



Date: September 06, 2023

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 2023-24 pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'):

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), please find enclosed herewith the copy of 15th Annual Report of the Company for the Financial Year 2023-24. The said Annual Report is also available on the website of the Company, i.e., <https://www.vscl.in/investor/annual-returns.php>.

Kindly take the same on record.

For Vadivarhe Speciality Chemicals Limited

Meena Pophale
Whole-time Director
DIN: 00834085
Address: K.K. Chambers Sir P.T. Road,
Near Cathedral School, Fort, Mumbai – 400001
Email ID: cs@vscl.in

Place: Mumbai

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 2024



FY 2023-2024

Vadivarhe Speciality Chemicals Limited



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| Investor Information: | |
|-----------------------|---|
| CIN | L24100MH2009PLC190516 |
| NSE Symbol | VSCL |
| Website | http://vscl.in/ |
| AGM Date | September 30, 2024 |
| AGM Venue/Mode | VC/OAVM |

Chairman's Address to Stakeholders



We remained resolute in our commitment to expand our operations, aiming to bolster our capabilities and progressively amplify the contribution of Active Pharmaceuticals Ingredients (APIs) and specialty chemicals to our overall portfolio in the foreseeable future.”

At VSCL we Believe in Value creation through investment in Intangible assets and that is why we Invest in research and Development– **giving us the resiliency for long term success.**

Dear Stakeholders,

Greetings from Vadivarhe Speciality Chemicals Family!

On behalf of the Board of Directors and the entire Company, I am pleased to extend a warm welcome to all of you to the 15th Annual General Meeting of the Company.

The past year brought unusual challenges for businesses. Goeconomic conditions or world and with wars between Russia and Ukraine gives boosts to supply chain challenges, uncertain shipping and commodity price increases and rising inflationary pressures which was already affected by Covid-19 and was trying to recover since then.

Amidst this situation, we firmly believe that in the medium to long run, companies which are cost competitive, practice holistic sustainable policies will retain the market share in key products and will increase customer share supported by introduction of new products and continuous development of products supported by R & D.

PERFORMANCE REVIEW AND CAPACITY EXPANSION

Our Revenue from Operations is Rs. 40.07 Crore as against Rs. 43.67 Crore in preceding year.

With continuous effort to bring down cost of Raw material through research and development our Earning before interest, tax and depreciation increased to Rs. 4.52 Crore from Rs. 4.40 Crore which is 11.16% of turnover as compared to 9.85% in the preceding year.

In alignment with our strategy of diversification and growth, we have achieved a significant milestone by initiating the commercial production of more than 10 APIs products, which will serve global Formulations manufacturers. This expansion not only enhances our capabilities but also introduces APIs into our product portfolio, broadening the range of offerings we provide.

CLOSING THOUGHTS

To propel our future growth, we are primed to direct our attention and investments toward augmenting our production capacities and broadening our array of products.

We remain grateful to our shareholders for their constant trust and faith in our capabilities. I express my gratitude to each stakeholder including our employees, for your continued support and continuous motivation to scale new peaks of success year after year. Resting on our strategic interventions and consistent efforts to improvise novel ways of delivering exceptional performances, we remain optimistic about a brighter future and better prospects.

Warm Regards,
Sunil H. Pophale
Chairman

About VSCL:

Vadivarhe Speciality Chemicals Ltd. (NSE listed company) is incorporated in 2009. VSCL is globally active, Indian chemical producer, focused on organic chemicals and custom synthesis and primarily engaged in manufacturing of Speciality chemicals, Active Pharmaceutical ingredients, intermediate and personal care ingredients.

Vadivarhe Speciality Chemicals with more than a decade experience in servicing customers across Speciality Chemical and API segment enters transformative phase where VSCL is committed to pioneering innovation in API industry.

This Year represents a pivotal shift for the company as we expand our manufacturing capabilities and introduce new products. By doing so, we position ourselves to meet the evolving demand of the industry.

VSCL has also received WHO- GMP Certificate for Manufacturing, Marketing & Supply of Active Pharma Ingredients i.e. API's and intermediates. The manufacturing facility is located at Vadivarhe, Nashik which is about 20 Km from Nashik towards Mumbai and around 150 Km from Mumbai:

INDUSTRIES & CLIENTS:

- 1. Fine Corporation. Japan,**
- 2. Glaxo Smithkline Pharmaceuticals Ltd,**
- 3. USV Ltd, Lupin Ltd,**
- 4. Mankind Pharma Limited,**
- 5. D C Fine Chemicals,**
- 6. DPB Pharmaceuticals Limited,**
- 7. Encube Ethicals Pvt Ltd,**
- 8. Hetero Labs Ltd,**
- 9. Chem-Impex International INC,**

BOARD OF DIRECTORS & MANAGEMENT

1. Sunil Haripant Pophale

Chairman

Graduated from the Indian Institute of Technology (I.I.T.), Powai, '79, Sunil is an entrepreneur with a wealth of over 44 years experience in brand building. He has a proven track record as a founder and chief promoter of Fem Care Pharma Ltd, listed with the Bombay Stock Exchange in 1994, and successfully monetized his stake in 2009.

2. Mrs. Meena Sunil Pophale

Whole Time Director

She holds a graduation degree in Bachelor of Arts by qualification. She has been the Director of the Company since incorporation and further re designated as Whole time Director of the Company on November 10, 2016. She is having around 30 years experience and presently looking after Human Resources and Admin matters of the Company.

3. Mr. Anil Suryawanshi

Whole Time Director

Mr. Suryavashi holds a Master degree in MSc Chemistry, he has an vast and overall experience of around 26 years in API and Bulk Drugs Industry. Mr. Suryavashi has completed 49 years of age and has been associated with Enaltec Labs for around 14 years. His designation while parting from Enaltec was Associate Vice President (Operations) and prior to that he has worked with Glenmark Pharmaceuticals Mumbai, RPG Life Sciences Mumbai, IPCA Laboratories etc.

4. PRASANNA PRABHAKAR REGE

Independent Director

He is A Chartered Accountant and a Fellow Member Institute of Chartered Accountants of India and a Certified Information Systems Auditor (CISA) from Information Systems Audit & Control Association, Illinois, U. S. A. & has experience of more than 35 years as a Professional Chartered Accountant in Trade, Commerce and

Finance Industry. He also acts as director in Global Chamber of Saraswat Entrepreneurs.

5. RAVINDRA KESHAV PARANJPE

Independent Director

He is a Bachelor of Science & Technology in Dyes and Intermediates Technology from University Department of Chemical Technology, Bombay. He has experience of more than 40 years in Chemical Industry.

6. UTTARA ADWAIT KHER

Independent Director

She is Bachelor of Science – Food and Nutrition from SNDT University and has a proprietary experience of 29 years in business of Restaurants and Furniture Export.

CORPORATE INFORMATION

Board Of Directors

Mr. Sunil H Pophale

Chairman

Mrs. Meena Pophale

Whole Time Director

Mr. Anil Suryavanshi

Whole Time Director

Mr. Prasanna Prabhakar Rege

Independent Director

Mr. Ravindra Keshav Paranjpe

Independent Director

Mrs. Uttara Adwait Kher

Independent Director

Key Managerial Person

Chief Executive Officer

Mr. Susheel Koul

Chief Financial Officer

Mr. Potdar Laxmikant Shamkant

Company Secretary and Compliance Officer

Mr. Manoj Kumar

(Note: Mr. Manoj Kumar has joined as Company secretary and Compliance officer from 27th May 2024 and Mr. Rakshit Jain has resigned with effect from 27th May, 2024.)

Registered office

Gat No. 204, Vadivarhe, Igatpuri, Maharashtra, India – 422403

Statutory Auditors

M/s. Bhalchandra D. Karve & Associates

Chartered Accountants

Secretarial Auditors

M/s. Prajot Vaidya & Co.,

Practicing Company Secretaries

DIRECTORS' REPORT

VADIVARHE SPECIALITY CHEMICALS LIMITED

FOR THE FINANCIAL YEAR 2024-25

To,

The Members,

Vadivarhe Speciality Chemicals Limited

Gat No. 204, Vadivarhe, Igatpuri – 422 403

Your Directors are hereby presenting the 15th Directors Report of the Company together with the Audited Statement of Accounts for the financial year ended March 31, 2024.

1. FINANCIAL STATEMENTS & RESULTS:

Financial Results

The Company's financial performance during the year ended March 31, 2024, as compared to the previous financial year, is summarized as below:

(Rs. in Lacs)

| Particulars | For the financial year ended 31 st March, 2024 | For the financial year ended 31 st March, 2023 |
|--|---|---|
| Income | 4056.57 | 4,440.29 |
| Less: Expenses | 3905.88 | 4,362.88 |
| Prior Period Income | - | - |
| Profit before exceptional and extraordinary items and tax | 150.69 | 77.41 |
| Exception Income | - | 37.31 |
| Exception expenditure | - | - |
| Profit/ (Loss) before tax | 150.69 | 114.72 |
| Less: Provision for tax | - | - |
| Deferred Tax Expense/(Benefits) | - | - |
| MAT Credit entitlement | - | - |
| MAT Credit Utilized | - | - |
| MAT Credit Reversed | 144.53 | - |
| Income Tax of earlier years w/off | - | - |
| Profit after Tax | 6.15 | 114.72 |
| <u>APPROPRIATION</u> | | |
| Interim Dividend | - | - |
| Final Dividend | - | - |
| Tax on distribution of dividend | - | - |
| Transfer of General Reserve | - | - |
| Balance carried to Balance sheet | 6.15 | 114.72 |

2. TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve account during the financial year under review.

3. OPERATIONS:

This is the fifteenth year of operation, and your Company has achieved sales of Rs. 4007.54 Lacs and had earned a Profit of Rs. 6.15 Lacs as compared to previous year's sales of Rs. 4367.86 Lacs and Profit of Rs. 114.72 Lacs.

4. CHANGE IN NATURE OF BUSINESS, IF ANY:

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

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

5. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

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

a. Production and Profitability

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

b. Marketing and Market environment

No significant changes in Market environment in API and Intermediates.

c. Future Prospects including constraints due to Government policies

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

6. DIVIDEND:

Considering the proposed future expansion plans and to conserve the profits, your directors

have decided to not recommend any dividend for the financial year under review and same is being transferred to reserves.

7. UNPAID DIVIDEND & IEPF:

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

However, your Company did not have any funds lying unpaid or unclaimed for a period of seven years in an 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, it is not applicable to the Company as 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 to the company.

10. LOAN FROM DIRECTORS:

During the financial year under review, the Company has taken a loan from Mr. Sunil Haripant Pophale, Promoter & Executive Director of the Company and thus he has given the declaration in writing to the Company stating that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others. 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 outstanding as on March 31, 2024 |
|-------------------------------------|--|
| Mr. Sunil Haripant Pophale | Rs. 14,85,04,000/- |

11. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

All the related party transactions/contracts/arrangements that were 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 year under review were on an arm's length basis and were in compliance with the applicable provisions of the Act and the Listing Regulations.

There are no materially significant related party transactions entered into by the Company with its Promoters, Directors, KMPs, or Senior Management Personnel that may have a potential conflict with the interest of the Company at large. All related party transactions as required under AS-18 are reported in the notes to the financial statement of the Company. Hence, no disclosure is required to be given in this regard in Form AOC-2.

12. 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 I**" which forms part of this Report.

13. 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 March 31, 2024 is placed on the website of the company at the following web address: <https://www.vscl.in/investor/annual-returns.php>.

14. SHARE CAPITAL

During the Financial Year 2023-24, 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 Authorized 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 is Rs. 12,78,27,500/- as at March 31, 2024, comprising of 1,27,82,750 Equity Shares of Rs. 10 each fully paid-up.

15. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2

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

16. 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, Note O and Note P** of the Notes to Accounts which forms part of the financials of the Company.

17. 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 the date of this report.

18. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are sound & adequate. During the year under review, no

material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

Your Company has a robust Internal Audit Mechanism, conducted as per pre-approved calendar. Basis the audit, Internal Auditor periodically report on the designed 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 to the Audit Committee that reviews the adequacy of the controls implemented by the Management.

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

a) **Board of Directors**

The composition of Board of Directors of Vadivarhe Speciality Chemicals Limited (“VSCL”) is an optimum mix of Executive and Non-Executive Directors. They show active participation at the board and committee meetings, which enhances 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, 2024, 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. Anil Ganpat Suryavanshi | Executive Director | 10052423 |

(i) **Appointment**

During the Year under review, there were no new appointments made on the Board of the Company. However, Mr. Anil Ganpat Suryavanshi is regularized from

Additional Director to Whole-Time Director at the AGM held on September 28, 2023.

(ii) **Retirement by rotation**

As per the provisions of Section 152 of the Companies Act, 2013, Mrs. Meena S. Pophale is liable to retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, 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 her re-appointment as Director of the Company.

b) **Key Managerial Personnel**

During the year under review, Mr. Susheel Koul was appointed as Chief Executive Officer of the Company with effect from January 22, 2024.

