Date: September 05, 2026

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 2025-26 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 17th Annual Report of the Company for the Financial Year 2025 - 26. 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

SUNIL HARIPANT POPHALE

Digitally signed by SUNIL HARIPANT POPHALE
Date: 2026.09.05 18:03:32 +05'30'

Sunil Pophale
Director
DIN: 00064412

ANNUAL REPORT 2026

FY 2025 -2026

Vadivarhe Speciality Chemicals Limited

VSCL

Sustaining purity • Enhancing value

Index

INVESTOR INFORMATION:

CIN	**L24100MH2009PLC190516**
NSE Symbol	**VSCL**
Website	**http://vscl.in/**
AGM Date	**September 29, 2026**
Cut-off Date for E-voting	**Monday, September 21, 2026**
Remote E-voting Period	**Saturday, September 26, 2026 from 09.00 a.m. IST and Monday, September 28, 2026 (5.00 p.m. IST).**
AGM Venue/Mode	**VC/OAVM**

CHAIRMAN'S ADDRESS TO STAKEHOLDERS

We remain resolute in our commitment to strengthen and expand our operations, enhance our capabilities and progressively increase the contribution of Active Pharmaceutical Ingredients (APIs), intermediates and speciality chemicals to our business portfolio. We believe that sustainable value creation is driven by continuous investment in knowledge, technology, innovation and research & development—building the resilience required for long-term success.

Dear Shareholders,

Greetings from the **Vadivarhe Speciality Chemicals Limited family!**

It gives me immense pleasure to present to you the **17th Annual Report of Vadivarhe Speciality Chemicals Limited ("VSCL" or "the Company")** for the financial year ended **March 31, 2026**.

The financial year 2025–26 marked a period of meaningful operational progress and financial recovery for your Company. While the global business environment continued to be influenced by geopolitical uncertainties, volatility in raw material and energy costs, changing trade dynamics and supply chain challenges, VSCL remained focused on strengthening its core capabilities, improving operational efficiency and building a sustainable foundation for future growth.

The efforts undertaken by the Company during the year have begun to translate into encouraging results. We witnessed growth in revenue, a significant improvement in operating performance and a substantial reduction in losses compared to the previous financial year.

OUR PHILOSOPHY

At VSCL, we believe that **long-term value creation extends beyond investments in physical infrastructure**. Sustainable growth is increasingly driven by investments in knowledge, technology, intellectual capabilities, process development and innovation.
Research & Development remains an important pillar of our growth strategy. Our continued focus on R&D and process development enables us to improve manufacturing efficiencies, optimise costs, enhance product quality and develop products that are competitive and aligned with evolving customer requirements.

We continue to strengthen our capabilities in **Speciality Chemicals, Intermediates and Active Pharmaceutical Ingredients (APIs)**, with the objective of progressively improving the quality and value addition of our product portfolio.

We believe that these investments, though they may require patience and sustained commitment, are essential for building a resilient and future-ready organisation.

PERFORMANCE REVIEW

The financial performance during FY 2025–26 demonstrates a significant improvement over the previous year.

During the year, the Company reported:

- **Revenue from Operations:** ₹45.78 crore, as compared to ₹37.91 crore in FY 2024–25.
- **Total Income:** ₹46.41 crore, as compared to ₹38.17 crore in the previous year.
- **EBITDA:** Approximately ₹1.55 crore, representing a significant turnaround from the negative operating performance (₹6.15 crore) in the previous year.
- **Loss Before Tax:** ₹1.64 crore, as compared to a loss before tax of ₹9.27 crore in FY 2024–25.
- **Loss After Tax:** ₹1.64 crore, as compared to ₹9.27 crore in the previous year.
- **Earnings Per Share:** Loss per share improved to ₹1.28 from ₹7.25 in FY 2024–25.

The improvement in our performance reflects the continued efforts of the management and our teams towards strengthening operations, improving product mix, enhancing manufacturing efficiencies and expanding market opportunities.

While the Company continues to report a loss at the net level, the substantial reduction in losses and improvement in operating performance represent an encouraging step in our journey towards sustainable profitability.

EXPANDING OUR GLOBAL PRESENCE

One of the most encouraging developments during the year was the significant growth in our international business.

Revenue from customers outside India increased substantially during FY 2025–26, reflecting the Company's continued efforts to expand its presence in international markets. Export and overseas revenue contributed a significant portion of the Company's overall revenue during the year.

This growing international presence strengthens our confidence in the competitiveness of our products and manufacturing capabilities. Going forward, we intend to continue exploring opportunities to deepen our relationships with existing customers while expanding our reach into new markets.

OPERATIONAL AND PRODUCT DEVELOPMENT INITIATIVES

Your Company continues to focus on strengthening its position in the areas of **Speciality Chemicals, Intermediates and APIs**.

