 05 Rs.20,00,000/-	-	-
	<b>162,640,500</b>	<b>159,056,000</b>

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

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

	<b>(29,530,567)</b>	<b>(25,401,422)</b>
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Gross Deferred Tax Liability	<b>(29,530,567)</b>	<b>(25,401,422)</b>
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**Deferred Tax Assets**

Change in method of valuation of stock pursuant to Sec 145A

<b>4,012,941</b>	3,193,393
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Unabsorbed Depreciation

<b>34,495,638</b>	34,495,638
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Provision for Bonus

<b>311,142</b>	293,592
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Provision for Leave Encashment

<b>548,496</b>	649,792
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Provision for Gratuity and LTA

<b>1,374,282</b>	2,236,546
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Gross Deferred Tax Assets

<b>40,742,499</b>	40,868,961
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Less : Not recognised since no virtual certainty for set off of losses

<b>11,211,932</b>	15,467,539
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**Net Deferred tax liability**

<b>-</b>	<b>-</b>
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**Note E: Other Long term Liabilities**

Trade Payables

-	-
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Payables on purchase of fixed assets

<b>409,700</b>	409,700
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<b>409,700</b>	409,700
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**Note F: Long Term Provisions**

Provision for Employee Benefits :

Provision for Gratuity

<b>2,228,800</b>	4,807,400
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Provision for Leave Encashment

<b>1,490,700</b>	1,495,000
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<b>3,719,500</b>	6,302,400
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## Notes To and Forming Part of the Balance Sheet

	March 31,2023 Amount	March 31,2022 Amount
<b>Note G: Short-term borrowings</b>		
<b>Secured Loan</b>		
<b>Cash Credit Facility</b>		
From Axis Bank Ltd	47,715,300	39,112,500
(Secured by an exclusive charge by way of hypothecation of Stock & Book Debts)		
<b>Packing Credit</b>	-	-
From Axis Bank Ltd		
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )		
<b>Current maturities of long-term debt</b>		
<b>Term Loans</b>		
Soft Loan From Small Industries Development Bank of India	296,000	288,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )		
(Above term loan will be settled as on 10/01/2024 Balance Sheet date 31/03/2024)		
Number of Installment due 9 Rs.24000/- and last 1 Installment of Rs.80,000/-,		
Term Loan From Small Industries Development Bank of India	2,380,000	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 10/01/2024 Balance Sheet date 31/03/2024)		
Number of Installment due 9 Rs.2,20,000/- and 1 Installment of Rs.4,00,000/-,		
Term Loan From Small Industries Development Bank of India	3,600,000	3,600,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors ) (Lien on Term Deposit Receipts of Rs. 32.56 Lakhs)		
(Above term loan will be settled as on 10/06/2024 Balance Sheet date 31/03/2025)		
Number of Installment due 14 Rs.3,00,000/- and 1 Installment of Rs.1,00,000/-,		
Term Loan From Small Industries Development Bank of India	2,220,000	2,220,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors ) (Lien on Term Deposit Receipts of Rs. 12.50 Lakhs)		
(Above term loan will be settled as on 10/02/2025 Balance Sheet date 31/03/2025)		
Number of Installment due 22 Rs.1,85,000/- and 1 Installment of Rs.1,95,000/-,		
Term Loan From Small Industries Development Bank of India	1,824,000	1,824,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors ) ECLGS Scheme		
(Above term loan will be settled as on 10/09/2024 Balance Sheet date 31/03/2025)		
Number of Installment due 17 Rs.1,52,000/- and 1 Installment of Rs. 1,65,000/-,		
From Axis Bank Ltd	9,960,000	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 30/05/2024 Balance Sheet date 31/03/2025)		
Number of Installment due 13 Rs.8,30,000/- and 1 Installment of Rs.10,30,000/-,		
From Axis Bank Ltd	8,400,000	8,400,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )		
(Above term loan will be settled as on 30/07/2024 Balance Sheet date 31/03/2025)		
Number of Installment due 15 Rs.7,00,000/- and 1 Installment of Rs.5,00,000/-,		
From Kotak Mahindra Prime Ltd	-	699,300
(Secured by Car )		
(Above term loan will be settled as on 01/09/2022 Balance Sheet date 31/03/2023)		
Number of Installment due Nil,		
Unsecured Loan from Dhumal Industries India Pvt Ltd	10,000,000	15,000,000
(Above term loan will be settled as on 31/08/2023 Balance Sheet date 31/03/2024)		
Number of Installment due 05 Rs.20,00,000/-		
Unsecured Export Packing Credit Funding from Drip Capital	20,345,000	1,371,000
	<b>106,740,300</b>	<b>85,114,800</b>

**Note H: Trade Payable**

Creditors for Goods	<b>81,570,700</b>	61,536,100
Other Creditors	<b>21,754,000</b>	26,999,500
Payables on purchase of fixed assets	-	-
	<b>103,324,700</b>	88,535,600

( Please refer Notes to Accounts, Note No 09 for Due to micro and small enterprises)

**Ageing of Trade Payables**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)MSME	407,100	-	-	-	407,100
Previous Year	446,552	-	-	-	446,552
(ii)Others	101,141,170	-	1,776,430	-	102,917,600
Previous Year	86,121,444	1,967,612	-	-	88,089,048
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Note I: Other Current Liabilities****Other Payables**