The Key Managerial Personnel (KMP) of the Company as on March 31, 2024, are as follows:

| Name | Designation | Date of appointment |
|----------------------|-------------------------|----------------------------|
| Mr. Rakshit Jain * | Company Secretary | 07/10/2023* |
| Mr. Laxmikant Potdar | Chief Financial Officer | 24/03/2017 |
| Mr. Susheel Koul | Chief Executive Officer | 22/01/2024 |

**Mr. Rakshit Jain had resigned from the post of Company Secretary w.e.f. May 27, 2024.*

After the closure of the Financial year Mr. Manoj Kumar has been appointed as Company Secretary of the Company w.e.f. May 27, 2024

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 which includes the confirmation to the effect that the Independent Directors have included their names in the database maintained by the Indian Institute of Corporate Affairs and they have paid the necessary fees for the said registration and shall renew the registration timely.

d) Remuneration / Commission drawn from Holding / Subsidiary Company

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

20. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a) Board meetings

The Board of Directors met 5 (Five) times during the financial year ended March 31, 2024, 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 | May 30, 2023 | August 31, 2023 | October 07, 2023 | November 08, 2023 | January 22, 2024 |
|------------------------------|---------------------|------------------------|-------------------------|--------------------------|-------------------------|
| Mr. Sunil Haripant Pophale | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mrs. Meena Sunil Pophale | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Prasanna Prabhakar Rege | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Ravindra Keshav Paranjpe | ✓ | ✓ | ✓ | ✓ | ✓ |

| | | | | | |
|-----------------------------|---|---|---|---|---|
| Mrs. Uttara Adwait Kher | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Anil Ganpat Suryavanshi | ✓ | ✓ | ✓ | ✓ | ✓ |

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 are prepared in compliance with Section 177 of the Companies Act, 2013.

The Audit Committee comprises of:

| Name of the Members | Designation |
|------------------------------|---------------------------------|
| Mr. Prasanna Prabhakar Rege | Chairman & Independent Director |
| Mr. Ravindra Keshav Paranjpe | Member & Independent Director |
| Mrs. Uttara Adwait Kher | Member & Independent Director |

The Audit Committee met 5 (Five) times during the financial year ended March 31, 2024. The details of the same are as mentioned under:-

| Name of the Director | May 30, 2023 | August 31, 2023 | October 07, 2023 | November 08, 2023 | January 22, 2024 |
|------------------------------|---------------------|------------------------|-------------------------|--------------------------|-------------------------|
| Mr. Ravindra Keshav Paranjpe | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mrs. Uttara Adwait Kher | ✓ | Absent | ✓ | ✓ | ✓ |
| Mr. Prasanna Rege | ✓ | ✓ | Absent | ✓ | ✓ |

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 the recommendations 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 scope and terms of reference of the Nomination & Remuneration Committee have been framed in accordance with the Act.

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>.

The composition of the Committee is as under:

| Name of the Members | Designation |
|------------------------------|---------------------------------|
| 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 3 (Three) times during the financial year ended March 31, 2024. The details of the same are as mentioned under: -

| Name of the Director | August 31, 2023 | October 07, 2023 | January 22, 2024 |
|------------------------------|------------------------|-------------------------|-------------------------|
| Mr. Ravindra Keshav Paranjpe | ✓ | ✓ | ✓ |
| Mrs. Uttara Adwait Kher | Absent | ✓ | ✓ |
| Mr. Prasanna Rege | ✓ | Absent | ✓ |

d) Stakeholders Relationship Committee

The Stakeholder's Relationship Committee is constituted in accordance with Section 178 of the Companies Act, 2013.

The composition of the Committee is as under:

| Name of the Members | Designation |
|------------------------------|---------------------------------|
| 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 January 22, 2024, during the financial year ended March 31, 2024. The details of the same are as mentioned under:

| Name of the Director | January 22, 2024 |
|------------------------------|-------------------------|
| Mr. Prasanna Prabhakar Rege | ✓ |
| Mr. Ravindra Keshav Paranjpe | ✓ |
| Mrs. Uttara Adwait Kher | ✓ |

During the year under review, the Company has not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2024.

e) Independent Directors meeting

In Compliance with Clause VII of Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors Meeting of the Company was held on January 22, 2024. Independent Directors Meeting considered the performance of Non-Independent Directors and Board as a whole, reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of

information between the Company Management and the Board.

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

The independent directors present at the meeting held on January 22, 2024, are as follows:

| Name of the Directors | 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 the 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 II**” and forms part of this Directors’ Report.

21. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

Mr. Laxmikant Potdar being the Chief financial officer and Mr. Rakshit Jain being the

Company Secretary of the Company belong to the Senior Management along with other senior management personnel of the Company. The changes in the senior management since the close of the previous financial year are as follows:

- Mr. Rakshit Jain resigned from the post of Company Secretary w.e.f. May 27, 2024.
- Mr. Manoj Kumar has been appointed as Company Secretary of the Company w.e.f. May 27, 2024.
- Mr. Susheel Koul has been appointed as CEO of the Company w.e.f. January 22, 2024.

22. 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:

| Name of the Members | Designation |
|----------------------------|---------------------------------|
| Mr. Sunil Haripant Pophale | (Chairman & Executive Director) |
| Mrs. Meena Sunil Pophale | Whole-Time Director |
| Mr. Uttara Adwait Kher | Independent Director |

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 2023-24.

23. AUDITORS AND REPORTS

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

a. STATUTORY AUDITOR & AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2024

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 at the AGM held on September 30, 2019 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 2024-25.

The Statutory Audit report does not contain any observations/ qualifications/ disclaimers/ adverse remarks from the auditors for the financial year ended March 31, 2024.

Since M/s. Bhalchandra D. Karve & Associates (Firm registration No: 135281W), Chartered Accountants, retires on the conclusion of the 15th Annual General Meeting to be held for the financial year 2024 and so it is proposed to appoint M/s. S. R. Rahalkar & Associates, Chartered Accountants (Firm Registration No. 108283W) as Statutory Auditors of the Company in the ensuing AGM for the tenure of 5 years.

The requisite resolution in this regard is proposed in the ensuing annual general meeting.

b. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2024

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended March 31, 2024, read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

c. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2024

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 Prajot Vaidya & Co., Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2023-24.

The secretarial audit report issued by M/s Prajot Vaidya & Co., Practicing Company Secretaries, in Form MR-3 for the financial year 2023-24, forms part of the Directors Report as ***“ANNEXURE III”***.

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

d. INTERNAL AUDITOR

M/s S. R. Rahalkar & Associates, Chartered Accountants (FRN: 108283W) were appointed as the Internal Auditor of the Company for the financial year 2023-24 based on the recommendation of the Audit Committee of the Company.

e. MAINTENANCE OF COST RECORDS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the

Company is not required to maintain Cost Records under said Rules.

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

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

24. INSURANCE

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

25. 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 SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which could have an 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 March 31, 2024, 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 March 31, 2024 and of the loss of the Company for that year;
- iii. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

-
- iv. The annual accounts of the Company have been prepared on a going concern basis;
 - v. Internal financial controls were followed by the Company and such internal financial controls are adequate and are operating effectively; and
 - vi. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

c. CORPORATE GOVERNANCE

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

Your Company treats its “Human Resources” as one of its most important assets. Your Company continuously invests in the attraction, retention, and development of talent on an ongoing basis. A number of programs that provide focused people’s attention are currently underway. Your Company’s thrust is on the promotion of talent internally through job rotation and job enlargement.

As on March 31, 2024, there were a total of 75 employees. The Company has all the required policies under the Indian laws for the time being in force and as required under the Companies Act, 2013 and SEBI LODR Regulations, 2015 to protect and safeguard the interest of the employees.

i. PARTICULARS OF REMUNERATION TO EMPLOYEES

The particulars of remuneration to directors and employees and other related information required to be disclosed under Section 197 (12) and sub rule 1 of rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Companies Act, 2013 and the Rules made thereunder are given in “**ANNEXURE IV**” to this Report.

Further the Company has no employee who is in receipt of remuneration of INR. 8,50,000/- per month or INR 1,02,00,000/- per annum and hence the Company is not required to give information under sub-rule (2) and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The details for the top ten employees of the Company are also mentioned in “**ANNEXURE IV**” to this report.

j. 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 workplace.

k. 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 IV**” to this Director’s Report.

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

| Particulars | Details | | |
|---|--|--|--|
| Name of Person & Designation to whom Remuneration is paid as per Section II of Schedule V | <u>Anil Suryavanshi</u> (Whole-time Director) | Sunil Haripant Pophale (Executive Director) | Meena Sunil Pophale (Whole-time Director) |
| All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors | <p>1. <u>Salary exclusive of all allowances</u> Rs. 2,31,550/- per month. The Whole time Director shall be entitled to such increment from time to time as the Board may by its discretion determine.</p> <p>2. <u>Perquisites and allowances in addition to salary</u> A. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 46,310/- per month. B. Conveyance Allowance: The</p> | <p>1. <u>Salary exclusive of all allowances:</u> Re. 1/- per annum</p> <p>2. <u>Perquisites and allowances in addition to salary</u> A. <u>House Rent Allowance:</u> NIL B. <u>Conveyance Allowance:</u> NIL C. <u>Children Education Allowance:</u> NIL D. <u>Transport Allowance:</u> NIL E. <u>Medical Allowance:</u> NIL F. <u>Any other benefits, facilities,</u></p> | <p>1. <u>Salary exclusive of all allowances:</u> Re. 1/- per annum</p> <p>The Whole-time director shall be entitled to such increment from time to time as the Audit Committee, NRC and Board of Directors may by its discretion determine</p> <p>1. <u>Perquisites and allowances in addition to salary</u> A. <u>House Rent Allowance:</u> NIL B. <u>Conveyance Allowance:</u> NIL C. <u>Children Education Allowance:</u> NIL D. <u>Transport</u></p> |

| | | | |
|--|--|---|--|
| | <p>Company will pay Conveyance Allowance of Rs. 35,000/- per month.</p> <p>C. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month</p> <p>D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month.</p> <p>E. Medical Allowance: The Company will pay Medical Allowance of Rs. 19,296/-</p> <p>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/ schemes.</p> <p>Notes: For the purpose of perquisites stated</p> | <p><u>allowance and expenses as may be allowed under Company rules/schemes.</u></p> <p>Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee.</p> <p><u>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual cost.</u></p> | <p><u>Allowance: NIL</u></p> <p>e. <u>Medical Allowance: NIL</u></p> <p>f. <u>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.</u></p> <p>Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee.</p> <p><u>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual cost</u></p> |
|--|--|---|--|

| | | | |
|--|--|--|--|
| | <p>herein above, family means spouse, dependent children and dependent parents of the appointee.</p> <p><u>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual cost.</u></p> | | |
| <p>Details of fixed component and performance linked incentives along with the performance criteria</p> | <p>Fixed Component: 3,33,956/-</p> <p><u>Performance linked incentives:</u> There is no such criteria formulated by the Company.</p> | <p>Fixed Component: NIL</p> <p>Performance linked incentives: There is no such criteria formulated by the Company.</p> | <p>Fixed Component: NIL</p> <p>Performance linked incentives: There is no such criteria formulated by the Company.</p> |
| <p>Service contracts, notice period, severance fees</p> | <p><u>As per the Company's Policy</u></p> | <p><u>As per the Company's Policy</u></p> | <p><u>As per the Company's Policy</u></p> |
| <p>Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable</p> | <p><u>N/A</u></p> | <p><u>N/A</u></p> | <p><u>N/A</u></p> |

26. 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.

27. 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 were no instances of one time settlement with any Bank or Financial Institution.

28. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

The Company has not made any disclosure under clause 5A of paragraph A of Part A of Schedule III of these regulations.

29. 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, 400005

Date: September 06, 2024

Place: Mumbai

Annexure I

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

(A) Conservation of energy:

| | |
|---|--|
| Steps taken or impact on conservation of energy | <ul style="list-style-type: none">• A total outlay of Rs. 400 Lacs has been made on Conservation of Energy.• Installation of 193 Kwh Solar Power Plant, same is being upgraded.• 3000 Liter per day capacity Solar Water Heater Plant.• The Company uses LED light systems wherever required. |
| Steps taken by the company for utilizing alternate sources of energy | |
| Capital investment on energy conservation equipment | |

(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 into the prestigious western market.• Moreover, we are also being looked upon as a potential R&D center 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, 2023 to March 31, 2024 [Current F.Y.] | April 01, 2022 to March 31, 2023 [Previous F.Y.] |
|---|--|---|
| | Amount in Rs. | Amount in Rs. |
| Actual Foreign Exchange earnings | 28,79,40,100 | 35,99,43,100 |
| Actual Foreign Exchange outgo | 3,15,70,948 | 5,82,55,200 |

**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: September 06, 2024
Place: Mumbai**

ANNEXURE II

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 has been in the industry for the last 14 years. It has a very high degree of operating synergy, economies of scale and high- quality standards. The products of your company have diverse uses and applications in several industries ranging from pharmaceuticals, agro-chemicals and personal cares.

The Company has a good clientele base, which is well diversified all 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. However, the total revenue from the operations for the year ended March 31, 2024, declined to Rs. 4007.55 Lakhs as against Rs. 4,367.87 Lakhs in the previous financial year.

Market and Outlook

Your company has a healthy order book position. The Company's R&D programs are focused on new products development & successfully added a range of products to its basket. The

newly developed products will contribute to a significant growth in revenue in coming years and have 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 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

The extreme volatility of the exchange rate of rupee against US dollar is having significant impact on Raw Material cost of the Company. Approximately 15% 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 the 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, 2024, declined to Rs. 4007.55 Lakhs as against Rs. 4,367.87 Lakhs in the previous financial year.

Although the revenue has decreased in the current financial year as compared to the previous financial year, the Company has earned a profit of Rs. 150.69 Lakhs in year ended

March 31, 2023, as compared to a profit of Rs. 114.72 lakhs in the previous financial year. The Company has taken continuous efforts to reduce consumptions and to get maximum yield from its products and effective cost control and cost cuttings measures were also being implemented. The Company is confident that the newly developed products will contribute towards a significant growth in revenue in coming years.