During the year, we continued our efforts towards:

- Strengthening manufacturing and operational capabilities;
- Expanding and developing our product portfolio;
- Enhancing process efficiencies through continuous R&D and process optimisation;
- Improving product quality and consistency;
- Strengthening relationships with domestic and international customers; and
- Building capabilities for sustainable growth in higher-value segments.

Our strategy is not merely focused on increasing volumes, but on progressively improving the quality of our revenue and strengthening our participation in products and segments that offer greater opportunities for value addition.

FINANCIAL DISCIPLINE AND CASH FLOW MANAGEMENT

During the year, the Company remained focused on prudent financial management and efficient utilisation of available resources.

The Company generated positive cash flow from operating activities during FY 2025–26, reflecting an improvement in working capital management and operational performance. At the same time, we continued to focus on maintaining financial discipline and carefully prioritising investments necessary for the Company's future growth.

We recognise that strengthening the balance sheet and improving profitability remain important priorities. Accordingly, the management will continue to focus on improving operational efficiency, optimising working capital and ensuring disciplined capital allocation.

THE ROAD AHEAD

The outlook for the speciality chemicals and pharmaceutical sectors continues to offer meaningful opportunities for companies that possess strong technical capabilities, cost competitiveness, regulatory discipline and the ability to consistently deliver quality products.

Our priorities for the coming years remain clear:

- **Strengthening and scaling our API and intermediate capabilities;**
- **Expanding our speciality chemicals portfolio;**
- **Increasing our presence in domestic and international markets;**
- **Enhancing manufacturing and operational efficiencies;**

- **Continuing investments in Research & Development and process innovation;**
- **Improving profitability and strengthening the Company's financial position;**
- **Maintaining disciplined capital allocation and responsible growth; and**
- **Ensuring sustainable, safe and compliant manufacturing practices.**

We remain conscious of the challenges before us. The path towards sustained profitability will require continued discipline, innovation and execution. However, the progress made during FY 2025–26 gives us confidence that the strategic direction adopted by the Company is beginning to yield positive results.

We remain committed to building a stronger, more resilient and more competitive organisation capable of creating sustainable value for all our stakeholders.

GRATITUDE

On behalf of the Board of Directors, I would like to express my sincere gratitude to our shareholders for their continued trust and confidence in the Company.

I also extend my heartfelt appreciation to our customers, suppliers, bankers, business partners and other stakeholders for their continued support and cooperation.

Most importantly, I thank our employees and management team for their dedication, perseverance and commitment during a challenging yet transformative period for the Company. Their efforts have been instrumental in achieving the progress made during the year.

CLOSING NOTE

FY 2025–26 was a year of **recovery, progress and renewed momentum** for Vadivarhe Speciality Chemicals Limited.

The significant improvement in revenue, operating performance and reduction in losses reinforces our belief that the foundations being built today can support a stronger tomorrow.

As we move forward, we remain committed to our core philosophy of creating long-term value through **innovation, research, technology, operational excellence and responsible growth**.

With a clear strategic direction, an evolving product portfolio and an unwavering commitment to improving our capabilities, we look ahead with determination and confidence towards the next phase of VSCL's journey.

Warm Regards,

Sunil H. Pophale
Chairman & Executive Director

ABOUT VSCL:

Vadivarhe Speciality Chemicals Limited (“VSCL”) is an NSE-listed company incorporated in 2009. The Company is an Indian manufacturer with a growing global presence and is engaged in the manufacture of **Speciality Chemicals, Active Pharmaceutical Ingredients (APIs), pharmaceutical intermediates and personal care ingredients**, with capabilities in organic chemicals and custom synthesis.

With more than a decade of experience in serving customers across the speciality chemicals and pharmaceutical sectors, VSCL is entering a transformative phase of growth. The Company is focused on strengthening its manufacturing capabilities, expanding its product portfolio and leveraging innovation and research-driven development to enhance its presence in the API and speciality chemicals segments.

The year under review represents an important phase in VSCL's journey as the Company continues to expand its capabilities and introduce new products to address the evolving requirements of domestic and international customers. Through continuous investment in technology, manufacturing infrastructure, product development and process innovation, VSCL aims to build a more diversified and value-added business portfolio.

VSCL has also received **WHO-GMP certification for the manufacturing, marketing and supply of Active Pharmaceutical Ingredients (APIs) and intermediates**, further strengthening its capabilities in the pharmaceutical sector.

The Company's manufacturing facility is located at **Vadivarhe, Nashik, Maharashtra**, approximately 20 kilometres from Nashik towards Mumbai and around 150 kilometres from Mumbai. The facility supports the Company's manufacturing operations and provides a foundation for its continued expansion across speciality chemicals, intermediates and APIs.

