



Date: September 5, 2022

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, Bandra-Kurla
Complex, Bandra (East), Mumbai-400 051

NSE Symbol: VSCL

Subject: Annual Report of the Company for the Financial Year 2021-22 pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations')

Dear Sir/Madam,

We wish to inform you that the **Thirteenth (13th) Annual General Meeting (AGM)** of **Vadivarhe Speciality Chemicals Limited** ("the Company") will be held on Wednesday, September 28, 2022 at 12.30 p.m. through Video conferencing ("VC")/other audio-visual means ("OAVM") in accordance with the General Circulars issued by the Ministry of Corporate Affairs dated May 05, 2020, read with General Circulars dated April 08, 2020, April 13, 2020, January 13, 2021 and May 5, 2022 and SEBI Circulars. The venue of the meeting shall be deemed to be the registered office of the Company situated at Gat No. 204, Vadivarhe, Igatpuri – 422403.

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed herewith the copy of Annual Report of the Company along with the Notice of the 13th AGM for the Financial Year 2021-22. The said Annual Report is also available on the website of the Company, i.e., www.vscl.in.

Kindly take the same on record.

For **Vadivarhe Speciality Chemicals Limited**

Meena Pophale

Whole Time Director

DIN: 00834085

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

Place: Mumbai

Encl: As above

Vadivarhe Speciality Chemicals Ltd.

Corporate Office: K. K. Chambers, Sir P. T. Road, Fort, Mumbai - 400 001. Tel: 022-22072526 Fax: 022-26740371

Registered Office & Factory: Gat No. : 204, Nashik - Mumbai Highway, VTC Phata, Vadivarhe,

Taluka - Igatpuri, Dist.: Nashik - 422403 Tel: 02553-282200 / 238 / 252

Email: sales@vscl.in Website: www.vscl.in

CIN: L24100MH2009PLC190516



ANNUAL REPORT 2021-22

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CORPORATE INFORMATION

NAMES OF PAST AND PRESENT DIRECTORS OF THE COMPANY WITH DIRECTOR IDENTIFICATION NUMBERS (DIN) ¹

Sr. No.	Name of the Person	Designation	DIN
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

Key Managerial Personnel:

Ms. Priyanka Nagda*

Company Secretary

Mr. Laxmikant Potdar

Chief Financial Officer

** Ceased to be an Company Secretary and Compliance officer w.e.f February 28, 2022*

Registered office of the Company:

Gat No. 204, Vadivarhe, Igatpuri – 422403

¹The 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 THIRTEENTH (13TH) ANNUAL GENERAL MEETING OF THE MEMBERS OF VADIVARHE SPECIALITY CHEMICALS LIMITED ('THE COMPANY') WILL BE HELD ON WEDNESDAY, SEPTEMBER 28, 2022 AT 12:30 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:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Mrs. Meena S. Pophale (DIN: 00834085) as a director, who retires by rotation and being eligible offers herself for re-appointment.

**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

E-mail: accounts@vscl.in

Date: September 5, 2022

NOTES

1. In accordance with General Circulars issued by 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 and Circular No.2/2022 dated May 5, 2022 (collectively referred to as "MCA 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, the AGM of the Company is being held through VC / OAVM.
2. 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 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.
3. Institutional investors, who are members of the Company, are encouraged to attend the 13th 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 with a copy marked to evoting@nsdl.co.in.
4. 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.
5. 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.
6. 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 cs@vscl.in.
7. 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.

8. 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.
9. 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 and May 05, 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.
10. 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 2021-22 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 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.
11. 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 between Wednesday, September 21, 2022 (09.00 a.m. IST) and Saturday, September 24, 2022 (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.
12. The Company has appointed Mr. Makarand Joshi failing him Mrs. Kumudini Bhalerao, Partner at Makarand M. Joshi & Co., Practicing Company Secretaries, to act as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and Mr. Makarand Joshi has communicated his willingness to be appointed and be available for the purpose.
13. 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.

14. 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.
15. The results declared along with the Scrutinizer's Report will be made available on the website of the Company (www.vscl.in) and on Service Provider's website (www.evoting.nsdl.com) and the same shall be communicated to BSE 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 Friday, September 23, 2022 (09.00 a.m. IST) and Tuesday, September 27, 2022 (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. Wednesday, September 21, 2022 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. Wednesday, September 21, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you 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 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. Wednesday, September 21, 2022, 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">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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 & voting during the meeting.2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp3. 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. 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 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 & voting during the meeting.4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below

	<p>for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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 & 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

Login type	Helpdesk details
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

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:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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 13***** then your user ID is IN300***13*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 13***** then your user ID is 13*****.
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***

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.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on 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 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 with a copy marked to 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 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 or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at 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.
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). 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 demat mode.**

3. Alternatively, shareholder/members may send a request to 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:

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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 not barred 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 AS UNDER:

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). 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 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.

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 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 and to the Company at the email address viz; 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, under help section or write an email to evoting@nsdl.co.in or contact Ms. Sarita Mote - 1800-222-990.

All grievances connected with the facility for voting by electronic means may be addressed to evoting@nsdl.co.in or contact Ms. Sarita Mote - 1800-222-990.

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.

Name	Mrs. Meena Sunil Pophale
Age	61 years
Qualifications and Experience	Bachelor of Arts
Date of first Appointment on the Board	23/02/2009
Expertise in Specific Functional Areas	She is having around 35 years' experience and presently looking after Human Resources and Admin matters of the Company.
Directorship held in other listed entities Membership/ Chairmanship of Committees	N/A
Number of shares held in the Company	5,375 equity shares
Terms and Conditions of Appointment/re-appointment	As agreed between the Board of Directors and Mrs. Meena Pophale
Details of Remuneration sought to be paid	Rs. 12,00,000/- per annum (inclusive of Salary, perquisites, benefits and allowances)
Remuneration last drawn	Rs. 12,00,000/- per annum (inclusive of Salary, perquisites, benefits and allowances)
Number of meetings attended during the year	5 meetings (Including AGM)
Disclosure of relationship between Directors inter-se	<p>Mrs. Meena Sunil Pophale is related to Mr. Sunil Pophale in terms of Section 2(76) of Companies Act, 2013 and other applicable provisions.</p> <p>Mrs. Meena Sunil Pophale is not related to any other director or Key Managerial Personnel in the Company.</p>

DIRECTORS' REPORT
VADIVARHE SPECIALITY CHEMICALS LIMITED
FOR THE FINANCIAL YEAR 2021-22

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

Your Directors are hereby presenting the 13th Directors Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2022.

1. FINANCIAL STATEMENTS & RESULTS:

Financial Results

The Company's financial performance during the year ended 31st March, 2022 as compared to the previous financial year, is summarized as below:

(Amount in Rs.)