Human Resources

Human Resources are always the most important and valuable asset to the Company. The Company has 75 permanent employees as on March 31, 2024, 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 | 31.03.2024 | 31.03.2023 |
|-----------------------------|-------------------|-------------------|
| Debt Turnover | 8.35 | 7.81 |
| Inventory Turnover | 2.51 | 3.07 |
| Interest Coverage Ratio | 2.17 | 1.78 |
| Current Ratio | 1.14 | 0.87 |
| Debt Equity Ratio | 4.05 | 4.19 |
| Operating Profit Margin (%) | 6.97 | 6.00 |
| Net Profit Margin (%) | 0.15 | 2.63 |

Return on Net Worth

The return on net worth decreased to 0.95% as against (17.85%) in the previous year due to MAT Credit Reversal.

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. A 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

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

Sd/-

Sunil Haripant Pophale
Director
DIN: 00064412

Sd/-

Meena Sunil Pophale
Whole time Director
DIN: 00834085

Date: September 06, 2024

Place: Mumbai

ANNEXURE III

Prajot Vaidya & Co.

Office no 2, Shanta Niwas CHS, Near Karve Hospital, M.G. Road,
Bhaskar Colony, Thane West-400602

Email id: csprajotvaidya@gmail.com

M: 9029872189

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2024

[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

I 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 my opinion thereon.

Auditor's Responsibility:

My responsibility is to express an opinion on compliance with the applicable laws and maintenance of records based on the audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by the Institute of Company Secretaries of India. The Auditing Standards require 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 misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Based on my 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 the

secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 (**'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:

I 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, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Overseas Direct Investment (Foreign Direct Investment and External Commercial borrowings are not applicable to the Company during the audit period); (**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) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the audit period**)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the audit period**)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not applicable to the Company during the audit period**);

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period)**

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

I 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent mentioned below:

I further report that:

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. And during the Audit period Mr. Anil Ganpat Suryavanshi was appointed as Whole-time director of the Company on 28th September, 2023.

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

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

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

Company.

- The Drugs and Cosmetics Act, 1940 and Rules, 1945 amended thereunder;
- Drugs (Price Control) Order 2013;
- Drugs & Magic Remedies (Objectionable Advertisement) Act,1954 & Rules 1955 amended thereunder;
- The Indian Boilers Act, 1923
- Factories Act, 1948 and
- Maharashtra Prevention of Water Pollution Act,1969

I 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 Prajot Vaidya & Co.
Company Secretaries**

Sd/-

Prajot Vaidya

Proprietor

Membership No. A38969

C.P. No: 24558

Peer Review No: 4055/2023

UDIN: A038969F001153687

Place: Thane

Date: 05/09/2024

This report is to be read with my 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

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

1. Maintenance of secretarial and other records under applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
2. I have followed the audit practices and processes as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period and in few instances, procedural delay, not material, has been noticed in compliance of the provisions of the Companies Act, 2013.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of Management. My examination was limited to the verification of procedures on a test-check basis for the purpose of issue of the Secretarial Audit Report.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Prajot Vaidya & Co.
Company Secretaries

SD/-

Prajot Vaidya
Proprietor
Membership No. A38969
C.P. No: 24558
Peer Review No: 4055/2023
UDIN: A038969F001153687

Place: Thane
Date: 05/09/2024

ANNEXURE IV

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 2023-24, 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. 2023-24 (in Rs.) | % Increase in remuneration for financial year 2023-24 | Ratio of remuneration of Director to median remuneration of employees |
|---------|----------------------|-------------------------|--|---|---|
| 1. | Mrs. Meena Pophale | Whole-time Director | - | - | - |
| 2. | Mr. Sunil H. Pophale | Executive Director | - | - | - |
| 3. | Mr. Anil Suryavanshi | Whole-time Director | 47,14,307 | 0 | 12.35 |
| 4. | Mr. Laxmikant Potdar | Chief Financial Officer | 18,02,886 | 5% | 4.72 |
| 5. | Mr. Rakshit Jain | Company Secretary | 1,62,587 | 0 | - |

- II. The median remuneration of employees during the financial year was Rs. 3,81,838/- p.a. (For calculating the median remuneration of employees, only the remuneration paid to employees who have served throughout the financial year 2023-24 has been considered.
- III. There were 75 permanent employees on the rolls of the Company as on March 31, 2024.
- IV. In the financial year there was an increase of 10% in the median remuneration.
- V. Average increase made in the salaries of employees other than the managerial personnel

in the financial year 2023-24 was 10% and average increase in the managerial remuneration w.r.t the managerial personnel for the financial year 2023-24 was 5%

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 | 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. Anil G. Suryawanshi | Executive Director | 47,14,307 | Director | 01-02-2023 | 51 | Siddhivinayak Chemicals | MSc Organics | No |
| 2 | Mr. Susheel C. Koul | Chief Executive Officer | 22,62,982 | Employee | 22-01-2024 | 59 | Enaltec Labs Pvt Ltd | BSc, Diploma in Marketing Management | No |
| 3 | Mr. Dinesh N. Malpe | Sr. Manager-Production | 1,997,510 | Employee | 07-09-2021 | 43 | Kasyap Sweetners Ltd | BE Chemicals | No |
| 4 | Mr. Laxmikant S. Potdar | Chief Financial Officer | 1,802,886 | Employee | 13-07-2011 | 51 | Jyoti Structures Ltd | MCom | No |
| 5 | Mr. Sambhaji S. Powar | Manager-ADL | 1,658,377 | Employee | 08-03-2018 | 42 | Macleods Pharmaceuticals Ltd | Msc Analytical Chemistry | No |
| 6 | Mr. Satish P. Paithankar | Manager-Stores & Excise | 1,450,989 | Employee | 01-07-2012 | 52 | Dabur India Ltd | BA | No |
| 7 | Mr. Sachin A. Bichave | Sr. Manager-Maintenance | 1,424,823 | Employee | 09-08-2021 | 53 | Megafine Pharma Pvt Ltd | BE Electrical | No |

| | | | | | | | | | |
|----|--------------------------|---------------------------|-----------|----------|------------|----|---------------------|-------------------------------------|----|
| 8 | Mr. Rahul V. Joglekar | General Manager Marketing | 12,28,949 | Employee | 01-12-2023 | 47 | Arch Pharma Labs | Msc, Master in Marketing Management | No |
| 9 | Mr. Krishnarao L. Patil | Manager-Production | 10,40,429 | Employee | 03-07-2009 | 54 | Fem Care Pharma Ltd | BSc | No |
| 10 | Mr. Chandrakant B. Patil | Manager-QC | 8,81,281 | Employee | 23-10-2018 | 42 | Lupin Ltd | Msc Organic | No |

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

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

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

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

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

Date: September 06, 2024
Place: Mumbai

To

The Members of **VADIVARHE SPECIALITY CHEMICALS LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of VADIVARHE SPECIALITY CHEMICALS LIMITED which comprise the balance sheet as at March 31, 2024 and the statement of profit and loss and statement of cash flows for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (herein referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with Accounting Standards prescribed under section 133 of the Act read with rule 3 of the Companies (Accounting Standards) Rules, 2021 and other the accounting principles generally accepted in India of the state of affairs of the Company as at March 31 2024 and profit and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

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

Description of Key Audit Matter

Revenue recognition (refer note 3)

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

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

The company's management and board of directors are responsible for the matters stated in section 134(5) of the act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and cash flows of the company in accordance with the accounting principles generally accepted in India.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs we exercise professional judgment and maintain professional skepticism throughout the audit. We also: Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion forgery intentional omissions misrepresentations or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of audit and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

(A) As required by Section 143(3) of the Act we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 3 of the Companies (Accounting Standards) Rules, 2021.
- (e) On the basis of the written representations received from the directors as taken on record by the Board of Directors none of the directors is disqualified as on March 31 2024 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

- I. The Company has disclosed the impact of pending litigations as at March 31 2024 on its financial position in its financial statements;
- II. The Company has made provision as required under the applicable law or accounting standards for material foreseeable losses if any on long-term contracts including derivative contracts;
- III. There were no amounts to be transferred to the Investor Education and Protection Fund by the Company.
- IV. (i) The management has represented that, to the best of its knowledge and belief other than as discussed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether,
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries")
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.(ii) The management has represented that, to the best of its knowledge and belief other than as discussed in the notes to accounts, no funds have been received by the company from any person(s) or entity (ies), including foreign entities. ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries")
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- V. The company has not declared/proposed any interim and final dividend for the year and previous financial year.
- VI. Based on our examination which includes test check, the company has used accounting software for maintaining books of accounts for F.Y. 2023-24 which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in software. During the course of our audit we did not come across any instance of audit trail feature being tampered with.

This is the first year of applicability of this feature, therefore, we have not verified retention of this log of Financial Year 2022-23.

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

**FOR BHALCHANDRA D KARVE & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. 135281W**

Sd/-

**CA BHALCHANDRA D KARVE
Proprietor
Membership No: 105965
PLACE: NASHIK
DATE: 27/05/2024
UDIN: 24105965BKACMY5467**

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT MARCH 31ST 2024

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the **VADIVARHE SPECIALITY CHEMICALS LIMITED** on the Financial Statements for the year ended March 31, 2024, we report the following:

- (I) In respect of company's Property, Plant and Equipment, right-of-use assets and intangible Assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties and relevant details of right-of-use assets.
- (b) The Company has a programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment and investment properties during the year and we are informed that the discrepancies were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings as disclosed in Note no 'K' to the Financial Statements, are held in the name of the Company
- (d) The company has not revalued any of its Property, Plant and Equipment (include right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the company as at March 31st, 2024 for holding any Benami property under the Benami Transactions(Prohibition) Act, 1988(As amended in 2016) and Rules thereunder.
- (II) (a) The inventory, except for goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (b) Company has been sanctioned working capital limits in excess of Rs 500 lakhs, in aggregate, from banks on the basis of security of current assets. Company has filed quarterly statements (QIS) with bank for this loan. Book Value of stock, Sundry Debtors and Sundry Creditors is as under:

| Sr. No. | Particulars of current asset | Quarter ending | Amount as per books of accounts (nearest hundred) | Amount as per statement filed with bank (nearest hundred) |
|---------|------------------------------|----------------|---|---|
| 1 | Sundry Debtors | 30.06.2023 | 347194500 | 55350400 |
| | Sundry Creditor | 30.06.2023 | 77404200 | 42247000 |
| | Stock in Trade | 30.06.2023 | 77916400 | 77916400 |
| 2 | Sundry Debtors | 30.09.2023 | 20601000 | 35091100 |
| | Sundry Creditor | 30.09.2023 | 61692000 | 29116500 |
| | Stock in Trade | 30.09.2023 | 72628600 | 74129800 |
| 3 | Sundry Debtors | 31.12.2023 | 40696900 | 42016500 |
| | Sundry Creditor | 31.12.2023 | 60706800 | 35341900 |
| | Stock in Trade | 31.12.2023 | 74436100 | 74436100 |
| 4 | Sundry Debtors | 31.03.2024 | 49406100 | 50431200 |
| | Sundry Creditor | 31.03.2024 | 68571000 | 45715100 |
| | Stock in Trade | 31.03.2024 | 85790500 | 77290600 |

- (III) (a) As per the information and explanation given to us, during the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (b) As per the information and explanation given to us, The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (c) As the company has not given any loans and Advances during the year, Reporting under this sub clause is not applicable.
- (d) As the company has not given any loans and Advances during the year, Reporting under this sub clause is not applicable
- (e) As the company has not given any loans and Advances during the year, Reporting under this sub clause is not applicable.
- (f) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted loans repayable on demand or without specifying any terms or period of repayment to the Promoters, Related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- (IV) The company has complied with provisions of section 185 & 186 in respect of loans investments, guarantees, and securities provided as applicable.
- (V) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 or rules made there under hence this clause is not applicable.
- (VI) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (VII) (a) According to the records of the company, undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March ,2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us no undisputed amounts payable in respect of provident fund employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable
- (VIII) According to the records of the company, there is no surrendered or disclosure of income during the year in the income tax assessment under the Income Tax Act, 1961 (43 of 1961),
- (IX) (a) According to the information and explanations given to us the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to the lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us the company has utilised the money obtained by way of term loans during the year for the purpose for which they were obtained.

- (d) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long term purposes by the company.
- (e) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of the financial statements of the company, we report that the company has not taken any funds from any entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of the financial statements of the company, we report that the company has not raised the loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures. The company has not defaulted in repayment of such loans.
- (X) (a) In our opinion and according to the information and explanations given to us the company has not raised by way of initial public offer or further public offer (including debt instruments). The term loans have been applied for the purpose for which they were raised.
- (b) The company has not raised by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (XI) (a) According to the information and explanations given to us, and the procedures performed by us, and on overall examination of the financial statements of the company, there is no any fraud by the company or any fraud on the company has been noticed or reported during the year.
- (b) According to the information and explanations given to us report under sub-section (12) of section 143 of the Companies Act is not required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government as no fraud or suspected fraud has been noticed during audit and upto the date of this report.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.
- (XII) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (XIII) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- (XIV) (a) In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) we have considered the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (XV) According to the information and explanations given to us, the company has not entered into non-cash transactions with directors or persons connected with the director during the year by the acquisition of assets and / or by assuming directly related liabilities, which in our opinion is covered under the provision of section 192 of the Act.
- (XVI) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934)
- (b) The company is not required to be registered as Non Banking Financial Company or Housing Finance Company as per Reserve Bank of India Act, 1934.