Advance from Customers	<b>371,700</b>	5,489,000
Statutory Dues	<b>1,695,100</b>	1,028,400
Retention Amount Payable	-	-
Interest Accrued and due	<b>615,700</b>	699,300
	<b>2,682,500</b>	7,216,700

**Note J: Short Term Provisions**

Provision for Employees Benefit		
Provision for L.T.A.	<b>1,529,700</b>	2,116,500
Provision for Bonus	<b>1,196,700</b>	1,129,200
Provision for Gratuity	<b>1,527,200</b>	1,678,200
Provision for Leave Encashment	<b>618,900</b>	1,004,200
Salary and Other Payables (including director remuneration payable )	<b>10,446,800</b>	6,189,300
Provision Others		
Provision for Tax	-	-
Provision for Tax for earlier years		
Provision for Expences	<b>5,240,400</b>	5,171,500
Others	-	-
	<b>20,559,700</b>	17,288,900

Notes To and Forming Part of the Balance Sheet

Notes K, L, & M : Property, Plant & Equipments and Intangible Assets Amount

Description	Gross block				Depreciation / Amortization				Net block	
	As at April 1, 2022	Additions	Deletions / Adjustments	As at March 31, 2023	As at April 1, 2022	For the Year	Deletions / Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
<b>Note K :Property, Plants &amp; Equipments</b>										
Freehold land	12,802,300	-	-	12,802,300	-	-	-	-	12,802,300	12,802,300
Buildings	88,002,300	-	-	88,002,300	27,914,800	2,977,200	-	30,892,000	57,110,300	60,087,500
Air Conditioners	1,478,600	-	-	1,478,600	890,500	304,900	-	1,195,400	283,200	588,100
Office Equipments	4,465,600	127,700	(49,500)	4,543,800	4,085,300	88,000	(47,000)	4,126,300	417,500	380,300
Plant and machinery	123,272,000	6,376,800	(29,800)	129,619,000	52,913,200	5,417,400	(10,800)	58,319,800	71,299,200	70,358,800
Solar Power & Water Heater Plant	29,972,400	-	-	29,972,400	10,325,900	1,912,800	-	12,238,700	17,733,700	19,646,500
R & D Lab & Equipments	5,167,100	-	-	5,167,100	1,232,600	240,700	-	1,473,300	3,693,800	3,934,500
Q.C. Equipments	38,031,700	221,900	(247,100)	38,006,500	13,459,500	1,675,500	(55,600)	15,079,400	22,927,100	24,572,200
ETP	19,382,800	1,691,400	-	21,074,200	4,278,600	964,800	-	5,243,400	15,830,800	15,104,200
Utility	32,207,000	-	-	32,207,000	13,745,000	1,337,500	-	15,082,500	17,124,500	18,462,000
Electrical installation	14,440,500	98,600	-	14,539,100	12,204,700	230,700	-	12,435,400	2,103,700	2,235,800
Computers	4,033,400	-	-	4,033,400	3,792,900	28,500	-	3,821,400	212,000	240,500
Furniture and fixtures	17,699,900	-	-	17,699,900	7,283,400	1,487,900	-	8,771,300	8,928,600	10,416,500
Vehicles	10,693,100	-	-	10,693,100	6,507,100	1,026,800	-	7,533,900	3,159,200	4,186,000
<b>Total</b>	<b>401,648,700</b>	<b>8,516,400</b>	<b>(326,400)</b>	<b>409,838,700</b>	<b>158,633,500</b>	<b>17,692,700</b>	<b>(113,400)</b>	<b>176,212,800</b>	<b>233,625,900</b>	<b>243,015,200</b>
<b>Note L :Intangible Assets</b>										
Computer Softwares	3,301,400	-	-	3,301,400	3,099,600	193,600	-	3,293,200	8,200	201,800
ERP Software	739,400	-	-	739,400	739,400	-	-	739,400	-	-
<b>Total</b>	<b>4,040,800</b>	<b>-</b>	<b>-</b>	<b>4,040,800</b>	<b>3,839,000</b>	<b>193,600</b>	<b>-</b>	<b>4,032,600</b>	<b>8,200</b>	<b>201,800</b>
<b>Note M :Capital Work-in-Progress</b>										
Capital Work-In Progress	6,688,000	3,968,700	(1,237,700)	9,419,000	-	-	-	-	9,419,000	6,688,000
Capital Advances	4,174,100	-	(3,659,400)	514,700	-	-	-	-	514,700	4,174,100
<b>Total</b>	<b>10,862,100</b>	<b>3,968,700</b>	<b>(4,897,100)</b>	<b>9,933,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,933,700</b>	<b>10,862,100</b>
<b>Grand Total</b>	<b>416,551,600</b>	<b>12,485,100</b>	<b>(5,223,500)</b>	<b>423,813,200</b>	<b>162,472,500</b>	<b>17,886,300</b>	<b>(113,400)</b>	<b>180,245,400</b>	<b>243,567,800</b>	<b>254,079,100</b>
Grand Total	408,141,400	9,533,800	(1,123,600)	416,551,600	145,031,500	17,902,300	(461,300)	162,472,500	254,079,100	263,109,900

Note : Title deeds of the above mentioned immovable properties are held in the name of Companies only.