Particulars	For the financial year ended 31 st March, 2022	For the financial year ended 31 st March, 2021
Income	218,624,988	267,910,442
Less: Expenses	317,255,425	301,359,719
Prior Period Income	-	-
Profit before exceptional and extraordinary items and tax	(98,630,436)	(33,449,277)
Exception Income	2,553,000	7,540,000
Exception expenditure	-	-
Profit/ (Loss) before tax	(96,077,436)	(25,909,277)
Less: Provision for tax	-	-
Deferred Tax Expense/(Benefits)	-	-
MAT Credit entitlement	-	-
MAT Credit Utilized	-	-
Income Tax of earlier years w/off	-	1,695,460
Profit after Tax	(96,077,436)	(27,604,737)
<u>APPROPRIATION</u>		
Interim Dividend	-	-
Final Dividend	-	-
Tax on distribution of dividend	-	-
Transfer of General Reserve	-	-
Balance carried to Balance sheet	(96,077,436)	(27,604,737)

2. TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

3. OPERATIONS

This is the thirteenth year of operation and your Company has achieved net sales of Rs. 21,86,24,988 and had incurred a loss of Rs. 9,60,77,436 as compared to previous year's net sales Rs. 267,910,442 and loss of Rs. 2,76,04,737. Since, there was a COVID-19 wave in our nation in the month of March 2020, being in pharmaceutical industry the Company has faced increase in the competition in the overall industry and therefore it has impacted the sales turnover of the Company negatively.

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

Company is taking efforts to increase its productivity by making an optimum use of its production capacity & developing new products to get more revenue.

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 loss incurred in the financial year ended as on 31st March, 2022, your directors have not recommended any dividend for the financial year under review.

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 31st March, 2022 is placed on the website of the company at the following web -address:
[www.vscl.in/uploads/pdf/Form MGT 7 21-22.pdf](http://www.vscl.in/uploads/pdf/Form_MGT_7_21-22.pdf)

13. SHARE CAPITAL

During the Financial Year 2021-22, 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 31st March, 2022 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 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 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 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, 2022 are as follows:

Name of the Director	Designation	DIN
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. Pramod Waman Gajare	Whole-time Director	07932725

(i) Appointment

During the year under review, no new director has been appointed on the Board of the Company.

(ii) Resignation

During the year under review, no director has resigned from the Board of the Company.

(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, Mrs. Meena Sunil Pophale, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself 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 approval.

b) Key Managerial Personnel

Ms. Priyanka Nagda has resigned from the post of Whole-time Company Secretary and Compliance officer with effect from February 28, 2022.

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, 2022 are as follows:

Name	Designation	Date of appointment
Mr. Jayesh Vaishnav	Company Secretary	27/08/2022

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 Monday, 28th June, 2021 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.

In addition to above, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021, revised declarations of meeting Independence criteria as specified in Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were placed in the Board meeting held on Monday, 14th February, 2022.

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 4 (four) times during the financial year ended 31st March, 2022 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	28th June, 2021	13th August, 2021	12th November, 2021	14th February, 2022
Mr. Sunil Haripant Pophale	✓	✓	✓	✓
Mrs. Meena Sunil Pophale	✓	✓	✓	✓
Mr. Prasanna Prabhakar Rege	✓	✓	✓	✓
Mr. Ravindra Keshav Paranjpe	✓	✓	✓	✓
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 4 (four) times during the financial year ended 31st March 2022. The details of the same are as mentioned under:-

Name of the Director	28th June, 2021	13th August, 2021	12th November, 2021	14th February, 2022
Mr. Ravindra Keshav Paranjpe	✓	✓	✓	✓
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 (Two) during the financial year ended 31st March 2022. The details of the same are as mentioned under: -

Name of the Director	13 th August, 2021	14 th February, 2022
Mr. Ravindra Keshav Paranjpe	✓	✓
Mrs. Uttara Adwait Kher	✓	✓
Mr. Prasanna Rege	✓	✓

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, 2022 during the financial year ended 31st March 2022.

During the year under review, the Company has not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2022.

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 Regulations) Requirement, 2015; the

Independent Directors Meeting of the Company was held on February 14, 2022. Independent Directors Meeting considered the performance of Non-Independent Directors and Board as whole, reviewed the performance of 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, 2022 are as follows:

Name of the Director	Position	Status
Mr. Ravindra Keshav Paranjpe	Chairman	Independent Director
Mrs. Uttara Adwait Kher	Member	Independent Director
Mr. Prasanna Rege	Member	Independent Director

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 2021-22.

21. AUDITORS AND REPORTS

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

a. STATUTORY AUDITOR & AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

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 31st March, 2022.

b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2022

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 2021-22.

The secretarial audit report issued by M/s MMJB & Associates LLP, Practicing Company Secretaries, in Form MR-3 for the financial year 2021-22, 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.

c. 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 2021-22 based on the recommendation of the Audit Committee of the Company.

d. 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.

e. 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.

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 can have impact on the going concern status and the Company's operations in future.

b. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2022, 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 31st March, 2022 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 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. **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: -

Name of Director giving loan	Amount borrowed during FY 2021-22
Mr. Sunil H Pophale	Rs. 4,47,59,244

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

SD/-
Meena Sunil Pophale
Whole-time Director
DIN: 00834085

Address: 15 Lalit Building, Wodehouse Road,
next to Badhwar Park, Colaba, Mumbai, 40000

Date: August 23, 2022

Place: Mumbai

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
Mr. Sunil Pophale	Director	Borrowing	Recurring	As may be agreed between the parties; Rs. 4.8 Cr.	28/06/2021	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: 23/08/2022
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:

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

(B) Technology absorption:

Efforts made towards technology absorption	<ul style="list-style-type: none"> 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. 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. Efforts were made in developing new products to cater to customer's requirement, especially exports.
Benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> As a result of sustained efforts, we have entered in to prestigious western market. Moreover, we are also being looked upon as a potential R&D centre for their offshore R&D activity.
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:

	April 01, 2021 to March 31, 2022 [Current F.Y.]	April 01, 2020 to March 31, 2021 [Previous F.Y.]
	Amount in Rs.	Amount in Rs.
Actual Foreign Exchange earnings	11,14,55,299	15,46,46,678
Actual Foreign Exchange outgo	-	-

**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: 23/08/2022

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 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 2nd 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.

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 13 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, 2022 amounts to Rs. 2,144.94 Lakhs as against Rs. 2,647 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, 2022 declined to Rs. 2,144.94 Lakhs as against Rs. 2,647 Lakhs in the previous financial year 2020-21. The revenue decreased in the current financial year as compared to the previous financial year, the Company loss widened from Rs. 27,604,737 in the previous financial year to Rs. 9,60,77,436 in Current 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 68 permanent employees as on 31st March, 2022 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	31.03.2022	31.03.2021
Debt Turnover	11.52	3.12
Inventory Turnover	2.19	4.73
Interest Coverage Ratio	-5.11	-1.09
Current Ratio	0.73	1.11
Debt Equity Ratio	4.62	1.57
Operating Profit Margin (%)	-37.46	-5.11
Net Profit Margin (%)	-44.79	-10.43

Return on Net Worth

The return on net worth has decreased to (181.95%) as against (18.54%) in the previous year due to increase in loss of the Company.

Cautionary Statement

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

For and on behalf of the Board**Vadivarhe Speciality Chemicals Limited****Sd/-****Sunil Haripant Pophale****Director****DIN: 00064412****Address:** 15 Lalit Building, Wodehouse Road,
next to Badhwar Park, Colaba, Mumbai, 400005**Sd/-****Meena Sunil Pophale****Whole time Director****DIN: 00834085****Address:** 15 Lalit Building, Wodehouse Road
next to Badhwar Park Colaba, Mumbai, 400005**Date:** 23/08/2022**Place:** Mumbai

MMJB & Associates LLP

Company Secretaries

803-804, 8th 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, 2022

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. 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.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment, 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) Regulations, 2014 and 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 Debt Securities) Regulations, 2008 and 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, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period)**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder.