(c) There is no core investment company within the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Hence reporting under clause 3(xvi)(a), (b),(c) and (d) of the order is not applicable.

- (XVII) The company has not incurred cash losses in the financial year covered by our audit and incurred cash profits in the immediately preceding financial year.
- (XVIII) There has been no resignation of the statutory auditors during the year and accordingly, this clause is not applicable.
- (XIX) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment off in financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, except the non achievement of projected sales/turnover nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (XX) The company is not required to transfer any amount to a fund specified in schedule VII to the Companies Act, 2013, within a period of six months from the expiry of financial year in compliance with second proviso to sub section 5 of section 135 of the said Act.
- (XXI) The reporting under this clause is not applicable in respect of standalone financial statements.

FOR BHALCHANDRA D KARVE & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. 135281W

Sd/-

CA BHALCHANDRA D KARVE
Proprietor
Membership No: 105965
PLACE: NASHIK
DATE: 27/05/2024
UDIN: 24105965BKACMY5467

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 2024

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 2024 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 2024 , based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR BHALCHANDRA D KARVE & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. 135281W**

Sd/-

**CA BHALCHANDRA D KARVE
Proprietor
Membership No: 105965
PLACE: NASHIK
DATE: 27/05/2024
UDIN: 24105965BKACMY5467**

Vadivarhe Speciality Chemicals Limited
Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,
CIN: L24100MH2009PLC190516,
Email id: accounts@vscl.in Website: www.vscl.in
Phone : 02553 691200 Fax :022 26740371
Balance Sheet as at 31st March, 2024

In Rupees (Nearest Hundred)

| Particulars | Note No | Figures As at 31st March, 2024 | Figures As at 31st March, 2023 |
|--|---------|-----------------------------------|-----------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | A. | 127,827,500 | 127,827,500 |
| (b) Reserves and Surplus | B. | (62,935,400) | (63,550,600) |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | C. | 188,699,000 | 162,640,500 |
| (b) Deferred tax liabilities (Net) | D. | - | - |
| (c) Other Long term Liabilities | E. | 409,700 | 409,700 |
| (d) Long Term Provisions | F. | 4,235,600 | 3,719,500 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | G. | 73,086,200 | 106,740,300 |
| (b) Trade payables | H. | 71,470,500 | 103,324,700 |
| (c) Other current liabilities | I. | 2,497,900 | 2,682,500 |
| (d) Short-term provisions | J. | 10,848,200 | 20,559,700 |
| Total | | 416,139,200 | 464,353,800 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant & Equipments and Intangible Assets | | | |
| (i) Property, Plant & Equipments | K. | 215,922,500 | 233,625,900 |
| (ii) Intangible assets | L. | 1,600 | 8,200 |
| (iii) Capital work-in-progress | M. | 15,588,500 | 9,933,700 |
| (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. | 1,427,500 | 15,910,100 |
| (e) Other non-current assets | P. | 2,669,300 | 2,564,000 |
| (2) Current Assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | Q. | 85,790,500 | 85,746,600 |
| (c) Trade receivables | R. | 49,406,100 | 57,716,200 |
| (d) Cash and cash equivalents | S. | 5,152,900 | 8,065,400 |
| (e) Short-term loans and advances | T. | 39,158,000 | 48,571,200 |
| (f) Other current assets | U. | 512,300 | 1,702,500 |
| Total | | 416,139,200 | 464,353,800 |

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

Sd/-

Bhalchandra D Karve
Proprietor
Membership No.105965

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

Sd/-

Chairman and Executive Director
Sunil H Pophale
DIN -00064412

Sd/-

Whole-time Director
Anil G Suryawanshi
DIN -10052423

Sd/-

Laxmikant S Potdar
Chief Financial Officer

Place : Mumbai
Date : May 27, 2024

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

In Rupees (Nearest Hundred)

| Particulars | Note No | Figures for Year ended 31st March, 2024 | Figures for the year ended 31st March, 2023 |
|--|------------|--|--|
| I. Revenue from operations | 1 | 400,754,600 | 436,786,600 |
| II. Other Income | 2 | 4,902,700 | 7,242,500 |
| III. Total Income (I +II) | | 405,657,300 | 444,029,100 |
| IV. Expenses: | | | |
| Cost of materials consumed | 3 | 222,117,600 | 257,652,200 |
| Purchase of Stock-in-Trade | 4 | - | - |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 5 | (6,549,600) | 5,314,400 |
| Employee benefit expense | 6 | 45,837,500 | 44,003,100 |
| Financial costs | 7 | 12,849,800 | 14,724,900 |
| Depreciation and amortization expense | 8 | 17,351,000 | 17,886,400 |
| Other Expenses | 9 | 98,982,000 | 96,707,400 |
| IV. Total Expenses | | 390,588,300 | 436,288,400 |
| V. Profit before exceptional and extraordinary items and tax | (III - IV) | 15,069,000 | 7,740,700 |
| VI. Exceptional Items - DIC PSI-2013 Incentive - Prior Period Income | | - | 3,731,000 |
| | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | 15,069,000 | 11,471,700 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before tax (VII - VIII) | | 15,069,000 | 11,471,700 |
| X. Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Income Tax of earlier years | | - | - |
| (3) Deferred tax | | - | - |
| (4) MAT Credit entitlement | | - | - |
| (5) MAT Credit Reversed | | 14,453,800 | - |
| XI. Profit/(Loss) for the period (IX - X) | | 615,200 | 11,471,700 |
| No. of Shares Outstanding at the end of the period | | 12,782,750 | 12,782,750 |
| XII. Earning per equity share: | | | |
| (1) Basic | | 0.05 | 0.90 |
| (2) Diluted | | 0.05 | 0.90 |

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

Sd/-

Bhalchandra D Karve
 Proprietor
 Membership No.105965

Sd/-

Chairman and Executive Director
 Sunil H Pophale
 DIN -00064412

Sd/-

Whole-time Director
 Anil G Suryawanshi
 DIN -10052423

Sd/-

Laxmikant S Potdar
 Chief Financial Officer

Place : Mumbai
 Date : May 27, 2024

Vadivarhe Speciality Chemicals Limited

Cash Flow statement for the Year ended 31st March, 2024

In Rupees (Nearest Hundred)

| Particulars | Year ended 31st March, 2024 | Year ended 31st March, 2023 |
|--|--------------------------------|--------------------------------|
| Cash flows from operating activities | | |
| Profit before taxation | 15,069,000 | 11,471,700 |
| Adjustments for: | | |
| Depreciation | 17,351,000 | 17,886,400 |
| Dividend Income | (35,000) | (70,000) |
| Interest Received | (394,100) | (533,500) |
| Interest expense | 12,849,800 | 14,724,900 |
| (Profit) / Loss on the sale of property, plant & equipment | 185,700 | 171,600 |
| Operating Profits before Working Capital Changes | 45,026,400 | 43,651,100 |
| Working capital changes: | | |
| (Increase) / Decrease in trade receivables | 8,310,100 | (37,481,900) |
| (Increase) / Decrease in inventories | (43,900) | (17,511,700) |
| (Increase) / Decrease in Other receivables | 10,498,100 | (3,111,300) |
| (Increase) / Decrease in Long term Loans and advances* | 14,482,600 | 14,200 |
| Increase / (Decrease) in trade payables | (31,854,200) | 14,789,100 |
| Increase / (Decrease) in other payables | (9,380,000) | (3,846,300) |
| Cash generated from operations | 37,039,100 | (3,496,800) |
| Income taxes paid(Deferred tax liability written off) | (14,453,800) | - |
| Net cash from operating activities (A) | 22,585,300 | (3,496,800) |
| Cash flows from investing activities | | |
| Purchase of Fixed Assets | (9,031,700) | (7,588,000) |
| Proceeds from sale of equipment | 3,550,000 | 41,400 |
| Adjusted against accumulated balances write off | - | - |
| Dividend income | 35,000 | 70,000 |
| Interest Received | 394,100 | 533,500 |
| Net cash used in investing activities(B) | (5,052,600) | (6,943,100) |
| TOTAL (A+B) | 17,532,700 | (10,439,900) |
| Cash flows from financing activities | | |
| Increase / (Decrease) in Short term Borrowings - Cash credit facility, Packing Credit, Current maturity of Long Term Borrowings | (33,654,100) | 21,625,500 |
| Proceeds from issue of share capital | - | - |
| Proceeds from Term loan | 32,065,000 | (28,680,000) |
| Interest on Loan | (12,849,800) | (14,724,900) |
| Proceed from unsecured loan from Director | (6,006,500) | 32,264,500 |
| Net cash used in financing activities [C] | (20,445,400) | 10,485,000 |
| Net increase in cash and cash equivalents (A+B+C) | (2,912,500) | 45,100 |
| Cash and cash equivalents at beginning of period | 8,065,400 | 8,020,300 |
| Cash and cash equivalents at end of period | 5,152,900 | 8,065,400 |
| Components of Cash and cash equivalents | | |
| Cash in hand | 188,700 | 510,900 |
| Balances with Scheduled banks : | | |
| in current accounts | 4,964,200 | 645,500 |
| in deposits accounts | - | 6,909,000 |
| Cash and cash equivalents in Cash Flow Statement | 5,152,900 | 8,065,400 |

As per our Report attached of even date.

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

Sd/-
Bhalchandra D Karve
Proprietor
Membership No.105965

Sd/-
Chairman and Executive Director
Sunil H Pophale
DIN -00064412

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

Sd/-
Additional Whole-time Director
Anil G Suryawanshi
DIN -10052423

Sd/-
Laxmikant S Potdar
Chief Financial Officer

Place : Mumbai
Date : May 27, 2024

Notes To and Forming Part of the Balance Sheet

| | March 31,2024 Amount | March 31,2023 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) | <u>150,000,000</u> | <u>150,000,000</u> |
| 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) | <u>127,827,500</u> | <u>127,827,500</u> |
| Total | <u><u>127,827,500</u></u> | <u><u>127,827,500</u></u> |

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

Disclosure related to Outstanding share detail

| Particulars | March 31,2024 | | March 31,2023 | |
|--|---------------|-------------|---------------|-------------|
| | Equity Shares | | Equity Shares | |
| | Number | Rs. | Number | Rs. |
| Shares outstanding at the begining of the year | 12,782,750 | 127,827,500 | 12,782,750 | 127,827,500 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 12,782,750 | 127,827,500 | 12,782,750 | 127,827,500 |

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

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

Shares held by Promoters at end of the year

| Promoter Name | No of Shares | | % of total Shares | | % Change during the year |
|--------------------------|--------------|-----------|-------------------|----------|--------------------------|
| | FY 23-24 | FY 22-23 | FY 23-24 | FY 22-23 | |
| Mr. Sunil H Pophale | 8,032,625 | 8,032,625 | 62.84% | 62.84% | - |
| Ms. Aditi S Pophale | 1,500,000 | 1,500,000 | 11.73% | 11.73% | - |
| Mrs. Meena Sunil Pophale | 5,375 | 5,375 | 0.04% | 0.04% | - |
| Ms. Manasi Sunil Pophale | 250 | 250 | 0.00% | 0.00% | - |

Note B : Reserves and Surplus

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

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

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

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

| | | |
|--|----------------------------|----------------------------|
| Opening Balance | (123,130,500) | (134,602,200) |
| Profit / (Loss) of the current year | 615,200 | 11,471,700 |
| Less: Software Discarded during the year-Not usable since past 2 years | - | - |
| Less: Depreciation changes as per Schedule II of Companies Act 2013 | - | - |
| Closing balance | <u>(122,515,300)</u> | <u>(123,130,500)</u> |
| Total | <u><u>(62,935,400)</u></u> | <u><u>(63,550,600)</u></u> |

Notes To and Forming Part of the Balance Sheet

| | March 31,2024 Amount | March 31,2023 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) (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | - |
| 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 settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | - |
| 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) (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 700,000 |
| 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) (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 2,045,000 |
| 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 (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 925,000 |
| From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 1,860,000 |
| From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 2,600,000 |
| From Bank of India (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 9 Rs.8,30,000/- and 1 Installment of Rs.10,30,000/-, | - | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/03/2024 Balance Sheet date 31/03/2024) Number of Installment due 5 Rs.2,20,000/- and 1 Installment of Rs.4,00,000/-, | - | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/08/2024 Balance Sheet date 31/03/2025) Number of Installment due 10 Rs.3,00,000/- and 1 Installment of Rs.1,00,000/-, | - | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/04/2025 Balance Sheet date 31/03/2026) Number of Installment due 18 Rs.1,85,000/- and 1 Installment of Rs.1,95,000/-, | 195,000 | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/07/2028 Balance Sheet date 31/03/2029) Number of Installment due 57 Rs.8,33,333/- and 1 Installment of Rs.8,33,353/-, | 33,333,300 | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/07/2026 Balance Sheet date 31/03/2027) Number of Installment due 33 Rs.4,16,667/- and 1 Installment of Rs.4,16,655/-, | 6,666,700 | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/09/2024 Balance Sheet date 31/03/2025) Number of Installment due 11 Rs.7,00,000/- and 1 Installment of Rs.5,00,000/-, | - | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/11/2024 Balance Sheet date 31/03/2025) Number of Installment due 13 Rs.1,52,000/- and 1 Installment of Rs.1,65,000/-, | - | - |