Ageing Schedule of Capital work in progress

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	3,968,700	5,450,300	-	-	9,419,000
Projects temporarily suspended	-	-	-	-	-

Note: No CWIP projects has been overdue from its expected date

# Vadivarhe Speciality Chemicals Limited

## Notes To and Forming Part of the Balance Sheet

	March 31,2023 Amount	March 31,2022 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)		
	510,000	510,000
<b>Note O: Long-term loans and advances</b>		
Advance to Suppliers	33,700	29,100
Mat Credit entitlement		
MAT credit FY 2014-15	990,700	990,700
MAT credit FY 2015-16	10,113,100	10,113,100
MAT credit FY 2016-17	3,248,200	3,248,200
MAT credit FY 2018-19	101,800	101,800
MAT credit FY 2019-20	-	-
Income tax refund - F.Y 13-14	260,000	260,000
Income tax refund - F.Y 15-16	423,200	423,200
Income tax refund - F.Y 18-19	177,100	177,100
Income tax refund - F.Y 19-20	221,400	221,400
Income tax refund	242,900	240,300
TDS/TCS Deducted by Customers, Banks in Current Year	98,000	119,400
VAT Credit (Input) Receivable -Earlier Period	-	-
	15,910,100	15,924,300
<b>Note P: Other non-current assets</b>		
Deposits - Others	2,564,000	2,865,100
Insurance Claim Receivable	-	-
	2,564,000	2,865,100
<b>Note Q : Inventories (at lower of cost and net realisable value)</b>		
Raw Materials	37,230,900	13,965,800
Packing Materials	404,000	843,000
Works In Progress	27,550,000	22,020,200
Finished Goods	20,561,700	31,405,900
<b>Total</b>	<b>85,746,600</b>	<b>68,234,900</b>

**Note R : Trade receivables**

(a) Trade Receivables considered good - Secured		
(i) Related parties	-	-
(ii) Other than related parties	-	-
(b) Trade Receivables considered good - Unsecured		
(i) Related parties	-	-
(ii) Other than related parties	<b>57,716,200</b>	20,234,300
(c) Doubtful		
(i) Related parties	-	-
(ii) Other than related parties	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>57,716,200</b>	<b>20,234,300</b>

**Trade Receivable Ageing Schedule**

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivable-Considered Good	47,549,400	10,122,500	44,300	-	-	<b>57,716,200</b>
Previous Year	19,257,900	976,400	-	-	-	20,234,300
(ii) Undisputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
iii) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Consider Doubtful	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-

**Note S : Cash and cash equivalents**

Cash on hand	<b>510,900</b>	131,300
Balances with Scheduled banks :		
in current accounts	<b>645,500</b>	1,080,000
in deposits accounts ( Fixed deposits with maturity more than three months	<b>6,909,000</b>	6,809,000
<b>Total</b>	<b>8,065,400</b>	<b>8,020,300</b>

## Vadivarhe Speciality Chemicals Limited

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

	March 31,2023 Amount	March 31,2022 Amount
<b>Note T : Short-term loans and advances</b>		
(Unsecured, Considered good unless otherwise stated)		
Advances recoverable in cash or in kind for value to be received		
Loans and Advances To Related Parties ( Refer note 11.2)	-	-
Advances to suppliers	3,255,800	3,038,500
Loans and Advances to Staff	167,500	303,500
(Secured to the extent of Rs. Nil (Previous Year: Rs. Nil)		
Balances with Customs, Port Trust, Excise etc. GST Receivables	43,169,000	40,259,200
Deposit others	-	-
Prepaid Expenses	1,978,900	1,989,300
<b>Total</b>	<b>48,571,200</b>	<b>45,590,500</b>
<b>Note U : Other Current Assets</b>		
Interest accrued but not received on NSC, FD and Others	1,393,900	962,200
Others	308,600	308,600
<b>Total</b>	<b>1,702,500</b>	<b>1,270,800</b>

**Vadivarhe Speciality Chemicals Limited**
**Notes To and Forming Part of the Profit and Loss Accounts**

	March 31,2023 Amount	March 31,2022 Amount
<b>Note 1 : Revenue from operations</b>		
Sales of Goods (Gross)	433,079,700	209,075,300
Less - Excise Duty	-	-
	<u>433,079,700</u>	<u>209,075,300</u>
Service Income	3,706,900	5,418,500
	<u>436,786,600</u>	<u>214,493,800</u>
<b>Note 2 : Other income</b>		
Interest on		
- NSC, FD and Others	533,500	793,800
- Income Tax, Sales Tax and Others	-	-
Dividend Received	70,000	-
Discount Received	3,100	48,100
Exchange Diference (Gain)	-	-
Insurance Claim Received	-	-
Export- Rebate (MEIS) & Duty Drawback Incentive	6,615,400	3,275,900
Miscellaneous Income	20,500	13,200
<b>Total</b>	<u>7,242,500</u>	<u>4,131,000</u>
<b>Note 3 : Cost of Materials consumed</b>		
Raw Materials		
Opening stock	13,965,800	17,382,200
Purchases during the year	259,407,500	184,440,000
Inventory Gain/(Loss)/Others	17,465,700	(1,896,000)
Closing stock	37,230,900	13,965,800
Raw material consumed	<u>253,608,100</u>	<u>185,960,400</u>
Packing Materials		
Opening stock	843,000	843,700
Purchases during the year	1,592,800	945,000
Closing stock	404,000	843,000
Packing material consumed	<u>2,031,800</u>	<u>945,700</u>
R&D and other Material Consumed	2,012,300	868,700
<b>Total</b>	<u>257,652,200</u>	<u>187,774,800</u>
<b>Note 4 : Purchase of Stock-in-Trade</b>		
Trading goods purchased	-	-
	<u>-</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	22,020,200	11,712,800
Less: Closing Stock	27,550,000	22,020,200
	<u>(5,529,800)</u>	<u>(10,307,400)</u>
<b>Finished Goods</b>		
Opening Stock	31,405,900	3,479,100
Less: Closing Stock	20,561,700	31,405,900
	<u>10,844,200</u>	<u>(27,926,800)</u>
<b>Stock-in-Trade</b>		
Opening Stock	-	-
Less: Closing Stock	-	-
	<u>-</u>	<u>-</u>
	<u>5,314,400</u>	<u>(38,234,200)</u>