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 specific law to the extent applicable 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.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned above.

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 period under review 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 in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out 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**

**Sd/-
Deepti Joshi
Designated Partner
FCS No. F8167
CP No. 8968
UDIN: F008167D000835796
Peer Review No.: 904/2020**

**Place: Mumbai
Date: 23/08/2022**

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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MMJB & Associates LLP
Company Secretaries

Sd/-
Deepti Joshi
Designated Partner
FCS No. F8167
CP No. 8968
UDIN: F008167D000835796
Peer Review No.: 904/2020

Place: Mumbai
Date: 23/08/2022

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 2021-22, 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. 2021-22 (in Rs.)	% Increase in remuneration for financial year 2021-22	Ratio of remuneration of Director to median remuneration of employees
1.	Mrs. Meena Pophale	Whole-time Director	12,00,000	0%	3.26:1
2.	Mr. Sunil H. Pophale	Executive Director	12,00,000	0%	3.26:1
3.	Mr. Pramod Gajare	Whole-time Director	26,56,257	10%	6.48:1
4.	Mr. Laxmikant Potdar	Chief Financial Officer	16,91,928	10%	4.27:1
5.	Ms. Priyanka Nagda*	Company Secretary	3,52,051	0%	0.96:1

*From 1st April, 2021 to 28th February, 2022

- II. The median remuneration of employees during the financial year was **Rs. 4,01,406/-** p.a. (For calculating the median remuneration of employees, only the remuneration paid to employees who have served throughout the financial year 2021-22 has been considered.
- III. There were **68** permanent employees on the rolls of the Company as on 31st March, 2022.
- IV. In the financial year there was an increase of **12%** in the median remuneration.
- V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2021-22 was **11%** and average increase in the managerial remuneration w.r.t the managerial personnel for the financial year 2021-22 was **10%**
- 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	66	Fem Care Pharma Ltd	B. Tech	Yes
2	Mrs. Meena S. Pophale	Whole-time Director	1,200,000	Employee	23-02-2009	60	Pentagon Manufacturing and Marketing Ltd	B.A.	Yes
3	Mr. Pramod W. Gajare	Executive Director	2,656,257	Employee	16-05-2013	60	V & V Pharma	BSc Chemistry	No
4	Mr. Pramod D. Narkhede	Sr. Manager-QC	2,139,612	Employee	03-07-2009	58	Fem Care Pharma Ltd	MSc Applied Chemistry	No
5	Mr. Dinesh N. Malpe	Sr. Manager-Production	1,943,503	Employee	07-09-2021	41	Kasyap Sweetners Ltd	BE Chemicals	No
6	Mr. Laxmikant S. Potdar	Chief Financial Officer	1,691,928	Employee	13-07-2011	49	Jyoti Structures Ltd	MCom	No
7	Mr. Anirudha S. Mhaske	Manager-HR & Admin	1,635,613	Employee	23-08-2012	47	Dabur India Ltd	B Com, MBA	No
8	Mr. Sambhaji S. Powar	Manager-ADL	1,621,298	Employee	08-03-2018	40	Macleods Pharmaceuticals Ltd	Msc Analytical Chemistry	No
9	Mr. Sachin A. Bichave	Sr. Manager-Maintenance	1,394,074	Employee	09-08-2021	51	Megafine Pharma Pvt Ltd	BE Electrical	No
10	Mr. Satish P. Paithankar	Manager-Stores & Excise	1,393,428	Employee	01-07-2012	50	Dabur India Ltd	BA	No

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 Vadivarhe Specialty Chemicals Limited on financial statements for the year ended 31st March 2022

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 Specialty Chemicals Limited** as of 31 March 2022 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 31st March 2022 , based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date :30/05/2022

Place: Nashik

For Bhalchandra D Karve & Associates

Chartered Accountants

Firm Registration Number – 135281W

CA Bhalchandra D Karve

Proprietor

Membership Number 105965

UDIN: 22105965AJVZTN8826

Vadivarhe Speciality Chemicals Limited
Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,
CIN: L24100MH2009PLC190516,
Email id: accounts@vscl.in Website: www.vscl.in
Phone : 02553 282200 Fax :022 26740371
Balance Sheet as at 31st March, 2022

In Rupees

Particulars	Note No	Figures As at 31st March, 2022	Figures As at 31st March, 2021
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A.	127,827,500	127,827,500
(b) Reserves and Surplus	B.	(75,022,281)	21,055,155
(2) Non-Current Liabilities			
(a) Long-term borrowings	C.	159,055,965	145,565,001
(b) Deferred tax liabilities (Net)	D.	-	-
(c) Other Long term Liabilities	E.	409,708	409,708
(d) Long Term Provisions	F.	6,302,468	5,583,437
(3) Current Liabilities			
(a) Short-term borrowings	G.	39,112,550	46,996,664
(b) Trade payables	H.	88,535,608	66,049,071
(c) Other current liabilities	I.	53,218,850	44,048,459
(d) Short-term provisions	J.	17,288,816	14,322,454
Total		416,729,183	471,857,449
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	K.	243,015,116	259,356,409
(ii) Intangible assets	L.	201,878	414,374
(iii) Capital work-in-progress	M.	10,862,072	3,339,114
(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.	17,348,020	18,025,585
(e) Other non-current assets	P.	962,242	698,251
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	Q.	68,234,879	33,417,766
(c) Trade receivables	R.	20,234,278	91,115,901
(d) Cash and cash equivalents	S.	8,020,305	9,789,599
(e) Short-term loans and advances	T.	47,031,800	54,881,857
(f) Other current assets	U.	308,594	308,594
Total		416,729,183	471,857,449

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

Executive Director
Pramod W Gajare

Laxmikant S Potdar
Chief Financial Officer

Place : Mumbai
Date : May 30, 2022

Vadivarhe Speciality Chemicals Limited
Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,
CIN: L24100MH2009PLC190516,
Email id: accounts@vscl.in Website: www.vscl.in
Phone : 02553 282200 Fax :022 26740371
Profit and Loss statement for the year ended 31st March, 2022

In Rupees

Particulars	Note No	Figures for the half year ended 31st March, 2022	Figures for the year ended 31st March, 2021
I. Revenue from operations	1	214,493,885	264,699,766
II. Other Income	2	4,131,103	3,210,676
III. Total Revenue (I +II)		218,624,988	267,910,442
IV. Expenses:			
Cost of materials consumed	3	187,774,864	129,412,892
Purchase of Stock-in-Trade	4	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	5	(38,234,179)	28,725,407
Employee benefit expense	6	43,067,171	38,131,213
Financial costs	7	15,718,416	12,387,229
Depreciation and amortization expense	8	17,902,312	18,070,773
Manufacturing Expenses	9	64,428,093	51,432,481
Other expenses	10	26,598,748	23,199,724
IV. Total Expenses		317,255,425	301,359,719
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(98,630,436)	(33,449,277)
VI. Exceptional Items - DIC PSI-2013 Incentive - Prior Period Income		2,553,000	7,540,000
		-	-
VII. Profit before extraordinary items and tax (V - VI)		(96,077,436)	(25,909,277)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(96,077,436)	(25,909,277)
X. Tax expense:			
(1) Current tax		-	-
(2) Income Tax of earlier years		-	1,695,460
(3) Deferred tax		-	-
(4) MAT Credit entitlement		-	-
(5) MAT Credit utilised		-	-
XI. Profit/(Loss) for the period (IX - X)		(96,077,436)	(27,604,737)
No. of Shares Outstanding at the end of the period		12,782,750	12,782,750
XII. Earning per equity share:			
(1) Basic		(8)	(2)
(2) Diluted		(8)	(2)