Notes To and Forming Part of the Balance Sheet

| | March 31,2024 | March 31,2023 |
|--|----------------------|----------------------|
| | Amount | Amount |
| (b) Unsecured Loans | | |
| Loan from Promotor Director Mr.Sunil H Pophale | 148,504,000 | 153,510,500 |
| Loan from Director Mr. Pramod W Gajare | - | 1,000,000 |
| Loan from Dhumal Industries India Pvt Ltd | - | - |
| (Above term loan will be settled as on 31/08/2023 Balance Sheet date 31/03/2024) | | |
| Number of Installment due 05 Rs.20,00,000/- | 188,699,000 | 162,640,500 |

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

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

Gross Deferred Tax Liability

| | |
|---------------------|---------------------|
| (27,346,133) | (29,530,567) |
| (27,346,133) | (29,530,567) |

Deferred Tax Assets

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

Unabsorbed Depreciation

Provision for Bonus

Provision for Leave Encashment

Provision for Gratuity and LTA

Gross Deferred Tax Assets

| | |
|-------------------|------------|
| 3,886,516 | 4,012,941 |
| 50,701,015 | 34,495,638 |
| 270,531 | 311,142 |
| 478,620 | 548,496 |
| 699,645 | 1,374,282 |
| 56,036,326 | 40,742,499 |

Less : Not recognised since no virtual certainty for set off of losses

Net Deferred tax liability

| | |
|-------------------|------------|
| 28,690,193 | 11,211,932 |
| - | - |

Note E: Other Long term Liabilities

Trade Payables

Payables on purchase of fixed assets

| | |
|----------------|---------|
| - | - |
| 409,700 | 409,700 |
| 409,700 | 409,700 |

Note F: Long Term Provisions

Provision for Employee Benefits :

Provision for Gratuity

Provision for Leave Encashment

| | |
|------------------|-----------|
| 2,539,900 | 2,228,800 |
| 1,695,700 | 1,490,700 |
| 4,235,600 | 3,719,500 |

| | March 31,2024 Amount | March 31,2023 Amount |
|--|-------------------------|-------------------------|
| Note G: Short-term borrowings | | |
| Secured Loan | | |
| Cash Credit Facility | | |
| From Axis Bank Ltd (Secured by an exclusive charge by way of hypothecation of Stock & Book Debts) | - | 47,715,300 |
| Cash Credit Facility | | |
| From Bank of India (Secured by an exclusive charge by way of hypothecation of Stock & Book Debts) | 47,753,200 | - |
| Packing Credit | | |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) | - | - |
| Current maturities of long-term debt | | |
| 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) (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 296,000 |
| 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 settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 2,380,000 |
| 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) (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 3,600,000 |
| 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) (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 2,220,000 |
| 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 (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 1,824,000 |
| From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 9,960,000 |
| From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled as on 02/08/2023 Balance Sheet date 31/03/2024) | - | 8,400,000 |
| From Bank of India (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 9 Rs.8,30,000/- and 1 Installment of Rs.10,30,000/-, | 2,690,100 | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/03/2024 Balance Sheet date 31/03/2024) Number of Installment due 5 Rs.2,20,000/- and 1 Installment of Rs.4,00,000/-, | - | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/08/2024 Balance Sheet date 31/03/2025) Number of Installment due 10 Rs.3,00,000/- and 1 Installment of Rs.1,00,000/-, | 667,100 | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/04/2025 Balance Sheet date 31/03/2026) Number of Installment due 18 Rs.1,85,000/- and 1 Installment of Rs.1,95,000/-, | 2,220,000 | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/07/2028 Balance Sheet date 31/03/2029) Number of Installment due 57 Rs.8,33,333/- and 1 Installment of Rs.8,33,353/-, | 10,000,000 | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/07/2026 Balance Sheet date 31/03/2027) Number of Installment due 33 Rs.4,16,667/- and 1 Installment of Rs.4,16,655/-, | 5,000,000 | - |

Notes To and Forming Part of the Balance Sheet

March 31,2024 **March 31,2023**
Amount **Amount**

| | | |
|--|-------------------|-------------|
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/09/2024 Balance Sheet date 31/03/2025) Number of Installment due 11 Rs.7,00,000/- and 1 Installment of Rs.5,00,000/-, | 3,496,500 | - |
| From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 30/11/2024 Balance Sheet date 31/03/2025) Number of Installment due 13 Rs.1,52,000/- and 1 Installment of Rs.1,65,000/-, | 1,259,300 | - |
| Unsecured Loan from Dhumal Industries India Pvt Ltd (Above term loan settled as on 03/08/2023 Balance Sheet date 31/03/2024) | - | 10,000,000 |
| Unsecured Export Packing Credit Funding from Drip Capital | - | 20,345,000 |
| | 73,086,200 | 106,740,300 |

Note H: Trade Payable

| | | |
|--------------------------------------|-------------------|-------------|
| Creditors for Goods | 57,898,800 | 81,570,700 |
| Other Creditors | 13,410,400 | 21,754,000 |
| Payables on purchase of fixed assets | 161,300 | - |
| | 71,470,500 | 103,324,700 |

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

Ageing of Trade Payables

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i)MSME | 54,000 | - | - | - | 54,000 |
| Previous Year | 407,100 | - | - | - | 407,100 |
| (ii)Others | 69,640,070 | - | 1,776,430 | - | 71,416,500 |
| Previous Year | 101,141,170 | - | 1,776,430 | - | 102,917,600 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

Note I: Other Current Liabilities

Other Payables

| | | |
|--------------------------|------------------|-----------|
| Advance from Customers | 59,000 | 371,700 |
| Statutory Dues | 2,002,000 | 1,695,100 |
| Retention Amount Payable | - | - |
| Interest Accrued and due | 436,900 | 615,700 |
| | 2,497,900 | 2,682,500 |

Note J: Short Term Provisions

| | | |
|--|-------------------|------------|
| Provision for Employees Benefit | | |
| Provision for L.T.A. | - | 1,529,700 |
| Provision for Bonus | 1,074,900 | 1,196,700 |
| Provision for Gratuity | 240,000 | 1,527,200 |
| Provision for Leave Encashment | 206,000 | 618,900 |
| Salary and Other Payables (including director remuneration payable) | 6,542,300 | 10,446,800 |
| Provision Others | | |
| Provision for Tax | - | - |
| Provision for Tax for earlier years | | |
| Provision for Expences | 2,785,000 | 5,240,400 |
| Others | - | - |
| | 10,848,200 | 20,559,700 |

Notes To and Forming Part of the Balance Sheet

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

Amount

| Description | Gross block | | | | Depreciation / Amortization | | | | Net block | |
|--|---------------------|------------------|-------------------------|----------------------|-----------------------------|-------------------|-------------------------|----------------------|----------------------|----------------------|
| | As at April 1, 2023 | Additions | Deletions / Adjustments | As at March 31, 2024 | As at April 1, 2023 | For the Year | Deletions / Adjustments | As at March 31, 2024 | As at March 31, 2024 | As at March 31, 2023 |
| Note K :Property, Plants & Equipments | | | | | | | | | | |
| Freehold land | 12,802,300 | - | - | 12,802,300 | - | - | - | - | 12,802,300 | 12,802,300 |
| Buildings | 88,002,300 | - | - | 88,002,300 | 30,892,000 | 2,760,400 | - | 33,652,400 | 54,349,900 | 57,110,300 |
| Air Conditioners | 1,478,600 | 599,300 | - | 2,077,900 | 1,195,400 | 167,500 | - | 1,362,900 | 715,000 | 283,200 |
| Office Equipments | 4,543,800 | 323,100 | - | 4,866,900 | 4,126,300 | 106,800 | - | 4,233,100 | 633,800 | 417,500 |
| Plant and machinery | 129,619,000 | 798,000 | (4,958,900) | 125,458,100 | 58,319,800 | 5,363,400 | (1,223,200) | 62,460,000 | 62,998,100 | 71,299,200 |
| Solar Power & Water Heater Plant | 29,972,400 | - | - | 29,972,400 | 12,238,700 | 1,912,800 | - | 14,151,500 | 15,820,900 | 17,733,700 |
| R & D Lab & Equipments | 5,167,100 | - | - | 5,167,100 | 1,473,300 | 240,500 | - | 1,713,800 | 3,453,300 | 3,693,800 |
| Q.C. Equipments | 38,006,500 | 918,000 | - | 38,924,500 | 15,079,400 | 1,704,200 | - | 16,783,600 | 22,140,900 | 22,927,100 |
| ETP | 21,074,200 | 568,000 | - | 21,642,200 | 5,243,400 | 1,000,100 | - | 6,243,500 | 15,398,700 | 15,830,800 |
| Utility | 32,207,000 | - | - | 32,207,000 | 15,082,500 | 1,337,500 | - | 16,420,000 | 15,787,000 | 17,124,500 |
| Electrical installation | 14,539,100 | - | - | 14,539,100 | 12,435,400 | 231,000 | - | 12,666,400 | 1,872,700 | 2,103,700 |
| Computers | 4,033,400 | 170,500 | - | 4,203,900 | 3,821,400 | 13,500 | - | 3,834,900 | 369,000 | 212,000 |
| Furniture and fixtures | 17,699,900 | - | - | 17,699,900 | 8,771,300 | 1,480,000 | - | 10,251,300 | 7,448,600 | 8,928,600 |
| Vehicles | 10,693,100 | - | - | 10,693,100 | 7,533,900 | 1,026,900 | - | 8,560,800 | 2,132,300 | 3,159,200 |
| Total | 409,838,700 | 3,376,900 | (4,958,900) | 408,256,700 | 176,212,800 | 17,344,600 | (1,223,200) | 192,334,200 | 215,922,500 | 233,625,900 |
| Note L :Intangible Assets | | | | | | | | | | |
| Computer Softwares | 3,301,400 | - | - | 3,301,400 | 3,293,200 | 6,600 | - | 3,299,800 | 1,600 | 8,200 |
| ERP Software | 739,400 | - | - | 739,400 | 739,400 | - | - | 739,400 | - | - |
| Total | 4,040,800 | - | - | 4,040,800 | 4,032,600 | 6,600 | - | 4,039,200 | 1,600 | 8,200 |
| Note M :Capital Work-in-Progress | | | | | | | | | | |
| Capital Work-In Progress | 9,419,000 | 2,860,300 | - | 12,279,300 | - | - | - | - | 12,279,300 | 9,419,000 |
| Capital Advances | 514,700 | 2,794,500 | - | 3,309,200 | - | - | - | - | 3,309,200 | 514,700 |
| Total | 9,933,700 | 5,654,800 | - | 15,588,500 | - | - | - | - | 15,588,500 | 9,933,700 |
| Grand Total | 423,813,200 | 9,031,700 | (4,958,900) | 427,886,000 | 180,245,400 | 17,351,200 | (1,223,200) | 196,373,400 | 231,512,600 | 243,567,800 |
| Grand Total | 416,551,600 | 12,485,100 | (5,223,500) | 423,813,200 | 162,472,500 | 17,886,300 | (113,400) | 180,245,400 | 243,567,800 | 254,079,100 |

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

Ageing Schedule of Capital work in progress

| CWIP | Amount in CWIP for a period of | | | | |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|------------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 2,860,300 | 9,419,000 | - | - | 12,279,300 |
| Projects temporarily suspended | - | - | - | - | - |

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

Notes To and Forming Part of the Balance Sheet

| | March 31,2024 Amount | March 31,2023 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 | 33,700 | 33,700 |
| Mat Credit entitlement | | |
| MAT credit FY 2014-15 | - | 990,700 |
| MAT credit FY 2015-16 | - | 10,113,100 |
| MAT credit FY 2016-17 | - | 3,248,200 |
| MAT credit FY 2018-19 | - | 101,800 |
| MAT credit FY 2019-20 | - | - |
| Income tax refund - F.Y 13-14 | 260,000 | 260,000 |
| Income tax refund - F.Y 15-16 | 423,200 | 423,200 |
| Income tax refund - F.Y 18-19 | 177,100 | 177,100 |
| Income tax refund - F.Y 19-20 | 221,400 | 221,400 |
| Income tax refund | 214,100 | 242,900 |
| TDS/TCS Deducted by Customers, Banks in Current Year | 98,000 | 98,000 |
| VAT Credit (Input) Receivable -Earlier Period | - | - |
| | <u>1,427,500</u> | <u>15,910,100</u> |

Note P: Other non-current assets

| | | |
|----------------------------|------------------|------------------|
| Deposits - Others | 2,669,300 | 2,564,000 |
| Insurance Claim Receivable | - | - |
| | <u>2,669,300</u> | <u>2,564,000</u> |

Note Q : Inventories (at lower of cost and net realisable value)

| | | |
|-------------------|-------------------|-------------------|
| Raw Materials | 30,675,900 | 37,230,900 |
| Packing Materials | 453,300 | 404,000 |
| Works In Progress | 11,013,800 | 27,550,000 |
| Finished Goods | 43,647,500 | 20,561,700 |
| Total | <u>85,790,500</u> | <u>85,746,600</u> |

Note R : Trade receivables

| | | |
|---|-------------------|-------------------|
| (a) Trade Receivables considered good - Secured | | |
| (i) Related parties | - | - |
| (ii) Other than related parties | - | - |
| (b) Trade Receivables considered good - Unsecured | | |
| (i) Related parties | - | - |
| (ii) Other than related parties | 49,406,100 | 57,716,200 |
| (c) Doubtful | | |
| (i) Related parties | - | - |
| (ii) Other than related parties | - | - |
| Less: Provision for doubtful debts | - | - |
| Total | <u>49,406,100</u> | <u>57,716,200</u> |