**Vadivarhe Speciality Chemicals Limited**
**Notes To and Forming Part of the Profit and Loss Accounts**

	March 31,2023 Amount	March 31,2022 Amount
<b>Note 6 : Employee Benefit Expense</b>		
Salaries, Wages and Bonus (Including Directors Remuneration, Refer Note 11 [10.7])	37,813,100	36,485,700
Contribution to Provident and other funds	2,906,900	2,824,100
Gratuity Expenses (Refer Note 11.05 )	683,300	1,317,400
Workmen and Staff Welfare Expenses	2,599,800	2,439,900
<b>Total</b>	<b>44,003,100</b>	<b>43,067,100</b>
<b>Note 7 : Financial Expenses</b>		
Interest		
- On Term Loan from Axis Bank/SIDBI/Unsecured Loan	7,934,400	10,693,100
- On Bank Cash credit facility	6,735,200	4,920,100
- On Loan from NBFC	55,300	105,300
<b>Total</b>	<b>14,724,900</b>	<b>15,718,500</b>
<b>Note 8 : Depreciation and Amortization Expenses</b>		
Depreciation on Tangible Fixed Assets	17,692,800	17,690,000
Depreciation on Intangible Fixed Assets	193,600	212,500
<b>Total</b>	<b>17,886,400</b>	<b>17,902,500</b>
<b>Note 09 : Manufacturing, Operation, Admin and Other Expenses</b>		
<b><u>Manufacturing Expenses</u></b>		
Consumption of Consumables, Stores and Spares	3,815,100	3,714,800
Labour Charges	26,145,800	22,865,800
Job Work Charges	911,900	149,300
Power and Fuel	23,335,700	21,507,500
Rates and Taxes	5,357,200	2,033,100
Repairs and Maintenance of Plant and Machinery	10,579,900	14,157,400
	<b>70,145,600</b>	<b>64,427,900</b>
<b><u>Selling and Distribution Expenses</u></b>		
Insurance	1,548,800	1,316,100
Freight and Forwarding Charges	7,041,700	3,759,400
Advertisement and Sales Promotion	166,400	26,000
Commission	202,500	1,275,300
	<b>8,959,400</b>	<b>6,376,800</b>
<b><u>Admin and Other Expenses</u></b>		
Repairs and Maintenance of Building	336,100	605,300
Repairs and Maintenance of General and Others	1,481,400	1,188,900
Exchange Difference - Loss	(1,270,700)	(1,332,700)
Printing and Stationery	312,500	355,000
Communication Costs	423,300	499,300
Travelling and Conveyance	4,875,300	3,974,100
Legal and Professional Charges	6,750,200	6,722,900
Bank Charges	1,299,400	958,400
Rent	270,000	540,000
Interest /Penalties	42,600	245,200
Auditors' Remuneration (Refer Note 11 [10.8])	125,000	125,000
Security Charges	2,254,400	2,234,200
Loss on Sale of Asset	171,600	102,000
Corporate Social and Environmental Responsibility Expenses (CSR & CER)	72,000	397,000
Inventory Written off	-	-
Insurance Claim Receivable & Others Written off (Net)	(2,537,200)	52,400
Doubtfull Debts	-	-
Testing, sampling EHS safety Expenses	1,462,600	2,006,200
Administration Expenses	1,533,900	1,548,700
	<b>17,602,400</b>	<b>20,221,900</b>
<b>Total</b>	<b>96,707,400</b>	<b>91,026,600</b>

## Vadivarhe Speciality Chemicals Limited

### Notes to the accounts

#### Note 10

##### 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, 2023 Amount	March 31, 2022 Amount
<b>Sales Revenue by Geographical Market (including Service Income)</b>		
India	76,843,500	103,038,500
Outside India	359,943,100	111,455,300
Total	436,786,600	214,493,800

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, 2023 Amount	March 31, 2022 Amount
<b>Carrying amount of Segment Assets and Intangible Assets</b>		
India	233,634,100	243,217,000
Outside India	-	-
Total	233,634,100	243,217,000
<b>Additions to Fixed Assets including Capital Work In Progress</b>		
India	12,485,100	9,533,800
Outside India	-	-
Total	12,485,100	9,533,800