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

Executive Director
Pramod W Gajare

Laxmikant S Potdar
Chief Financial Officer

Place : Mumbai
Date : May 30, 2022

Vadivarhe Speciality Chemicals Limited
Cash Flow statement for the half year ended 31st March, 2022

Rupees

Particulars	Period ended 31st March, 2022	Year ended 31st March, 2021
Cash flows from operating activities		
Profit before taxation	(96,077,436)	(25,909,277)
Adjustments for:		
Depreciation	17,902,312	18,070,773
Dividend Income	-	-
Interest Received	(793,793)	(1,301,242)
Interest expense	15,718,416	12,387,229
(Profit) / Loss on the sale of property, plant & equipment	102,038	-
Operating Profits before Working Capital Changes	(63,148,463)	3,247,483
Working capital changes:		
(Increase) / Decrease in trade receivables	70,881,623	(9,431,600)
(Increase) / Decrease in inventories	(34,817,113)	34,918,369
(Increase) / Decrease in Other receivables	7,586,065	(1,581,728)
(Increase) / Decrease in Long term Loans and advances*	677,565	3,692,623
Increase / (Decrease) in trade payables	22,486,536	(48,625,940)
Increase / (Decrease) in other payables	12,855,784	16,679,727
Cash generated from operations	16,521,997	(1,101,067)
Income taxes paid(Deferred tax liability written off)	-	(1,695,460)
Net cash from operating activities (A)	16,521,997	(2,796,527)
Cash flows from investing activities		
Purchase of Fixed Assets	(9,048,631)	(1,077,104)
Proceeds from sale of equipment	75,112	-
Adjusted against accumulated balances write off	-	-
Dividend income	-	-
Interest Received	793,793	1,301,242
Net cash used in investing activities(B)	(8,179,726)	224,138
TOTAL (A+B)	8,342,271	(2,572,388)
Cash flows from financing activities		
Increase / (Decrease) in Short term Borrowings - Cash credit facility & Packing Credit	(7,884,114)	(24,961,813)
Proceeds from issue of share capital	-	-
Proceeds from Term loan	(29,768,280)	2,367,663
Interest on Loan	(15,718,416)	(12,387,229)
Proceed from unsecured loan from Director	43,259,244	40,790,395
Net cash used in financing activities [C]	(10,111,566)	5,809,015
Net increase in cash and cash equivalents (A+B+C)	(1,769,294)	3,236,627
Cash and cash equivalents at beginning of period	9,789,599	6,552,972
Cash and cash equivalents at end of period	8,020,305	9,789,599
Components of Cash and cash equivalents		
Cash in hand	131,333	1,079,458
Balances with Scheduled banks :		
in current accounts	1,079,972	325,141
in deposits accounts	6,809,000	8,385,000
Cash and cash equivalents in Cash Flow Statement	8,020,305	9,789,599

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

Executive Director
Pramod W Gajare

Laxmikant S Potdar
Chief Financial Officer

Place : Mumbai
Date : May 30, 2022

REG. VADIVARHE SPECIALITY CHEMICALS LIMITED

NOTES FORMING PART OF ACCOUNTS AS AT 31st MARCH 2022

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 1st 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
Chairman
Executive Director

Sd/-
Pramod W Gajare
Executive Director

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

Sd/-
Laxmikant S Potdar
Chief Financial Officer

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

Date: 30th MAY, 2022
Place: Nashik
UDIN : 22105965AJVZTN8826

Notes To and Forming Part of the Balance Sheet

	March 31,2022 Amount	March 31,2021 Amount
Note A : Share Capital		
Authorised:		
1,50,00,000 Equity Shares of Rs. 10 each (Previous Year: 1,50,00,000 Equity Shares of Rs. 10 each)	150,000,000	150,000,000
Issued, Subscribed and Paid-up:		
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)	127,827,500	127,827,500
Total	127,827,500	127,827,500

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

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

Name of Shareholder	%	No of Shares	%	No of Shares
Mr. Sunil H Pophale	62.84%	8,032,625	62.84%	8,032,625
Ms. Aditi S Pophale	11.73%	1,500,000	11.73%	1,500,000
TOTAL		9,532,625		9,532,625

Note B : Reserves and Surplus

Securities Premium Account		
Opening Balance	59,579,898	59,579,898
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	59,579,898	59,579,898
Brokerage Expenses in connection with the IPO amounted to Rs 82.80 lacs (including Service Tax) , of which Rs 16.56 lacs have been adjusted towards the securities premium reserve during the previous year ended 31 March 2018 and balance expenses have been borne by the selling shareholders.		
Other IPO expenses amounting to Rs.53.74 lacs , directly attributable to the Company (such as legal counsel cost, auditor fee, Listing fee and stamp duty expense) have been adjusted towards the securities premium reserves.		
Surplus / (Loss) in the statement of Profit & Loss		
Opening Balance	(38,524,743)	(10,920,006)
Profit / (Loss) of the current year	(96,077,436)	(27,604,737)
Closing balance	(134,602,179)	(38,524,743)
Total	(75,022,281)	21,055,155

Notes To and Forming Part of the Balance Sheet

	March 31,2022 Amount	March 31,2021 Amount
Note C: Long-term borrowings		
(a) Secured Loan		
1) Term Loans		
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	584,000
(Above term loan will be settled as on 10/01/2024 Balance Sheet date 31/03/2024) Number of Installment due 21 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	5,020,000
(Above term loan will be settled as on 10/01/2024 Balance Sheet date 31/03/2024) Number of Installment due 21 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)	4,300,000	7,900,000
(Above term loan will be settled as on 10/06/2024 Balance Sheet date 31/03/2025) Number of Installment due 26 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)	4,265,000	6,485,000
(Above term loan will be settled as on 10/02/2025 Balance Sheet date 31/03/2025) Number of Installment due 34 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)	-	-
(Above term loan is settled as on 10/09/2021 Balance Sheet date 31/03/2022) Number of Installment was due in current year 5 of Rs.3,33,000/- and 1 Installment of Rs. 3,38,000/-		
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	2,749,000	4,710,000
(Above term loan will be settled as on 10/09/2024 Balance Sheet date 31/03/2025) Number of Installment due 29 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 25 Rs.8,30,000/- and 1 Installment of Rs.10,30,000/-,	11,820,000	21,780,000
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 27 Rs.7,00,000/- and 1 Installment of Rs.5,00,000/-,	11,000,000	19,400,000
From Kotak Mahindra Prime Ltd (Secured by Car) (Above term loan will be settled as on 01/09/2022 Balance Sheet date 31/03/2023) Number of Installment due 6, Amount of Installment Rs.1,19,288/-, (Inclusive of Finance Charges)	-	699,280
(b) Unsecured Loans		
Loan from Promotor Director Mr.Sunil H Pophale	121,245,965	76,486,721
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 10/04/2022 Balance Sheet date 31/03/2023) Number of Installment due 10 Rs.15,00,000/-	-	1,500,000
	159,055,965	145,565,001