Trade Receivable Ageing Schedule

| Particulars | Outstanding for following periods from due date of payments | | | | | Total |
|--|---|------------------|-----------|-----------|-------------------|------------|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivable-Considered Good | 40,309,959 | 98,571 | 8,997,570 | - | - | 49,406,100 |
| Previous Year | 47,549,400 | 10,122,500 | 44,300 | - | - | 57,716,200 |
| (ii) Undisputed Trade Receivable-Considered Doubtful | - | - | - | - | - | - |
| Previous Year | - | - | - | - | - | - |
| iii) Disputed Trade Receivable - Considered Good | - | - | - | - | - | - |
| Previous Year | - | - | - | - | - | - |
| (iv) Disputed Trade Receivable - Consider Doubtful | - | - | - | - | - | - |
| Previous Year | - | - | - | - | - | - |

Note S : Cash and cash equivalents

| | | |
|---|------------------|------------------|
| Cash on hand | 188,700 | 510,900 |
| Balances with Scheduled banks : | | |
| in current accounts | 4,964,200 | 645,500 |
| in deposits accounts (Fixed deposits with maturity more than three months | - | 6,909,000 |
| Total | <u>5,152,900</u> | <u>8,065,400</u> |

Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Balance Sheet

| | March 31,2024 Amount | March 31,2023 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 | - | 3,255,800 |
| Loans and Advances to Staff | 213,300 | 167,500 |
| (Secured to the extent of Rs. Nil (Previous Year: Rs. Nil) | | |
| Balances with Customs, Port Trust, Excise etc. GST Receivables | 37,684,600 | 43,169,000 |
| Deposit others | - | - |
| Prepaid Expenses | 1,260,100 | 1,978,900 |
| Total | 39,158,000 | 48,571,200 |
| Note U : Other Current Assets | | |
| Interest accrued but not received on NSC, FD and Others | 203,700 | 1,393,900 |
| Others | 308,600 | 308,600 |
| Total | 512,300 | 1,702,500 |

Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Profit and Loss Accounts

| | March 31,2024 Amount | March 31,2023 Amount |
|---|-------------------------|-------------------------|
| Note 1 : Revenue from operations | | |
| Sales of Goods (Gross) | 400,132,900 | 433,079,700 |
| Less - Excise Duty | - | - |
| | <u>400,132,900</u> | <u>433,079,700</u> |
| Service Income | 621,700 | 3,706,900 |
| | <u>400,754,600</u> | <u>436,786,600</u> |
| Note 2 : Other income | | |
| Interest on | | |
| - NSC, FD and Others | 394,100 | 533,500 |
| - Income Tax, Sales Tax and Others | - | - |
| Dividend Received | 35,000 | 70,000 |
| Discount Received | - | 3,100 |
| Exchange Diference (Gain) | - | - |
| Insurance Claim Received | - | - |
| Export- Rebate (MEIS) & Duty Drawback Incentive | 4,469,800 | 6,615,400 |
| Miscellaneous Income | 3,800 | 20,500 |
| Total | <u>4,902,700</u> | <u>7,242,500</u> |
| Note 3 : Cost of Materials consumed | | |
| Raw Materials | | |
| Opening stock | 37,230,900 | 13,965,800 |
| Purchases during the year | 200,361,800 | 259,407,500 |
| Inventory Gain/(Loss)/Others | 12,035,700 | 17,465,700 |
| Closing stock | 30,675,900 | 37,230,900 |
| Raw material consumed | <u>218,952,500</u> | <u>253,608,100</u> |
| Packing Materials | | |
| Opening stock | 404,000 | 843,000 |
| Purchases during the year | 1,253,100 | 1,592,800 |
| Closing stock | 453,300 | 404,000 |
| Packing material consumed | <u>1,203,800</u> | <u>2,031,800</u> |
| R&D and other Material Consumed | 1,961,300 | 2,012,300 |
| Total | <u>222,117,600</u> | <u>257,652,200</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 | 27,550,000 | 22,020,200 |
| Less: Closing Stock | 11,013,800 | 27,550,000 |
| | <u>16,536,200</u> | <u>(5,529,800)</u> |
| Finished Goods | | |
| Opening Stock | 20,561,700 | 31,405,900 |
| Less: Closing Stock | 43,647,500 | 20,561,700 |
| | <u>(23,085,800)</u> | <u>10,844,200</u> |
| Stock-in-Trade | | |
| Opening Stock | - | - |
| Less: Closing Stock | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>(6,549,600)</u> | <u>5,314,400</u> |

Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Profit and Loss Accounts

| | March 31,2024 Amount | March 31,2023 Amount |
|---|-------------------------|-------------------------|
| Note 6 : Employee Benefit Expense | | |
| Salaries, Wages and Bonus (Including Directors Remuneration, Refer Note 11 [10.7]) | 38,984,200 | 37,813,100 |
| Contribution to Provident and other funds | 3,002,200 | 2,906,900 |
| Gratuity Expenses (Refer Note 11.05) | 1,287,200 | 683,300 |
| Workmen and Staff Welfare Expenses | 2,563,900 | 2,599,800 |
| Total | 45,837,500 | 44,003,100 |
| Note 7 : Financial Expenses | | |
| Interest | | |
| - On Term Loan from Axis Bank/SIDBI/Unsecured Loan | 6,745,300 | 7,934,400 |
| - On Bank Cash credit facility | 6,104,500 | 6,735,200 |
| - On Loan from NBFC | - | 55,300 |
| Total | 12,849,800 | 14,724,900 |
| Note 8 : Depreciation and Amortization Expenses | | |
| Depreciation on Tangible Fixed Assets | 17,344,400 | 17,692,800 |
| Depreciation on Intangible Fixed Assets | 6,600 | 193,600 |
| Total | 17,351,000 | 17,886,400 |
| Note 09 : Manufacturing, Operation, Admin and Other Expenses | | |
| Manufacturing Expenses | | |
| Consumption of Consumables, Stores and Spares | 2,752,600 | 3,815,100 |
| Labour Charges | 22,138,900 | 26,145,800 |
| Job Work Charges | 393,200 | 911,900 |
| Power and Fuel | 19,001,100 | 23,335,700 |
| Rates and Taxes | 2,457,500 | 5,357,200 |
| Repairs and Maintenance of Plant and Machinery | 12,685,000 | 10,579,900 |
| | 59,428,300 | 70,145,600 |
| Selling and Distribution Expenses | | |
| Insurance | 1,539,700 | 1,548,800 |
| Freight and Forwarding Charges | 4,455,400 | 7,041,700 |
| Advertisement and Sales Promotion | 29,800 | 166,400 |
| Commission | - | 202,500 |
| | 6,024,900 | 8,959,400 |
| Admin and Other Expenses | | |
| Repairs and Maintenance of Building | 465,000 | 336,100 |
| Repairs and Maintenance of General and Others | 3,109,900 | 1,481,400 |
| Exchange Difference - Loss | (1,602,300) | (1,270,700) |
| Printing and Stationery | 369,300 | 312,500 |
| Communication Costs | 332,600 | 423,300 |
| Travelling and Conveyance | 4,824,200 | 4,875,300 |
| Legal and Professional Charges | 10,945,200 | 6,750,200 |
| Bank Charges | 4,917,900 | 1,299,400 |
| Rent | - | 270,000 |
| Interest /Penalties | 505,900 | 42,600 |
| Auditors' Remuneration (Refer Note 11 [10.8]) | 120,000 | 125,000 |
| Security Charges | 2,586,800 | 2,254,400 |
| Loss on Sale of Asset | 185,700 | 171,600 |
| Corporate Social and Environmental Responsibility Expenses (CSR & CER) | 3,760,700 | 72,000 |
| Inventory Written off | - | - |
| Insurance Claim Receivable & Others Written off (Net) | 650,200 | (2,537,200) |
| Doubtfull Debts | - | - |
| Testing, sampling EHS safety Expes | 932,600 | 1,462,600 |
| Administration Expenses | 1,425,100 | 1,533,900 |
| | 33,528,800 | 17,602,400 |
| Total | 98,982,000 | 96,707,400 |

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 10

01 Segment Information

I. Business Segments

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

II. Geographical Segments

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

Geographical Segments

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

| Particulars | March 31, 2024 Amount | March 31, 2023 Amount |
|--|--------------------------|--------------------------|
| Sales Revenue by Geographical Market (including Service Income) | | |
| India | 112,814,500 | 76,843,500 |
| Outside India | 287,940,100 | 359,943,100 |
| Total | 400,754,600 | 436,786,600 |

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, 2024 Amount | March 31, 2023 Amount |
|---|--------------------------|--------------------------|
| Carrying amount of Segment Assets and Intangible Assets | | |
| India | 215,924,100 | 233,634,100 |
| Outside India | - | - |
| Total | 215,924,100 | 233,634,100 |
| Additions to Fixed Assets including Capital Work In Progress | | |
| India | 9,031,700 | 12,485,100 |
| Outside India | - | - |
| Total | 9,031,700 | 12,485,100 |

Notes to the accounts

Note 10

02 Related Parties

Related party disclosures:

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

| | | |
|--------------------------|---------------------------------------|--|
| Key Management Personnel | Director | Mr. Sunil H. Pophale |
| | Director | Mrs. Meena S. Pophale |
| | Director | Mr. Pramod W Gajare (up to 31/03/2023) |
| | Director | Mr. Anil G Suryavanshi (w e f 15/03/2023) |
| | Independent Director | Mr. Prasanna P Rege |
| | Independent Director | Mrs. Uttara A Kher |
| | Independent Director | Mr. Ravindra K Paranjpe |
| CEO | Mr. Susheel J Koul (w e f 22/01/2024) | |

| | |
|--|---|
| 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, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| | Purchase of goods | - | - | 12,655,200 | 551,900 | 12,655,200 |
| Sale of goods | - | - | 8,294,800 | 599,600 | 8,294,800 | 599,600 |
| Services Provided | - | - | - | - | - | - |
| Services Taken | - | - | - | - | - | - |
| Security Deposit Given | - | - | - | - | - | - |
| Security Deposit Returned | - | - | - | - | - | - |
| Purchase of fixed assets | - | - | - | - | - | - |
| Interest received | - | - | - | - | - | - |
| Loan taken | 7,299,700 | 40,275,900 | - | - | 7,299,700 | 40,275,900 |
| Loan given | - | - | - | - | - | - |
| Loan repaid to | 13,306,300 | 8,011,300 | - | - | 13,306,300 | 8,011,300 |
| Loan repaid by | - | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - |
| Managerial remuneration * | 7,145,100 | 5,318,100 | - | - | 7,145,100 | 5,318,100 |
| Sitting fees to Independent Directors | 220,000 | - | - | - | 220,000 | - |
| Closing Outstanding Balances: | | | | | | |
| Receivables | - | - | 11,800 | 2,500,000 | 11,800 | 2,500,000 |
| Payables | 150,994,764 | 159,872,800 | 3,193,000 | 1,367,500 | 154,187,764 | 161,240,300 |

* 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 10

02 Related Parties

b) Details of transactions with related parties.

| Particulars | Key Management Personnel | |
|--|--------------------------|--------------------|
| | March 31, 2024 | March 31, 2023 |
| Managerial remuneration: | | |
| Director -Mrs. Meena S Pophale | - | 1,200,000 |
| Director -Mr.Sunil H Pophale | - | 1,200,000 |
| Director -Mr.Pramod W Gajare | - | 2,718,000 |
| Director -Mr.Anil G Suryawanshi | 4,802,400 | 200,100 |
| CEO - Mr. Susheel J Koul | 2,342,700 | - |
| Total | 7,145,100 | 5,318,100 |
| Sitting fees paid to Independent Directors: | | |
| Mr. Prasanna P Rege | 80,000 | - |
| Mrs. Uttara A Kher | 80,000 | - |
| Mr. Ravindra K Paranjpe | 60,000 | - |
| Total | 220,000 | - |
| Loan taken : | | |
| Director -Mr.Sunil H Pophale | 7,299,700 | 40,275,900 |
| Director -Mr. Pramod W Gajare | - | - |
| Total | 7,299,700 | 40,275,900 |
| Loan repaid to : | | |
| Director -Mr.Sunil H Pophale | 12,306,300 | 8,011,300 |
| Director -Mr. Pramod W Gajare | 1,000,000 | - |
| Total | 13,306,300 | 8,011,300 |
| Goods purchased from: | | |
| Zenvision Pharma LLP | - | - |
| Respect Labs LLP | 12,655,200 | 551,900 |
| ReelLabs Pvt Ltd | - | - |
| Total | 12,655,200 | 551,900 |
| Goods sold to:: | | |
| Zenvision Pharma LLP | 11,800 | - |
| Respect Labs LLP | 8,283,000 | 599,600 |
| ReelLabs Pvt Ltd | - | - |
| Total | 8,294,800 | 599,600 |
| Services given to: | | |
| Zenvision Pharma LLP | - | - |
| Respect Labs LLP | - | - |
| ReelLabs Pvt Ltd | - | - |
| CEVITR Ltd | - | 2,424,600 |
| Total | - | 2,424,600 |
| Outstanding balance : | | |
| Directors remuneration - | | |
| Director -Mrs. Meena S Pophale | - | 2,077,500 |
| Director -Mr.Sunil H Pophale | - | 480,800 |
| Director -Mr.Pramod W Gajare | 844,000 | 2,340,800 |
| Director -Mr.Anil G Suryawanshi | 200,000 | 463,200 |
| CEO - Mr. Susheel J Koul | 1,284,164 | - |
| Total | 2,328,164 | 5,362,300 |
| Sitting fees to Independent Directors: | | |
| Mr. Prasanna P Rege | 72,000 | - |
| Mrs. Uttara A Kher | 54,300 | - |
| Mr. Ravindra K Paranjpe | 36,300 | - |
| Total | 162,600 | - |
| Loan from Directors- | | |
| Director -Mr.Sunil H Pophale | 148,504,000 | 153,510,500 |
| Director -Mr.Pramod W Gajare | - | 1,000,000 |
| Total | 148,504,000 | 154,510,500 |
| Enterprise- Receivable | | |
| Respect Labs LLP | - | 2,500,000 |
| Zenvision Pharma LLP | 11,800 | - |
| CEVITR Ltd | - | - |
| Total | 11,800 | 2,500,000 |
| Enterprise- Payable | | |
| Zenvision Pharma LLP | 1,303,500 | 1,303,500 |
| ReelLabs Pvt Ltd | 1,889,500 | 64,000 |
| Total | 3,193,000 | 1,367,500 |