**Vadivarhe Speciality Chemicals Limited**
**Notes to the accounts**
**Note 10**
**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. Pramod W Gajare
	Director	Mr. Anil G Suryavanshi ( w e f 15/03/2023)

Enterprises over which key management personnel exercise significant influence	1 Zenvision Pharma LLP
	2 ReecordCure Enterprises
	3 Reelabs Pvt Ltd
	4 Starkut Media & Entertainment pvt Ltd
	5 Respects Lab LLP
	6 CAVITR Ltd

**a) Related party transactions:**

Particulars	Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Purchase of goods	-	-	551,900	20,676,000	551,900	20,676,000
Sale of goods	-	-	599,600	3,304,000	599,600	3,304,000
Services Provided	-	-	-	-	-	-
Services Taken	-	-	-	-	-	-
Security Deposit Given	-	-	-	-	-	-
Security Deposit Returned	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Loan taken	40,275,900	48,044,300	-	-	40,275,900	48,044,300
Loan given	-	-	-	-	-	-
Loan repaid to	8,011,300	3,285,000	-	-	8,011,300	3,285,000
Loan repaid by	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Managerial remuneration *	5,318,100	5,056,300	-	-	5,318,100	5,056,300
<b>Closing Outstanding Balances:</b>						
Receivables	-	-	2,500,000	-	2,500,000	-
Payables	159,872,800	125,286,000	1,367,500	1,367,500	161,240,300	126,653,500

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

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

Particulars	Key Management Personnel	
	March 31, 2023	March 31, 2022
<b>Managerial remuneration:</b>		
Director -Mrs. Meena S Pophale	1,200,000	1,200,000
Director -Mr.Sunil H Pophale	1,200,000	1,200,000
Director -Mr.Pramod W Gajare	2,718,000	2,656,300
Director -Mr.Anil G Suryawanshi	200,100	-
<b>Total</b>	<b>5,318,100</b>	<b>5,056,300</b>
<b>Loan taken :</b>		
Director -Mr.Sunil H Pophale	40,275,900	48,044,300
Director -Mr. Pramod W Gajare	-	-
<b>Total</b>	<b>40,275,900</b>	<b>48,044,300</b>
<b>Loan repaid to :</b>		
Director -Mr.Sunil H Pophale	8,011,300	3,285,000
Director -Mr. Pramod W Gajare	-	-
<b>Total</b>	<b>8,011,300</b>	<b>3,285,000</b>
<b>Goods purchased from:</b>		
Zenvision Pharma LLP	-	-
Respect Labs LLP	551,900	20,676,000
ReeLabs Pvt Ltd	-	-
<b>Total</b>	<b>551,900</b>	<b>20,676,000</b>
<b>Goods sold to::</b>		
Zenvision Pharma LLP	-	-
Respect Labs LLP	599,600	3,304,000
ReeLabs Pvt Ltd	-	-
<b>Total</b>	<b>599,600</b>	<b>3,304,000</b>
<b>Services taken from:</b>		
Zenvision Pharma LLP	-	450,000
Respect Labs LLP	-	-
ReeLabs Pvt Ltd	-	-
CEVITR Ltd	-	-
<b>Total</b>	<b>-</b>	<b>450,000</b>
<b>Services given to:</b>		
Zenvision Pharma LLP	-	-
Respect Labs LLP	-	-
ReeLabs Pvt Ltd	-	-
CEVITR Ltd	2,424,600	3,057,800
<b>Total</b>	<b>2,424,600</b>	<b>3,057,800</b>

<b>Outstanding balance :</b>		
<b>Directors remuneration -</b>		
Director -Mrs. Meena S Pophale	2,077,500	1,086,100
Director -Mr.Sunil H Pophale	480,800	1,565,200
Director -Mr.Pramod W Gajare	2,340,800	388,700
Director -Mr.Anil G Suryawanshi	463,200	-
<b>Total</b>	<b>5,362,300</b>	<b>3,040,000</b>
<b>Loan from Directors-</b>		
Director -Mr.Sunil H Pophale	153,510,500	121,246,000
Director -Mr.Pramod W Gajare	1,000,000	1,000,000
<b>Total</b>	<b>154,510,500</b>	<b>122,246,000</b>
<b>Enterprise- Receivable</b>		
Respect Labs LLP	2,500,000	-
CEVITR Ltd	-	-
<b>Total</b>	<b>2,500,000</b>	<b>-</b>
<b>Enterprise- Payable</b>		
Zenvision Pharma LLP	1,303,500	1,303,500
ReeLabs Pvt Ltd	64,000	64,000
<b>Total</b>	<b>1,367,500</b>	<b>1,367,500</b>

**Vadivarhe Speciality Chemicals Limited**

**Notes to the accounts**

**Note 10**

	<b>March 31, 2023</b>	March 31, 2022
	<b>Amount</b>	Amount
<b>03 Capital Commitments</b>		
Estimated amount Of contracts remaining to be executed on capital account and not provided for	-	-

**04 Provisions and Contingencies**

Bank Guarantee provided to Maharashtra Pollution Control Board of Rs 2,26,82,000/-  
GST ITC Reversed under Protest Rs. 18,37,223/-. As per GST Audit FY 2017-18 to 2019-20, GST Auditor asked to pay IGST as same is not reflecting in 2A. Submitted detailed Answer to GST Audit Dept about as per rules, it is liable to claim. Matter is under review