Notes To and Forming Part of the Balance Sheet

	March 31,2022	March 31,2021
	Amount	Amount
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	(25,401,421)	(29,705,406)
Gross Deferred Tax Liability	(25,401,421)	(29,705,406)
Deferred Tax Assets		
Change in method of valuation of stock pursuant to Sec 145A	3,193,392	1,563,951
Unabsorbed Depreciation	34,495,638	34,495,638
Provision for Bonus	293,596	279,722
Provision for Leave Encashment	649,791	562,671
Provision for Gratuity and LTA	2,236,544	1,892,470
Gross Deferred Tax Assets	40,868,962	38,794,453
Less : Not recognised since no virtual certainty for set off of losses	15,467,541	9,089,047
Net Deferred tax liability	-	-
Note E: Other Long term Liabilities		
Trade Payables	-	-
Payables on purchase of fixed assets	409,708	409,708
	409,708	409,708
Note F: Long Term Provisions		
Provision for Employee Benefits :		
Provision for Gratuity	4,807,443	4,199,640
Provision for Leave Encashment	1,495,025	1,383,797
	6,302,468	5,583,437

Notes To and Forming Part of the Balance Sheet

	March 31,2022 Amount	March 31,2021 Amount
Note G: Short-term borrowings		
Secured Loan		
Cash Credit Facility		
From Axis Bank Ltd	39,112,550	46,996,664
(Secured by an exclusive charge by way of hypothecation of Stock & Book Debts)		
Packing Credit	-	-
From Axis Bank Ltd		
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
	<u>39,112,550</u>	<u>46,996,664</u>
Note H: Trade Payable		
Creditors for Goods	61,536,071	46,377,303
Other Creditors	26,999,537	18,511,433
Payables on purchase of fixed assets	-	1,160,335
	<u>88,535,608</u>	<u>66,049,071</u>
(Please refer Notes to Accounts, Note No 09 for Due to micro and small enterprises)		
Note I: Other Current Liabilities		
Current maturities of long-term debt		
Term Loans		
Soft Loan From Small Industries Development Bank of India	288,000	288,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan will be settled as on 10/01/2024 Balance Sheet date 31/03/2024) Number of Installment due 21 Rs.24000/- and last 1 Installment of Rs.80,000/-,		
Term Loan From Small Industries Development Bank of India	2,640,000	2,640,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan will be settled as on 10/01/2024 Balance Sheet date 31/03/2024) Number of Installment due 21 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 26 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 34 Rs.1,85,000/- and 1 Installment of Rs.1,95,000/-,		
Term Loan From Small Industries Development Bank of India	-	2,003,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan is settled as on 10/09/2021 Balance Sheet date 31/03/2022) Number of Installment was due in current year 5 of Rs.3,33,000/- and 1 Installment of Rs. 3,38,000/-		
Term Loan From Small Industries Development Bank of India	1,824,000	775,000
(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 29 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 25 Rs.8,30,000/- and 1 Installment of Rs.10,30,000/-,		

Notes To and Forming Part of the Balance Sheet

March 31,2022
Amount

March 31,2021
Amount

Note I: Other Current Liabilities

Current maturities of long-term debt

Term Loans

From Axis Bank Ltd 8,400,000 5,600,000
(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 27 Rs.7,00,000/- and 1 Installment of Rs.5,00,000/-,

From Kotak Mahindra Prime Ltd 699,280 1,317,338
(Secured by Car)
(Above term loan will be settled as on 01/09/2022 Balance Sheet date 31/03/2023)
Number of Installment due 6, Amount of Installment Rs.1,19,288/-, (Inclusive of Finance Charges)

Unsecured Loan from Dhumal Industries India Pvt Ltd 15,000,000 13,500,000
(Above term loan will be settled as on 10/04/2022 Balance Sheet date 31/03/2023)
Number of Installment due 10 Rs.15,00,000/-

Unsecured Export Packing Credit Funding from Drip Capital 1,370,982 -

Other Payables

Advance from Customers 5,489,012 6,820
Statutory Dues 1,028,302 775,112
Retention Amount Payable - 765,349
Interest Accrued and due 699,274 597,840

53,218,850 44,048,459

Note J: Short Term Provisions

Provision for Employees Benefit

Provision for L.T.A. 2,116,534 1,710,559
Provision for Bonus 1,129,215 1,075,852
Provision for Gratuity 1,678,117 1,368,532
Provision for Leave Encashment 1,004,173 780,324
Salary and Other Payables (including director remuneration payable) 6,189,299 6,540,831

Provision Others

Provision for Tax - -
Provision for Tax for earlier years
Provision for Expences 5,171,478 2,846,356
Others - -

17,288,816 14,322,454

Notes To and Forming Part of the Balance Sheet

Notes K, L, & M : Fixed Assets

Description	Gross block				Depreciation / Amortization				Net block	
	As at April 1, 2021	Additions	Deletions / Adjustments	As at March 31, 2022	As at April 1, 2021	For the Year	Deletions / Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Note K :Tangible Assets										
Freehold land	12,802,260	-	-	12,802,260	-	-	-	-	12,802,260	12,802,260
Buildings	88,002,293	-	-	88,002,293	24,937,632	2,977,181	-	27,914,813	60,087,480	63,064,661
Air Conditioners	1,322,179	156,428	-	1,478,607	580,766	309,775	-	890,541	588,066	741,413
Office Equipments	4,561,804	60,800	(157,031)	4,465,573	4,177,181	57,315	(149,179)	4,085,316	380,256	384,623
Plant and machinery	122,786,985	485,000	-	123,271,985	47,755,651	5,157,537	-	52,913,188	70,358,797	75,031,334
Solar Power & Water Heater Plant	29,972,383	-	-	29,972,383	8,413,140	1,912,782	-	10,325,922	19,646,461	21,559,243
R & D Lab & Equipments	5,054,948	112,160	-	5,167,108	994,340	238,284	-	1,232,624	3,934,484	4,060,608
Q.C. Equipments	38,047,847	97,685	(113,789)	38,031,743	11,810,836	1,684,923	(36,245)	13,459,514	24,572,229	26,237,011
ETP	19,382,790	-	-	19,382,790	3,373,430	905,161	-	4,278,591	15,104,199	16,009,360
Utility	31,928,296	595,100	(316,385)	32,207,011	12,651,126	1,321,061	(227,194)	13,744,993	18,462,018	19,277,170
Electrical installation	14,440,464	-	-	14,440,464	11,924,489	280,212	-	12,204,701	2,235,763	2,515,975
Computers	4,066,169	18,500	(51,281)	4,033,388	3,597,904	243,728	(48,717)	3,792,915	240,473	468,265
Furniture and fixtures	17,699,949	-	-	17,699,949	5,708,353	1,575,017	-	7,283,370	10,416,579	11,991,596
Vehicles	10,693,136	-	-	10,693,136	5,480,246	1,026,840	-	6,507,086	4,186,050	5,212,890
Total	400,761,503	1,525,673	(638,486)	401,648,691	141,405,094	17,689,816	(461,335)	158,633,575	243,015,116	259,356,409
Note L :Intangible Assets										
Computer Softwares	3,301,430	-	-	3,301,430	2,887,056	212,496	-	3,099,552	201,878	414,374
ERP Software	739,416	-	-	739,416	739,416	-	-	739,416	-	-
Total	4,040,846	-	-	4,040,846	3,626,472	212,496	-	3,838,968	201,878	414,374
Note M :Capital Work-in-Progress										
Capital Work-In Progress	3,101,101	4,071,958	(485,100)	6,687,959	-	-	-	-	6,687,959	3,101,101
Capital Advances	238,013	3,936,100	-	4,174,113	-	-	-	-	4,174,113	238,013
Total	3,339,114	8,008,058	(485,100)	10,862,072	-	-	-	-	10,862,072	3,339,114
Grand Total	408,141,463	9,533,731	(1,123,586)	416,551,608	145,031,566	17,902,312	(461,335)	162,472,543	254,079,066	263,109,897
Previous year	407,064,359	26,326,404	(25,249,300)	408,141,463	126,960,793	18,070,773	-	145,031,566	263,109,897	280,103,566