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 10

| | March 31, 2024 | March 31, 2023 |
|--|-----------------------|----------------|
| | Amount | Amount |
| 03 Capital Commitments | | |
| Estimated amount Of contracts remaining to be executed on capital account and not provided for | 9,181,100 | - |
| 04 Provisions and Contingencies | | |
| Bank Guarantee provided to Maharashtra Pollution Control Board of Rs 2,26,82,000/- | | |

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 10

05 Gratuity and other post-employment benefit plans

(i) Defined Benefit Plans –

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

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

| | March 31, 2024 Amount | March 31, 2023 Amount |
|---|--------------------------|--------------------------|
| Profit and Loss Account | | |
| Net employee benefit expense (recognized in Employee Cost) | | |
| Current service cost | 847,700 | 747,800 |
| Interest cost on benefit obligation | 398,500 | 452,600 |
| Expected Return on plan assets | (210,400) | (183,500) |
| Net Actuarial (gain)/ loss recognized in the year | 251,400 | (1,153,200) |
| Net benefit expense | <u>1,287,200</u> | <u>(136,300)</u> |
| Actual return on plan assets | 210,400 | 183,500 |
| Balance Sheet | | |
| Net liability recognised in the balance sheet | | |
| Defined benefit obligation | 5,914,300 | 6,295,500 |
| Fair value of plan assets | 3,134,500 | 2,539,500 |
| Plan (Liability) | <u>(2,779,800)</u> | <u>(3,756,000)</u> |
| Changes in the present value of the defined benefit obligation are as follows: | | |
| Opening defined benefit obligations | 6,295,500 | 6,485,700 |
| Interest cost | 398,500 | 452,600 |
| Current service cost | 847,700 | 747,800 |
| Benefits paid | 1,863,400 | 240,800 |
| Actuarial (gain)/Loss on obligations | 236,000 | (1,149,800) |
| Closing defined benefit obligations | <u>5,914,300</u> | <u>6,295,500</u> |
| Changes in the fair value of plan assets are as follows: | | |
| Opening fair value of plan assets | 2,539,500 | 2,444,800 |
| Expected return on plan assets | 210,400 | 183,500 |
| Contributions by employer | 2,263,400 | 148,600 |
| Benefits paid | 1,863,400 | 240,800 |
| Actuarial (gain)/Loss on Plan Assets | (15,400) | 3,400 |
| Closing fair value of plan assets | <u>3,134,500</u> | <u>2,539,500</u> |

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 10

05 Gratuity and other post-employment benefit plans

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

| Category of Assets | March 31, 2024 % | March 31, 2023 % |
|-------------------------|---------------------|---------------------|
| 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 | 7.10% | 7.43% |
| Expected rate of return on assets | 7.68% | 7.65% |
| Withdrawal rate | 1% to 3% | 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. 30,02,200/- (Previous Year: Rs.29,06,900/-) is recognized as an expense and included in Note 6 - "Contribution to Provident and other funds" in the Profit and Loss account.

06 Derivative Instruments and Un-hedged Foreign Currency Exposure

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

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

| Particulars | Currency | March 31, 2024 | | March 31, 2023 | |
|------------------------------|----------|---------------------|------------|---------------------|------------|
| | | Foreign Currency | Amount | Foreign Currency | Amount |
| Export Debtors | USD | 412,380 | 34,367,749 | 511,240 | 41,977,916 |
| Export Debtors | GBP | - | - | 3,182 | 261,274 |
| Advance from Customers | USD | - | - | - | - |
| Import Creditors | USD | 277,063 | 23,090,389 | 209,398 | 17,193,629 |
| Advance to Import Creditors | USD | - | - | - | - |
| FCTL from Banks | USD | - | - | - | - |
| PCFC from Banks/Drip Capital | USD | - | - | 250,000 | 20,345,000 |
| EEFC account in Bank | USD | - | - | 664 | 54,036 |

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 10

07

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

08 Earning Per Share (EPS)

| Particulars | March 31, 2024 Amount | March 31, 2023 Amount |
|--|--------------------------|--------------------------|
| Basic and Diluted earning per share | | |
| Profit after tax attributable to equity shareholders (in Rs.) | 615,200 | 11,471,700 |
| <u>Calculation of Weighted Average number of Equity Shares</u> | | |
| 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.) | 0 | 1 |
| 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, 2024 Amount | March 31, 2023 Amount |
|--|--------------------------|--------------------------|
| 1 Principal amount remaining unpaid | 54,000 | 407,100 |
| 2 Interest due on the unpaid amount | - | - |
| 3 Interest paid u/s 16 of MSMED Act 2006 | - | - |
| 4 Interest paid after appointed date | - | - |
| 5 Interest accrued and remain unpaid | - | - |
| 6 Additional interest due | - | - |
| | 54,000 | 407,100 |

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 10

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

10.1 Licensed capacity, Installed Capacity and Actual Production

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

| Particulars | Units | Installed Capacity * | | Actual Production ** | |
|-------------|-------|----------------------|----------------|----------------------|----------------|
| | | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| | | Quantity | Quantity | Quantity | Quantity |
| Chemicals | Tons | 150 | 150 | 57 | 83 |

* 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, 2024 | | March 31, 2023 | |
|-------------|-------|----------------|------------|----------------|------------|
| | | Quantity | Amount | Quantity | Amount |
| | | Chemicals | Tons | 3.68 | 20,561,700 |
| | | 3.68 | 20,561,700 | 6.44 | 31,405,900 |

Closing Stocks:

| Particulars | Units | March 31, 2024 | | March 31, 2023 | |
|-------------|-------|----------------|------------|----------------|------------|
| | | Quantity | Amount | Quantity | Amount |
| | | Chemicals | Tons | 6.28 | 43,647,500 |
| | | 6.28 | 43,647,500 | 3.68 | 20,561,700 |

10.3 Sales

| Particulars | Units | March 31, 2024 | | March 31, 2023 | |
|-------------|-------|----------------|-------------|----------------|-------------|
| | | Quantity | Amount | Quantity | Amount |
| | | Chemicals | Tons | 59.21 | 400,132,900 |
| | | 59.21 | 400,132,900 | 81.71 | 433,079,700 |

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 10

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

10.4 Consumption of Raw Materials

| Particulars | Units | March 31, 2024 | | March 31, 2023 | |
|------------------------------------|-------|----------------|--------------------|----------------|--------------------|
| | | Quantity | Amount | Quantity | Amount |
| 2-Amino-6-Methylpyridine | Tons | 5.15 | 25,582,700 | 12.00 | 14,295,700 |
| Palladium Acetate | Tons | 0.00 | 9,708,600 | 0.00 | 6,044,200 |
| Methanol | Tons | 276.87 | 8,250,000 | 365.16 | 11,656,200 |
| Tri Ethyl Amine (TEA) | Tons | 33.33 | 6,455,300 | 48.02 | 9,587,100 |
| Ethyl Acetate | Tons | 115.23 | 10,370,300 | 195.09 | 19,809,300 |
| (S,S) -2,8-Diazabicyclo- {4,3,0} N | Tons | 0.65 | 13,386,000 | 0.03 | 642,900 |
| 1-Nitroanthraquinone | Tons | 8.40 | 6,169,000 | 18.00 | 17,507,700 |
| 6-(E)-2-(4-(4-Fluorophenyl)-6 -Is | Tons | 0.69 | 6,871,300 | - | - |
| 1A-Hydroxy-Progesterone | Tons | 0.05 | 6,669,500 | - | - |
| 1-Cyclo Propyl-6,7 Di Fluoro-1,4 | Tons | 1.75 | 4,865,900 | - | - |
| Thiocarbonyl Dihyrazide | Tons | 5.46 | 3,673,600 | 5.54 | 7,382,100 |
| M-Toluidine | Tons | 35.15 | 7,209,300 | 38.35 | 11,257,500 |
| 2 Chloro Ethane Sulfonyl Chlorid | Tons | 1.01 | 4,539,800 | 0.36 | 1,603,100 |
| Toluene | Tons | 38.49 | 4,034,100 | 82.93 | 9,293,800 |
| M-Toluoyl Chloride | Tons | 7.08 | 3,521,000 | 14.33 | 7,044,900 |
| Others | | 329.19 | 97,646,100 | 1,681.66 | 137,483,600 |
| Total | | | 218,952,500 | | 253,608,100 |

10.5 Value of imports calculated on CIF basis

| Particulars | March 31, 2024 Amount | March 31, 2023 Amount |
|---------------|--------------------------|--------------------------|
| Raw Material | 28,778,500 | 60,079,100 |
| Capital Goods | - | 671,500 |
| Total | 28,778,500 | 60,750,600 |

10.6 Imported and indigenous raw materials consumed

| Particulars | March 31, 2024 | | March 31, 2023 | |
|--------------------------|--------------------|---------------|--------------------|---------------|
| | Amount | % | Amount | % |
| a) Imported | 31,550,500 | 14.41 | 57,470,100 | 22.66 |
| b) Indigenously obtained | 187,402,000 | 85.59 | 196,138,000 | 77.34 |
| Total | 218,952,500 | 100.00 | 253,608,100 | 100.00 |

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 10

10.7 Directors' Remuneration

| | March 31, 2024 Amount | March 31, 2023 Amount |
|--|--------------------------|--------------------------|
| To Executive Directors: | | |
| Salaries | 6,811,700 | 5,092,000 |
| Perquisites | - | - |
| Contribution to Provident and Other funds | 333,400 | 226,100 |
| Other allowances including Commission | - | - |
| (includes directors' sitting fees of Nil (Previous Year: Rs. Nil)) | | |
| | 7,145,100 | 5,318,100 |

10.8 Auditors' Remuneration

| | March 31, 2024 Amount | March 31, 2023 Amount |
|--|--------------------------|--------------------------|
| Statutory audit fees (Inclusive Service Tax) | 100,000 | 100,000 |
| Tax Audit Fees | 20,000 | 25,000 |
| GST Audit Fees | - | - |
| Out of pocket expenses | - | - |
| | 120,000 | 125,000 |

10.9 Expenditure in foreign currency (on Cash basis)

| | March 31, 2024 Amount | March 31, 2023 Amount |
|---|--------------------------|--------------------------|
| Travelling expenses | 932,100 | - |
| Commission, Business Promotion, Exhibition Expenses (Including Advance/Prepaid) | - | 472,500 |
| Repaires & Maintenance of QC Equipment | - | - |
| R&D, Testing Expenses | 20,448 | - |
| Legal & Professional Expenses (Including Capitalised) | - | 312,600 |
| | 952,548 | 785,100 |

10.10 Earnings in foreign currency (on Cash basis)

| | March 31, 2024 Amount | March 31, 2023 Amount |
|----------------------|--------------------------|--------------------------|
| FOB value of exports | 287,940,100 | 359,943,100 |
| | 287,940,100 | 359,943,100 |

11 Details of Revenue Expenditure directly related to R&D

| | | |
|-----------------------|----------------|----------------|
| Raw material consumed | 721,800 | 434,900 |
| Packing Material | - | - |
| | 721,800 | 434,900 |

12 Details of CSR spent during the financial year:-

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

(b) Amount unspent if any – **Nil**

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

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

Notes to the accounts

Note 10

13) **Additional Regulatory Information**

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

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

- ii) There is No revaluation of company's Property, Plant and Equipment as on 31.03.2024 and 31.03.2023.
- iii) There is no any loans and advances in the nature of loans granted to promoters, KMPs, directors and related parties.
- iv) Capital-Work-in-Progress as on 31.03.2024 and 31.03.2023 are disclosed in Schedule KLM
- v) Intangible assets under development as on 31.03.2024 and 31.03.2023 are disclosed in Schedule KLM
- vi) There is no benami property held by Company as on 31.03.2024 and 31.03.2023.
- vii) Company is not declared as wilful defaulter by any authority
- viii) Company don't have any transactions with companies struck off u/s 248 or 560 of the Companies Act, 2013
- ix) There is a Charge registered with the ROC of the company which is open as on 31st March 2024 as per master records uploaded on Ministry of Corporate Affairs. The details of which are as below:

| Assets under charge | Charge Amount | Date of Creation |
|--|--------------------|------------------|
| Immovable property or any interest therein; Movable property (not being pledge); PG of Directors - Bank of India, Main Branch, Nashik | 173,740,000 | 26-07-23 |
| | 173,740,000 | |

- x) Compliance with approved scheme of arrangements u/s 230 to 237 of Companies Act,2013 is not applicable to this company.
- xi) There is No any loans/funds advanced to any Intermediaries or funds to be received from Funding Parties.
- xii) The Company has borrowings from Bank or financial institution in the nature of cash credit on the basis of security of stock, book debts, collateral security and personal guarantee of directors. The outstanding balance as on 31st March, 2024