# Vadivarhe Speciality Chemicals Limited

## Notes to the accounts

### Note 10

#### 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, 2023 Amount	March 31, 2022 Amount
<b>Profit and Loss Account</b>		
<b>Net employee benefit expense (recognized in Employee Cost)</b>		
Current service cost	747,800	831,100
Interest cost on benefit obligation	452,600	360,000
Expected Return on plan assets	(183,500)	(160,900)
Net Actuarial (gain)/ loss recognized in the year	(1,153,200)	220,400
Net benefit expense	(136,300)	1,250,600
Actual return on plan assets	183,500	160,900
<b>Balance Sheet</b>		
<b>Net liability recognised in the balance sheet</b>		
Defined benefit obligation	6,295,500	6,485,700
Fair value of plan assets	2,539,500	2,444,800
Plan (Liability)	(3,756,000)	(4,040,900)
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligations	6,485,700	5,568,200
Interest cost	452,600	360,000
Current service cost	747,800	831,100
Benefits paid	240,800	500,500
Actuarial (gain)/Loss on obligations	(1,149,800)	226,900
Closing defined benefit obligations	6,295,500	6,485,700
<b>Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	2,444,800	2,468,900
Expected return on plan assets	183,500	160,900
Contributions by employer	148,600	309,000
Benefits paid	240,800	500,500
Actuarial (gain)/Loss on Plan Assets	3,400	6,500
Closing fair value of plan assets	2,539,500	2,444,800

Notes to the accounts

Note 10

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, 2023 %	March 31, 2022 %
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	7.43%	7.11%
Expected rate of return on assets	7.65%	6.78%
Withdrawal rate	1.00%	1.00%
Expected rate of Salary increase	5.00%	5.00%
Mortality Pre-retirement	IALM(2012-14) Ultimate	IALM(2012-14) 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. 29,06,914/- (Previous Year: Rs.28,24,141/-) 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 derivate 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, 2023		March 31, 2022	
		Foreign Currency	Amount	Foreign Currency	Amount
Export Debtors	USD	511,240	41,977,916	159,345	12,094,286
Export Debtors	GBP	3,182	261,274	-	-
Advance from Customers	USD	-	-	13,100	994,290
Import Creditors	USD	209,398	17,193,629	134,125	10,180,088
Advance to Import Creditors	USD	-	-	350	26,565
FCTL from Banks	USD	-	-	-	-
PCFC from Axis Bank/Drip Capital	USD	250,000	20,345,000	18,063	1,370,982
EEFC account in Axis Bank	USD	664	54,036	-	-

## Vadivarhe Speciality Chemicals Limited

### Notes to the accounts

#### Note 10

07

Excise duty on sales amounting to Rs. NIL/- (Previous Year: Rs. NIL/-) has been reduced from sales in Profit & Loss account and has been considered as (income) / expense in Note No 9 & 10 financial statements.

#### 08 Earning Per Share (EPS)

Particulars	March 31, 2023 Amount	March 31, 2022 Amount
<b>Basic and Diluted earning per share</b>		
Profit after tax attributable to equity shareholders (in Rs.)	<b>11,471,700</b>	(96,077,500)
<u>Calculation of Weighted Average number of Equity Shares</u>		
Number of equity shares at the beginning of the year	<b>12,782,750</b>	12,782,750
Number of shares issued during the year	-	-
Number of equity shares outstanding at the end of the year	<b>12,782,750</b>	12,782,750
Weighted average number of equity shares outstanding during the year	<b>12,782,750</b>	12,782,750
Basic and diluted earnings per share (in Rs.)	<b>1</b>	(8)
Face Value per share (in Rs.)	<b>10</b>	10

\*Note :The company has split the Equity shares of denomination of Rs 100 to Denomination of Rs 10/- on 17/08/2016.

The Company has declared bonus shares in the ratio of 3:2 (3 share bonus for Every 2 shares held in Company) on 27/02/2017 to all existing shares holders.

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

Particulars	March 31, 2023 Amount	March 31, 2022 Amount
1 Principal amount remaining unpaid	<b>407,100</b>	446,552
2 Interest due on the unpaid amount	-	-
3 Interest paid u/s 16 of MSMED Act 2006	-	-
4 Interest paid after appointed date	-	-
5 Interest accrued and remain unpaid	-	-
6 Additional interest due	-	-
	<b>407,100</b>	<b>446,552</b>

The information has been given in respect of such vendors to the extent they could be identified as “Micro and Small Enterprises” enterprises on the basis of information available with the Company

The Company deals with various Micro and Small Enterprises on mutually accepted terms and conditions. Accordingly, no interest is payable if the terms are adhered to by the Company. Consequently, no interest has been paid or is due and no provision for interest payable to such units is required or has been made under Micro, Small and Medium Enterprises Development Act, 2006.