Notes To and Forming Part of the Balance Sheet

	March 31,2022 Amount	March 31,2021 Amount
Note N: Non-Current Investments		
Unquoted Investments		
Investments in Govt Securities		
6 years National Saving Certificate VIII issue	10,000	10,000
Investment in equity instruments (unquoted)		
Equity Shares of NKGSB Co-Op Bank Ltd	500,000	500,000
(of the above 50,000 Equity Shares of NKGSB Co-op Bank Ltd bearing Face Value of Rs.10/- each)		
	<u>510,000</u>	<u>510,000</u>
Note O: Long-term loans and advances		
Advance to Suppliers	29,134	29,134
Mat Credit entitlement		
MAT credit FY 2014-15	990,704	990,704
MAT credit FY 2015-16	10,113,148	10,113,148
MAT credit FY 2016-17	3,248,160	3,248,160
MAT credit FY 2018-19	101,758	101,758
MAT credit FY 2019-20	-	-
Deposits - Others	2,865,116	2,884,116
VAT Credit (Input) Receivable -Earlier Period	-	658,565
	<u>17,348,020</u>	<u>18,025,585</u>
Note P: Other non-current assets		
Interest accrued but not received on NSC, FD and Others	962,242	610,301
Insurance Claim Receivable	-	87,950
	<u>962,242</u>	<u>698,251</u>
Note Q : Inventories (at lower of cost and net realisable value)		
Raw Materials	13,965,804	17,382,165
Packing Materials	842,980	843,685
Works In Progress	22,020,224	11,712,822
Finished Goods	31,405,871	3,479,094
Total	<u>68,234,879</u>	<u>33,417,766</u>
Note R : Trade receivables		
Debts outstanding for a period exceeding six months -		
Unsecured, considered good	976,359	23,446,503
Unsecured, Considered doubtful	-	-
Other debts		
Unsecured, considered good	19,257,919	67,669,398
Unsecured, considered doubtful	-	-
	<u>20,234,278</u>	<u>91,115,901</u>
Less: Provision for doubtful debts	-	-
Total	<u>20,234,278</u>	<u>91,115,901</u>
Note S : Cash and cash equivalents		
Cash on hand	131,333	1,079,458
Balances with Scheduled banks :		
in current accounts	1,079,972	325,141
in deposits accounts (Fixed deposits with maturity more than three months	6,809,000	8,385,000
Total	<u>8,020,305</u>	<u>9,789,599</u>

Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Balance Sheet

	March 31,2022 Amount	March 31,2021 Amount
Note T : Short-term loans and advances		
(Unsecured, Considered good unless otherwise stated)		
Advances recoverable in cash or in kind for value to be received		
Loans and Advances To Related Parties (Refer note 11.2)	-	-
Advances to suppliers	3,038,512	-
Loans and Advances to Staff	303,484	324,601
(Secured to the extent of Rs. Nil (Previous Year: Rs. Nil)		
Income tax refund - F.Y 13-14	260,045	260,045
Income tax refund - F.Y 15-16	423,151	423,151
Income tax refund - F.Y 17-18	-	220,337
Income tax refund - F.Y 18-19	177,079	177,079
Income tax refund - F.Y 19-20	221,377	300,000
Income tax refund - F.Y 20-21	-	-
Income tax refund	240,399	337,680
TDS/TCS Deducted by Customers, Banks in Current Year	119,434	177,897
Balances with Customs, Port Trust, Excise etc. GST Receivables	40,259,057	50,089,416
Deposit others	-	-
Prepaid Expenses	1,989,262	2,571,651
Total	47,031,800	54,881,857
Note U : Other Current Assets		
Others	308,594	308,594
Total	308,594	308,594

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

	March 31,2022 Amount	March 31,2021 Amount
Note 1 : Revenue from operations		
Sales of Goods (Gross)	209,075,311	256,134,786
Less - Excise Duty	-	-
	<u>209,075,311</u>	<u>256,134,786</u>
Service Income	5,418,574	8,564,980
	<u>214,493,885</u>	<u>264,699,766</u>
Note 2 : Other income		
Interest on		
- NSC, FD and Others	793,793	1,301,242
- Income Tax, Sales Tax and Others	-	-
Dividend Received	-	-
Discount Received	48,146	90
Exchange Difference (Gain)	-	-
Insurance Claim Received	-	-
Export- Rebate (MEIS) & Duty Drawback Incentive	3,275,952	1,338,843
Miscellaneous Income	13,212	570,501
Total	<u>4,131,103</u>	<u>3,210,676</u>
Note 3 : Cost of Materials consumed		
Raw Materials		
Opening stock	17,382,165	23,997,714
Purchases during the year	184,440,091	125,579,941
Inventory Gain/(Loss)/Others	(1,896,063)	(5,981,258)
Closing stock	13,965,804	17,382,165
Raw material consumed	<u>185,960,389</u>	<u>126,214,233</u>
Packing Materials		
Opening stock	843,685	421,098
Purchases during the year	944,977	1,040,348
Closing stock	842,980	843,685
Packing material consumed	<u>945,682</u>	<u>617,761</u>
R&D and other Material Consumed	868,792	2,580,899
Total	<u>187,774,864</u>	<u>129,412,892</u>
Note 4 : Purchase of Stock-in-Trade		
Trading goods purchased	-	-
	<u>-</u>	<u>-</u>
Note 5 : Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade		
Work-In-Progress		
Opening Stock	11,712,822	14,209,944
Less: Closing Stock	22,020,224	11,712,822
	<u>(10,307,402)</u>	<u>2,497,121</u>
Finished Goods		
Opening Stock	3,479,094	29,707,379
Less: Closing Stock	31,405,871	3,479,094
	<u>(27,926,777)</u>	<u>26,228,285</u>
Stock-in-Trade		
Opening Stock	-	-
Less: Closing Stock	-	-
	<u>-</u>	<u>-</u>
	<u>(38,234,179)</u>	<u>28,725,407</u>