The Company also has following Secured Loans as at 31st March, 2024:

| Particulars | Sanctioned Limit | Outstanding Amount as on 31/03/2024 |
|---|--------------------|-------------------------------------|
| Cash Credit Facility (with sub-limit of packing credit of Rs. 2,00,00,000) with Bank of India, Nashik | 50,000,000 | 47,753,200 |
| Term Loan from Bank of India, Nashik | 96,740,000 | 65,528,000 |
| Bank Guarantee Limit with Bank of India, Nashik | 27,000,000 | 23,082,000 |
| TOTAL | 173,740,000 | 136,363,200 |

- xiii) The company has availed working capital facility against security of current assets and the company is required to submit stock statement and book debt statement to the bank on Monthly basis the details of quarterly amounts are as follows:

| Month | Closing Stock | | | Reasons For Material Discrepancies |
|--------|--|--|-------------|--|
| | Closing Stock as per books of accounts | Closing Stock as per stock statement submitted to bank | Difference | |
| Jun-23 | 77,916,377 | 77,916,377 | - | |
| Sep-23 | 72,628,620 | 74,129,806 | (1,501,186) | Inventory rectification journal passed after submission of Stock |
| Dec-23 | 74,436,145 | 74,436,145 | - | |
| Mar-24 | 85,790,500 | 77,290,636 | 8,499,864 | Inventory revalued after submission of Stock |

| Month | Sundry Debtors | | | Reasons For Material Discrepancies |
|--------|----------------------------------|--|--------------|---|
| | Debtors as per books of accounts | Debtors as per stock statement submitted to bank | Difference | |
| Jun-23 | 34,719,487 | 55,350,444 | (20,630,957) | Exp Inv 20 & 21 dated 02/07/23 of Rs. 196 Lakh considered in June Debtors |
| Sep-23 | 20,601,051 | 35,091,091 | (14,490,040) | Exp Inv 26 dated 02/10/23 of Rs. 135 Lakh considered in Sept Stock Exchange Diff journal passed after submission of Stock Statement |
| Dec-23 | 40,696,870 | 42,016,547 | (1,319,677) | Sept-23 Exchange Difference Journal reversed after submission of Debtors Statement |
| Mar-24 | 49,406,100 | 50,431,179 | (1,025,079) | Customers Cheque receipt voucher and Petty Balances W/off journal passed after submission of Debtors Statement |

- xiv) The Company has Not declared/proposed any interim and final dividend for the year and previous financial year.
- xv) As per Rule 11 (e) of Companies (Audit and Auditors) Rules, 2014, the company has not loaned or advanced or invested or received any funds to/from any entity(ies) or person(s) including foreign entities.
- xvi) Compliance with number of layers of companies-Not Applicable to the Company
- xvii) The Company has not traded or invested in crypto currency or virtual currency during the F.Y. 2023-24.

Notes to the accounts

Note 10

14 Disclosure of significant Ratios :-

| Particulars | Numerator | Denominator | March 31, 2024 | March 31, 2023 | % Change | Reason for change in % where the deviation is more then 25% |
|----------------------------------|---|---|----------------|----------------|----------|---|
| Current Ratio | Current Assets | Current Liabilities | 1.14 | 0.87 | -31.78% | Current liabilities decreased by WCTL taken from Bank. |
| Debt-Equity Ratio | Total Debt | Shareholder's Equity | 4.05 | 4.19 | 3.36% | |
| Debt Service Coverage Ratio | Earning for Debt Service= Net Profit After Taxes+Non-cash operating Expenses+Finance Cost | Debt service = Interest & Lease Payments + Principal Repayments | 0.11 | 0.10 | -13.11% | |
| Return on Equity Ratio | Net Profit After Taxes-Preference Dividend | Average Shareholder's Equity | 0.95% | 17.85% | 94.68% | Net Profit after Tax decreased due to MAT Credit Reversal |
| Inventory turnover ratio | Cost of Goods Sold | Average Inventory | 2.51 | 3.07 | 18.16% | |
| Trade Receivables turnover ratio | Net Credit Sales=Gross Credit sales-Sales Return | Average Trade Receivable | 8.35 | 7.81 | -6.95% | |
| Trade payables turnover ratio | Net Credit purchases=Gross credit purchases-Purchase Return | Average Trade Payables | 4.95 | 4.15 | -19.31% | |
| Net capital turnover ratio | Net Sales=Total Sales-Sales Return | Working capital = Current assets -Current liabilities | 18.12 | -13.88 | 230.58% | Improvement in Net Current Assets |
| Net profit ratio | Net Profit | Net sales = Total sales - sales | 0.15% | 2.63% | 94.29% | Profit after Tax decreased due to MAT Credit Reversal |
| Return on Capital employed | Earnings Before interest & Taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.11 | 0.11 | 0.00% | |
| Return on investment | Net Profit After Taxes | Total Assets | 0.15% | 2.47% | 93.93% | Profit after Tax decreased due to MAT Credit Reversal |

15 The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Income tax is applicable to the Company is at the basic tax rate of 22% plus applicable surcharge and cess w.e.f F.Y. 2022-2023.

16 Previous year comparatives

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

As per our Report attached of even date.

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

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

Sd/-
Bhalchandra D Karve
Proprietor
Membership No.105965

Sd/-
Chairman and Executive Director
Sunil H Pophale
DIN -00064412

Sd/-
Whole-time Director
Anil G Suryawanshi
DIN -10052423

Sd/-

Laxmikant S Potdar
Chief Financial Officer

Place : Mumbai
Date : May 27, 2024

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH (15TH) ANNUAL GENERAL MEETING OF THE MEMBERS OF VADIVARHE SPECIALITY CHEMICALS LIMITED ('THE COMPANY') WILL BE HELD ON MONDAY, SEPTEMBER 30, 2024 AT 03:00 PM 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 on March 31, 2024, together with the reports of the Board of Directors and Auditors thereon.**
- 2. To appoint Mrs. Meena Sunil Haripant Pophale (DIN: 00834085) as a director, who retires by rotation and being eligible offers herself for re-appointment.**
- 3. To consider and approve the appointment of M/s S. R. Rahalkar & Associates, Chartered Accountants (Firm Registration No. 108283W) as Statutory Auditors of the Company for a term of 5 years:**

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

"RESOLVED THAT pursuant to Section 139(1), 142 and other applicable provisions if any, of the Companies Act, 2013 read along with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s S. R. Rahalkar & Associates, Chartered Accountants (Firm Registration No. 108283W) be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of five (5) years, with effect from the date of this Annual General Meeting till the conclusion of the 20th Annual General Meeting to be held for the financial year 2028-29 at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby empowered and authorized to take such steps, in relation to the above and to do all such acts, deeds, matters, and things as may be necessary, proper, expedient, or incidental for giving effect to this resolution and to file necessary e-forms with Registrar of Companies.”

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

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

Registered Office:
Gat No. 204, Vadivarhe, Igatpuri-422403

Corporate Office:
K.K. Chambers Sir P.T. Road,
Near Cathedral School, Fort,
Mumbai – 400001

CIN: L24100MH2009PLC190516

Website: www.vscl.in

E-mail: accounts@vscl.in

Date: September 06, 2024

NOTES

1. In view of General Circular Nos.14/2020, 17/2020, 20/2020, 02/ 2021, 19/2021, 21/2021, 02/2022, 10/2022 and 09/2023 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 05, 2022, December 28, 2022 and September 25, 2023 respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/ CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/ HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021; SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being conducted through Video Conferencing / Other Audio Visual Means (VC/ OAVM) Facility, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Since the AGM will be held through Video Conferencing (VC)/Other Audio-Visual Means (OAVM), the Route Map is not annexed to this Notice.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional investors, who are members of the Company, are encouraged to attend the 15th 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.
5. Details under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re- appointment at the Annual General Meeting, form integral part of the notice.
6. All the documents referred to in the accompanying notice shall be available for inspection through electronic mode, on the basis of the request being sent on cs@vscl.in.
7. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection through electronic mode, on the basis of the request being sent on cmd@vscl.in.
8. In the case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled

time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members of Company including large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.

10. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is Adroit Corporate Services Private Limited having their office at 19-20 Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai, Maharashtra, 400 059.
12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their Demat Accounts.
13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, May 05, 2022, December 28, 2022, September 25, 2023 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.
14. 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 2023-24 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.
15. 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 cs@vscl.in between Friday, September 27, 2024 from 09.00 a.m. IST and Sunday, September 29, 2024 till 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.
16. The Company has appointed Mr. Saurabh Agarwal, (Membership No. 9290) failing him Mr. Omkar Dindorkar (Membership No. 43029), Partners at MMJB & Associates LLP, 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.

17. The Scrutinizer shall, immediately after the conclusion of the remote e-voting at the AGM, first count the votes cast through remote e-voting during the Meeting and thereafter unblock the votes cast through remote e-voting before the AGM and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairperson or a person authorized by him in writing who shall countersign the same.
18. The results on resolutions shall be declared not later than 48 hours from the conclusion of the Meeting of the Company and the resolutions will be deemed to be passed on the date of the Meeting, subject to receipt of the requisite number of votes in favour of the resolutions.
19. The results declared along with the Scrutinizer's Report will be made available on the website of the Company www.vscl.in and on Service Provider's website www.evoting.nsdl.com and the same shall be communicated to NSE Limited within 48 hours from the conclusion of the Meeting.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING: -

1. The remote e-voting period commences on Friday, September 27, 2024, (09.00 a.m. IST) and Sunday, September 29, 2024 (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. Thursday, September 21, 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
2. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again.
3. Once the vote on a resolution is casted by the member, such member shall not be allowed to change it subsequently.
4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Monday, September 23, 2024, 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 you 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. Monday, September 23, 2024 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 meetings 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">Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.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.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jspVisit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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 |

| | |
|---|---|
| | <p>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> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="539 533 1043 833" style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, can login through their user id and password. The 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. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links to an e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. 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. |
| <p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p> | <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 the 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 |

Login Method for e-Voting and joining virtual meetings 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 emails 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.

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

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

Step 2: Cast your vote electronically and join the 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.

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 16digit 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 meetings 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:

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

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

1. Members 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 the 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.
6. Members will get confirmation on first cum first basis. In the interest of giving more Shareholder Speakers (Speakers) chance to interact, the Speakers registered with the Company will only be allowed to speak at the AGM for a duration up to 3 minutes each.
7. Members will receive “speaking serial number” once they mark attendance for the meeting.
8. Members are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
9. Please remember your speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
10. Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

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 scrutinisers@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.

Annexure I

ADDITIONAL INFORMATION IN RESPECT OF ITEM NO. 2

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 | 63 years |
| Brief resume, Qualifications and Experience | Mrs. Meena Sunil Pophale has a bachelor's degree of Arts. |
| Date of first Appointment on the Board | 23 rd February, 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 | NA |
| Directorship in other Companies (excluding foreign companies and Section 8 companies) | NA |
| Chairmanship/ Membership of Committees of the Board of Directors of other listed companies | NA |
| Chairmanship/ Membership of Committees of the Board of Directors of other companies | NA |
| Number of shares held in the Company | 5,375 Equity Shares of face value of ₹ 10 each. |
| 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 | NIL |
| Remuneration last drawn | NIL |
| Number of meetings attended during the year | Six (6) including AGM |

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| Disclosure of relationship between Directors, Key Managerial Personnel inter-se | Mrs. Meena Pophale is the spouse of Mr. Sunil Pophale, Executive Director of the Company. She is not related to any other director or Key Managerial Personnel in the Company |
| Listed companies from which the Director has resigned in the past 3 (three) years | NA |

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), sets out all material facts relating to the business mentioned under Item No. 03 of the accompanying Notice:

Item No. 3: This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

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 at the AGM held on September 30, 2019 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 2024-25. As per the provisions of Section 139(2) of the Act, rules made thereunder the term of M/s. Bhalchandra D. Karve & Associates will be completed at the ensuing Annual General Meeting accordingly, Audit Committee and Board of Directors of the Company have accorded their respective consents to recommend to the members to appoint M/s. S. R. Rahalkar & Associates, Chartered Accountants (Firm Registration No. 108283W) as the statutory auditor of the Company pursuant to provisions of Sec on 139 (1) of the Companies Act, 2013 for a period of 5 years at the ensuing Annual General Meeting of the Company and accordingly the said matter is placed before the members for their approval.

The Company has also received a consent letter in the form of an engagement letter from the proposed auditors to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company.

Accordingly, approval of the members is being sought for the proposal contained in the Resolution set out as Item No. 3 of the accompanying Notice. The Board recommends Resolution No. 3 of the accompanying Notice for approval by the members of the Company.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the Resolution as Item No. 3 of the accompanying Notice.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Proposed fees payable to the statutory auditor: The Board of Directors of the Company (including the Audit Committee of the Board or any officer of the Company authorized by the Board) in consultation with the Statutory Auditors, are authorized to alter and vary the terms and conditions including remuneration of the Statutory Auditors arising out of increase in scope of work, amendments to Accounting Standards or Listing Regulations and such other requirements resulting in the change in scope of work, etc.

Terms of appointment: The terms of appointment shall be from the conclusion of the ensuing Annual General Meeting till the conclusion of Annual General Meeting to be held in Financial Year 2029-30. The Letter of appointment specifying the detailed terms of appointment shall be finalized by the Board of Directors of the Company by taking into consideration the views of the Audit Committee, if any.

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

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

Registered Office:
Gat No. 204, Vadivarhe, Igatpuri-422403

Corporate Office:
K.K. Chambers Sir P.T. Road,
Near Cathedral School, Fort,
Mumbai – 400001

CIN: L24100MH2009PLC190516

Website: www.vscl.in

E-mail: accounts@vscl.in

Date: September 06, 2024