Notes to the accounts

Note 10

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

**10.1 Licensed capacity, Installed Capacity and Actual Production**

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

Particulars	Units	Installed Capacity *		Actual Production * *	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Quantity	Quantity	Quantity	Quantity
Chemicals	Tons	150	150	83	88

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

\*\* Including Jobwork Manufactured Quantity

**10.2 Details of Finished Goods**

Opening stocks (including inventory acquired):

Particulars	Units	March 31, 2023		March 31, 2022	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	6.44	31,405,900	1.98	3,479,100
		6.44	31,405,900	1.98	3,479,100

Closing Stocks:

Particulars	Units	March 31, 2023		March 31, 2022	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	3.68	20,561,700	6.44	31,405,900
		3.68	20,561,700	6.44	31,405,900

**10.3 Sales**

Particulars	Units	March 31, 2023		March 31, 2022	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	81.71	433,079,700	79.34	209,075,300
		81.71	433,079,700	79.34	209,075,300

# Vadivarhe Speciality Chemicals Limited

## Notes to the accounts

### Note 10

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

#### 10.4 Consumption of Raw Materials

Particulars	Units	March 31, 2023		March 31, 2022	
		Quantity	Amount	Quantity	Amount
2-Amino-6-Methylpyridine	Tons	12.00	14,295,700	1.55	1,804,100
Palladium Acetate	Tons	0.00	6,044,200	0.00	9,806,200
Methanol	Tons	365.16	11,656,200	237.73	9,140,600
Tri Ethyl Amine ( TEA )	Tons	48.02	9,587,100	9.32	2,096,600
Ethyl Acetate	Tons	195.09	19,809,300	64.69	8,250,000
Ketoprofen Nitrile	Tons	2.08	12,730,100	1.53	7,504,500
1-Nitroanthraquinone	Tons	18.00	17,507,700	6.30	7,123,200
Hexane / N-Hexane / Mintroleum	Tons	31.38	4,468,100	58.89	6,221,200
IPA HCL	Tons	60.75	8,316,800	5.72	876,200
Acetic Anhydride	Tons	54.28	7,875,200	7.27	1,273,100
Thiocarbonyl Dihyrazide	Tons	5.54	7,382,100	0.90	1,364,300
M-Toluidine	Tons	38.35	11,257,500	16.02	3,914,000
Iso Propyl Alcohol	Tons	45.52	4,852,000	31.96	3,604,500
Toluene	Tons	82.93	9,293,800	38.22	3,093,500
M-Toluoyl Chloride	Tons	14.33	7,044,900	0.80	409,100
Others		1,488.05	101,487,400	468.08	119,479,300
<b>Total</b>			<b>253,608,100</b>		<b>185,960,400</b>

#### 10.5 Value of imports calculated on CIF basis

Particulars	March 31, 2023 Amount	March 31, 2022 Amount
Raw Material	60,079,100	40,984,600
Capital Goods	671,500	-
<b>Total</b>	<b>60,750,600</b>	<b>40,984,600</b>

#### 10.6 Imported and indigenous raw materials consumed

Particulars	March 31, 2023		March 31, 2022	
	Amount	%	Amount	%
a) Imported	57,470,100	22.66	40,396,200	21.72
b) Indigenously obtained	196,138,000	77.34	145,564,200	78.28
<b>Total</b>	<b>253,608,100</b>	<b>100.00</b>	<b>185,960,400</b>	<b>100.00</b>

## Vadivarhe Speciality Chemicals Limited

### Notes to the accounts

#### Note 10

##### 10.7 Directors' Remuneration

	March 31, 2023 Amount	March 31, 2022 Amount
To Executive Directors:		
Salaries	5,092,000	4,890,600
Perquisites	-	-
Contribution to Provident and Other funds	226,100	165,700
Other allowances including Commission	-	-
(includes directors' sitting fees of Nil (Previous Year: Rs. Nil))		
	<b>5,318,100</b>	<b>5,056,300</b>

##### 10.8 Auditors' Remuneration

	March 31, 2023 Amount	March 31, 2022 Amount
Statutory audit fees (Inclusive Service Tax)	100,000	100,000
Tax Audit Fees	25,000	25,000
GST Audit Fees	-	-
Out of pocket expenses	-	-
	<b>125,000</b>	<b>125,000</b>

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

	March 31, 2023 Amount	March 31, 2022 Amount
Travelling expenses	-	567,700
Commission, Business Promotion, Exhibition Expenses (Including Advance/Prepaid)	472,500	-
Repaires & Maintenance of QC Equipment	-	-
Testing Expenses	-	-
Legal & Professional Expenses (Including Capitalised)	312,600	-
	<b>785,100</b>	<b>567,700</b>

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

	March 31, 2023 Amount	March 31, 2022 Amount
FOB value of exports	359,943,100	111,455,300
	<b>359,943,100</b>	<b>111,455,300</b>

#### 11 Details of Revenue Expenditure directly related to R&D

Raw material consumed	434,900	571,200
Packing Material	-	-
	<b>434,900</b>	<b>571,200</b>

#### 12 Details of CSR spent during the financial year:-

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

(b) Amount unspent if any – **Nil**

(c) Amount debited to Profit and Loss - Rs **Nil**

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

## Notes to the accounts

## Note 10

13) Additional Regulatory Information

- i) Details of immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company and where such immovable property is jointly held with others, details are required to be given to the extent of company's share

Relevant line Item in the balance Sheet	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company (Also indicate if in dispute)
PPE	Title deeds of the all immovable properties are held in the name of Companies only.					
Investment Property						
Non current asset held for sale						
Others						