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

	March 31,2022 Amount	March 31,2021 Amount
Note 6 : Employee Benefit Expense		
Salaries, Wages and Bonus (Including Directors Remuneration, Refer Note 11 [10.7])	36,485,727	33,529,677
Contribution to Provident and other funds	2,824,141	2,652,492
Gratuity Expenses (Refer Note 11.05)	1,317,388	281,564
Workmen and Staff Welfare Expenses	2,439,915	1,667,480
Total	43,067,171	38,131,213
Note 7 : Financial Expenses		
Interest		
- On Term Loan from Axis Bank/SIDBI/Unsecured Loan	10,693,032	7,942,491
- On Bank Cash credit facility	4,920,079	4,237,462
- On Loan from NBFC	105,305	207,276
Total	15,718,416	12,387,229
Note 8 : Depreciation and Amortization Expenses		
Depreciation on Tangible Fixed Assets	17,689,816	17,690,912
Depreciation on Intangible Fixed Assets	212,496	379,861
Total	17,902,312	18,070,773
Note 9 : Manufacturing Expenses		
Consumption of Consumables, Stores and Spares	3,714,906	2,588,549
Labour Charges	22,865,841	18,385,731
Job Work Charges	149,300	3,620,501
Power and Fuel	21,507,451	17,668,681
Rates and Taxes	2,033,082	2,830,616
Repairs and Maintenance of Plant and Machinery	14,157,514	6,338,403
Total	64,428,093	51,432,481
Note 10 : Other Expenses		
Repairs and Maintenance of:		
- Building	605,295	175,897
- General and Others	1,188,833	896,273
Insurance	1,316,060	1,289,196
Exchange Difference - Loss	(1,332,695)	(503,327)
Printing and Stationery	354,936	231,603
Communication Costs	499,302	377,107
Travelling and Conveyance	3,974,153	3,063,991
Legal and Professional Charges	6,722,881	4,746,551
Bank Charges	958,364	589,929
Rent	540,000	501,500
Interest /Penalties	245,168	183,027
Auditors' Remuneration (Refer Note 11 [10.8])	125,000	115,000
Freight and Forwarding Charges	3,759,466	4,999,003
Advertisement and Sales Promotion	26,000	431,347
Commission	1,275,346	1,968,414
Security Charges	2,234,175	2,300,600
Loss on Sale of Asset	102,038	-
Corporate Social and Environmental Responsibility Expenses (CSR & CER)	396,969	13,500
Inventory Written off	-	-
Insurance Claim Receivable & Others Written off (Net)	52,377	(247,872)
Doubtfull Debts	-	-
Testing, sampling EHS safety Expenses	2,006,113	1,059,604
Administration Expenses	1,548,966	1,008,381
Total	26,598,748	23,199,724

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 11

01 Segment Information

I. Business Segments

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

II. Geographical Segments

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

Geographical Segments

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

Particulars	March 31, 2022 Amount	March 31, 2021 Amount
Sales Revenue by Geographical Market (including Service Income)		
India	103,038,586	110,053,088
Outside India	111,455,299	154,646,678
Total	214,493,885	264,699,766

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, 2022 Amount	March 31, 2021 Amount
Carrying amount of Segment Assets and Intangible Assets		
India	243,216,994	259,770,783
Outside India	-	-
Total	243,216,994	259,770,783
Additions to Fixed Assets including Capital Work In Progress		
India	9,533,731	26,326,404
Outside India	-	-
Total	9,533,731	26,326,404

Notes to the accounts

Note 11

02 Related Parties

Related party disclosures:

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

Key Management Personnel	Director	Mr. Sunil H. Pophale
	Director	Mrs. Meena S. Pophale
	Director	Mr. Pramod W Gajare

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Purchase of goods	-	-	20,675,960	3,889,481	20,675,960	3,889,481
Sale of goods	-	-	3,304,000	529,257	3,304,000	529,257
Services Provided	-	-	-	-	-	-
Services Taken	-	-	-	450,000	-	450,000
Security Deposit Given	-	-	-	-	-	-
Security Deposit Returned	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Loan taken	48,044,297	44,500,000	-	-	48,044,297	44,500,000
Loan given	-	-	-	-	-	-
Loan repaid to	3,285,053	5,209,605	-	-	3,285,053	5,209,605
Loan repaid by	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Managerial remuneration *	5,056,257	4,869,872	-	-	5,056,257	4,869,872
Closing Outstanding Balances:						
Receivables	-	-	-	528,224	-	528,224
Payables	125,285,954	79,138,578	1,367,494	2,617,765	126,653,448	81,756,343

* 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.

Notes to the accounts

Note 11

02 Related Parties

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

Particulars	Key Management Personnel	
	March 31, 2022	March 31, 2021
Managerial remuneration:		
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	2,656,257	2,469,872
Total	5,056,257	4,869,872
Loan taken :		
Director -Mr.Sunil H Pophale	48,044,297	44,500,000
Director -Mr. Pramod W Gajare	-	-
Total	48,044,297	44,500,000
Loan repaid to :		
Director -Mr.Sunil H Pophale	3,285,053	4,809,605
Director -Mr. Pramod W Gajare	-	400,000
Total	3,285,053	5,209,605
Goods purchased from:		
Zenvision Pharma LLP	-	-
Respect Labs LLP	20,675,960	3,711,891
ReeLabs Pvt Ltd	-	177,590
Total	20,675,960	3,889,481
Goods sold to::		
Zenvision Pharma LLP	-	-
Respect Labs LLP	3,304,000	415,661
ReeLabs Pvt Ltd	-	113,596
Total	3,304,000	529,257
Services taken from:		
Zenvision Pharma LLP	-	450,000
Respect Labs LLP	-	-
ReeLabs Pvt Ltd	-	-
CEVITR Ltd	-	-
Total	-	450,000
Services given to:		
Zenvision Pharma LLP	-	-
Respect Labs LLP	-	-
ReeLabs Pvt Ltd	-	-
CEVITR Ltd	3,057,743	-
Total	3,057,743	-

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

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 11

	March 31, 2022 Amount	March 31, 2021 Amount
03 Capital Commitments		
Estimated amount Of contracts remaining to be executed on capital account and not provided for	-	-
04 Provisions and Contingencies		
Bank Gaurantee provided to Maharshtra Pollution Control Board of Rs 2,26,82,000/-		

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 11

05 Gratuity and other post-employment benefit plans

(i) Defined Benefit Plans –

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

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

	March 31, 2022 Amount	March 31, 2021 Amount
Profit and Loss Account		
Net employee benefit expense (recognized in Employee Cost)		
Current service cost	831,055	725,997
Interest cost on benefit obligation	360,022	341,491
Expected Return on plan assets	(160,855)	(172,860)
Net Actuarial (gain)/ loss recognized in the year	220,366	(463,881)
Net benefit expense	<u>1,250,588</u>	<u>430,747</u>
Actual return on plan assets	160,855	172,860
Balance Sheet		
Net liability recognised in the balance sheet		
Defined benefit obligation	6,485,560	5,568,172
Fair value of plan assets	<u>2,444,623</u>	<u>2,468,821</u>
Plan (Liability)	<u>(4,040,937)</u>	<u>(3,099,351)</u>
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligations	5,568,172	5,286,608
Interest cost	360,022	341,491
Current service cost	831,055	725,997
Benefits paid	500,548	318,241
Actuarial (gain)/Loss on obligations	226,859	(467,683)
Closing defined benefit obligations	<u>6,485,560</u>	<u>5,568,172</u>
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	2,468,821	2,618,004
Expected return on plan assets	160,855	172,860
Contributions by employer	309,002	-
Benefits paid	500,548	318,241
Actuarial (gain)/Loss on Plan Assets	6,493	(3,802)
Closing fair value of plan assets	<u>2,444,623</u>	<u>2,468,821</u>