- ii) There is No revaluation of company's Property, Plant and Equipment as on 31.03.2023 and 31.03.2022.
- iii) There is no any loans and advances in the nature of loans granted to promoters, KMPs, directors and related parties.
- iv) Capital-Work-in-Progress as on 31.03.2023 and 31.03.2022 are disclosed in Schedule KLM
- v) Intangible assets under development as on 31.03.2023 and 31.03.2022 are disclosed in Schedule KLM
- vi) There is no benami property held by Company as on 31.03.2023 and 31.03.2022.
- vii) Company is not declared as wilful defaulter by any authority
- viii) Company don't have any transactions with companies struck off u/s 248 or 560 of the Companies Act, 2013
- ix) There is a Charge registered with the ROC of the company which is open as on 31st March 2023 as per master records uploaded on Ministry of Corporate Affairs. The details of which are as below:

Assets under charge	Charge Amount	Date of Creation
Immovable property, Current assets, Plant & Machinery etc. -Axis Bank Nashik	75,000,000	15-01-19
	155,000,000	14-09-15
Immovable property or any interest therein; Movable property (not being pledge); PG of Directors - Small Industries Development Bank of India, Nashik	20,000,000	19-06-16
	16,000,000	14-03-19
	10,000,000	13-02-20
	5,485,000	06-10-20
	281,485,000	

- x) Compliance with approved scheme of arrangements u/s 230 to 237 of Companies Act,2013 is not applicable to this company.
- xi) There is No any loans/funds advanced to any Intermediaries or funds to be received from Funding Parties.
- xii) The Company has borrowings from Bank or financial institution in the nature of cash credit on the basis of security of stock, book debts, collateral security and personal guarantee of directors. The outstanding balance as on 31st March, 2023

The Company also has following Secured Loans as at 31st March, 2023:

Particulars	Sanctioned Limit	Outstanding Amount as on 31/03/2023
Cash Credit with Axis Bank Ltd, Nahik	50,000,000	47,715,294
Term Loan from Axis Bank Nashik	75,000,000	22,820,000
Packing Credit with Axis Bank Nashik	7,500,000	-
Bank Guarantee Limit with Axis Bank Nashik	22,500,000	22,500,000
Term Loan from Small Industries Development Bank of India, Nashik	51,485,000	13,990,000
<b>TOTAL</b>	<b>206,485,000</b>	<b>107,025,294</b>

- xiii) The Company has Not declared/proposed any interim and final dividend for the year and previous financial year.
- xiv) As per Rule 11 (e) of Companies (Audit and Auditors) Rules, 2014, the company has not loaned or advanced or invested or received any funds to/from any entity(ies) or person(s) including foreign entities.
- xv) Compliance with number of layers of companies-Not Applicable to the Company
- xvi) The Company has not traded or invested in crypto currency or virtual currency during the F.Y. 2022-23.

## Notes to the accounts

## Note 10

## 14 Disclosure of significant Ratios :-

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Reason for change in % where the deviation is more than 25%
Current Ratio	Current Assets	Current Liabilities	0.87	0.73	-19.18%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	4.19	4.62	9.37%	
Debt Service Coverage Ratio	Earning for Debt Service= Net Profit After Taxes+Non-cash operating Expenses+Finance Cost	Debt service = Interest & Lease Payments + Principal Repayments	0.10	-0.33	129.55%	Because of increase in Turnover & decrease in lossess
Return on Equity Ratio	Net Profit After Taxes-Preference Dividend	Average Shareholder's Equity	17.85%	-181.95%	109.81%	Because of increase in Turnover & decrease in lossess
Inventory turnover ratio	Cost of Goods Sold	Average Inventory	3.07	2.19	-39.94%	Because of increase in Turnover
Trade Receivables turnover ratio	Net Credit Sales=Gross Credit sales-Sales Return	Average Trade Receivable	7.81	11.52	32.21%	Trade Receivables decease due to recoveries of old reeeivables & reduction in Credit Periods
Trade payables turnover ratio	Net Credit purchases=Gross credit purchases-Purchase Return	Average Trade Payables	4.15	3.42	-21.31%	
Net capital turnover ratio	Net Sales=Total Sales-Sales Return	Working capital = Current assets –Current liabilities	-13.88	-3.95	-251.46%	Because of increase in Turnover
Net profit ratio	Net Profit	Net sales = Total sales - sales	2.63%	-44.79%	105.86%	Because of increase in Turnover & earned Net Profit
Return on Capital employed	Earnings Before interest & Taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.11	-0.37	130.84%	Because of increase in Turnover & earned Net Profit
Return on investment	Net Profit After Taxes	Total Assets	2.47%	-23.06%	110.72%	Because of increase in Turnover & earned Net Profit

## 15 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 Bhalchandra D Karve & Associates  
Chartered Accountants  
Firm Registration No.135281W

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

Bhalchandra D Karve  
Proprietor  
Membership No.105965

Chairman and Executive Director  
Sunil H Pophale  
DIN -00064412

Additional Whole-time Director  
Anil G Suryawanshi  
DIN -10052423

Laxmikant S Potdar  
Chief Financial Officer

Place : Mumbai  
Date : May 30, 2023