Notes to the accounts

Note 11

05 Gratuity and other post-employment benefit plans

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

Category of Assets	March 31, 2022 %	March 31, 2021 %
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	7.11%	6.77%
Expected rate of return on assets	6.78%	7.03%
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. 28,24,141/- (Previous Year: Rs.26,52,492/-) 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, 2022		March 31, 2021	
		Foreign Currency	Amount	Foreign Currency	Amount
Export Debtors	USD	159,345	12,094,286	351,040	25,685,597
Advance from Customers	USD	13,100	994,290	-	-
Import Creditors	USD	134,125	10,180,088	63,165	4,621,783
Advance to Import Creditors	USD	350	26,565	-	-
FCTL from Banks	USD	-	-	-	-
PCFC from Axis Bank/Drip Capital	USD	18,063	1,370,982	-	-
EEFC account in Axis Bank	USD	-	-	2,742	200,620

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 11

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, 2022 Amount	March 31, 2021 Amount
Basic and Diluted earning per share		
Profit after tax attributable to equity shareholders (in Rs.)	(96,077,436)	(27,604,737)
Calculation of Weighted Average number of Equity Shares		
Number of equity shares at the beginning of the year	12,782,750	12,782,750
Number of shares issued during the year	-	-
Number of equity shares outstanding at the end of the year	12,782,750	12,782,750
Weighted average number of equity shares outstanding during the year	12,782,750	12,782,750
Basic and diluted earnings per share (in Rs.)	(7.52)	(2.16)
Face Value per share (in Rs.)	10	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, 2022 Amount	March 31, 2021 Amount
Principal amount outstanding as at March 31, 2022	446,552	782,348
Interest due as on March 31, 2022	-	-

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.

Vadivarhe Speciality Chemicals Limited**Notes to the accounts****Note 11****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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Quantity	Quantity	Quantity	Quantity
Chemicals	Tons	150	150	88	99

* 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, 2022		March 31, 2021	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	1.98	3,479,094	12.63	29,707,379
		1.98	3,479,094	12.63	29,707,379

Closing Stocks:

Particulars	Units	March 31, 2022		March 31, 2021	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	6.44	31,405,871	1.98	3,479,094
		6.44	31,405,871	1.98	3,479,094

10.3 Sales

Particulars	Units	March 31, 2022		March 31, 2021	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	79.34	209,075,311	94.72	256,134,786
		79.34	209,075,311	94.72	256,134,786

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 11

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, 2022		March 31, 2021	
		Quantity	Amount	Quantity	Amount
{S,S} -2,8-Diazabicyclo-{4,3,0} Nonane	Tons	0.50	10,125,063	0.36	7,061,753
Palladium Acetate	Tons	0.00	9,806,160	0.00	7,756,476
Methanol	Tons	237.73	9,140,582	388.15	11,369,525
7-4-(4-Fluoro)-6-Isopropyl-2-(Methyl Methylsulfonyl) Amino)P	Tons	0.34	8,476,923	0.01	137,500
Ethyl Acetate	Tons	64.69	8,249,985	48.71	3,551,891
Ketoprofen Nitrile	Tons	1.53	7,504,533	-	-
1-Nitroanthraquinone	Tons	6.30	7,123,164	3.90	4,928,082
Hexane / N-Hexane / Mintroleum Pe 60 80	Tons	58.89	6,221,233	31.77	3,280,543
6-(E)-2-(4-(4-Fluorophenyl)-6 -Isopropyl-2-Methanesulfonyl -M	Tons	0.39	6,062,835	0.27	5,301,855
2-[3-Cyano-4-(2-Methylpropoxy)Phenyl]-4-Methyl-5-Thiazoleca	Tons	0.60	5,596,464	0.40	2,860,000
1-Cyclo Propyl-6,7 Di Fluoro-1,4 Dihydro-8Methoxy4-Oxo-3-Q	Tons	1.36	4,253,276	0.97	3,560,758
M-Toluidine	Tons	16.02	3,913,960	9.88	1,237,703
Iso Propyl Alcohol	Tons	31.96	3,604,490	10.22	1,351,990
Toluene	Tons	38.22	3,093,475	45.66	2,773,362
(S)-4-[4-(Dimethylamino)-1- (4-Fluorophenyl)-1- Hydroxy Buty	Tons	0.18	2,983,000	-	-
Others		490.27	89,805,246	362.83	71,042,795
Total			185,960,389		126,214,233

10.5 Value of imports calculated on CIF basis

Particulars	March 31, 2022 Amount	March 31, 2021 Amount
Raw Material	40,984,611	45,756,192
Capital Goods	-	-
Total	40,984,611	45,756,192

10.6 Imported and indigenous raw materials consumed

Particulars	March 31, 2022		March 31, 2021	
	Amount	%	Amount	%
a) Imported	40,396,160	21.72	39,716,122	31.47
b) Indigenously obtained	145,564,229	78.28	86,498,111	68.53
Total	185,960,389	100.00	126,214,233	100.00

Vadivarhe Speciality Chemicals Limited**Notes to the accounts****Note 11****10.7 Directors' Remuneration**

	March 31, 2022	March 31, 2021
	Amount	Amount
To Executive Directors:		
Salaries	4,890,543	4,718,648
Perquisites	-	-
Contribution to Provident and Other funds	165,714	151,224
Other allowances including Commission	-	-
(includes directors' sitting fees of Nil (Previous Year: Rs. Nil))		
	5,056,257	4,869,872

10.8 Auditors' Remuneration

Statutory audit fees (Inclusive Service Tax)	100,000	100,000
Tax Audit Fees	25,000	25,000
GST Audit Fees	-	60,000
Out of pocket expenses	-	-
	125,000	185,000

10.9 Expenditure in foreign currency (on Cash basis)

Travelling expenses	567,723	-
Business Promotion, Exhibition Expenses (Including Advance/Prepaid)	-	-
Repairs & Maintenance of QC Equipment	-	-
Testing Expenses	-	-
Legal Expenses	-	-
	567,723	-

10.10 Earnings in foreign currency (on Cash basis)

FOB value of exports	111,455,299	##### ##
	111,455,299	154,646,678

11 Details of Revenue Expenditure directly related to R&D

Raw material consumed	571,275	547,707
Packing Material	-	-
	571,275	547,707

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 13,500 towards Promoting Rural Health Services,

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

13 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

Sunil H. Pophale
Chairman and Executive Director

Pramod W Gajare
Executive Director

Laxmikant S Potdar
Chief Financial Officer

Place : Mumbai
Date : May 30, 2022