For more information, please visit: https://www.vscl.in/

Few Prominent Clients

Over the years, Vadivarhe Speciality Chemicals Limited has developed and maintained business relationships with customers across the pharmaceutical, speciality chemicals and allied industries in India and international markets. Some of the prominent customers associated with the Company include:

- **Fine Corporation, Japan**
- **Neutec, Turkey**
- **GlaxoSmithKline Pharmaceuticals Limited**
- **USV Limited**
- **Mankind Pharma Limited**
- **D C Fine Chemicals**
- **Macleods Pharmaceuticals Limited**
- **DPB Pharmaceuticals Limited**

- **Encube Ethicals Private Limited**
- **Hetero Labs Limited**
- **Chem-Impex International Inc.**
- **Micro Labs Limited**

The Company's diverse customer base reflects its capabilities in serving the requirements of the **Speciality Chemicals, Active Pharmaceutical Ingredients (APIs), pharmaceutical intermediates and allied sectors** across domestic as well as international markets.

Note: The above list is indicative and represents certain prominent customers with whom the Company has had business associations.

BOARD OF DIRECTORS & MANAGEMENT

1. MR. SUNIL HARIPANT POPHALE

Chairman and Executive Director

Mr. Sunil Haripant Pophale is a graduate of the **Indian Institute of Technology (IIT), Powai**, graduating in 1979. He is an accomplished entrepreneur with over **44 years of experience** in business development, brand building and corporate management.

He has a proven track record as the founder and Chief Promoter of **Fem Care Pharma Limited**, which was listed on the Bombay Stock Exchange in 1994. He successfully monetised his stake in the company in 2009.

With his extensive entrepreneurial experience and strategic vision, Mr. Pophale provides leadership and direction to Vadivarhe Speciality Chemicals Limited and plays a key role in shaping the Company's growth strategy and long-term business development.

2. MRS. MEENA SUNIL POPHALE

Whole Time Director

Mrs. Meena Sunil Pophale holds a Bachelor's degree in Arts. She has been associated with the Company since its incorporation and was redesignated as **Whole-Time Director with effect from November 10, 2016**.

She has approximately **35 years of experience** and is responsible for overseeing the Company's **Human Resources and Administrative functions**. Her experience and continued involvement have contributed to strengthening the Company's organisational and administrative framework.

3. PRASANNA PRABHAKAR REGE

Independent Director

Mr. Prasanna Prabhakar Rege is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He is also a Certified Information Systems Auditor (CISA) from the Information Systems Audit & Control Association, Illinois, USA.

He possesses over 35 years of professional experience in the fields of accounting, finance, trade and commerce. His extensive professional expertise contributes significantly to the Company's financial oversight, corporate governance and strategic decision-making.

4. RAVINDRA KESHAV PARANJPE

Independent Director

Mr. Ravindra Keshav Paranjpe holds a **Bachelor of Science & Technology degree in Dyes and Intermediates Technology** from the University Department of Chemical Technology, Bombay.

He brings with him over **40 years of experience in the chemical industry**. His extensive technical knowledge and industry experience provide valuable guidance to the Company, particularly in relation to the speciality chemicals and manufacturing sectors.

5. UTTARA ADWAIT KHER

Independent Director

Mrs. Uttara Adwait Kher holds a Bachelor of Science degree in Food and Nutrition from SNDT University.

She brings approximately 29 years of entrepreneurial and business experience, particularly in the areas of restaurant operations and furniture exports. Her diverse business background and practical experience contribute to the Board's collective expertise and provide an independent perspective in the Company's governance and decision-making processes.

CORPORATE INFORMATION

Board Of Directors

Mr. Sunil H Pophale
Chairman and Executive Director

Mrs. Meena Pophale
Whole Time Director

Mr. Prasanna Prabhakar Rege
Independent Director

Mrs. Uttara Adwait Kher
Independent Director

Mr. Ravindra Keshav Paranjpe
Independent Director

Key Managerial Person

1. Chief Financial Officer
Mr. Madhukar Suvarna

(Note: Mr. Madhukar Suvarna has joined as Chief Financial Officer from 27th August 2025.
Mr. Laxmikant Potdar had resigned from the post of CFO of company with effect from 01st June 2025)

2. Company Secretary and Compliance Officer
Mr. Shrikant Kabra
(Appointed with effect from September 03, 2026)

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

Statutory Auditors
M/s. S .R Rahalkar & Associates
Chartered Accountants

Secretarial Auditors
M/s. Prajot Vaidya & Co.,
Practicing Company Secretaries

NOTICE OF 17TH AGM

NOTICE IS HEREY GIVEN THAT THE SEVENTEENTH (17TH) ANNUAL GENERAL MEETING OF THE MEMBERS OF VADIVARHE SPECIALITY CHEMICALS LIMITED ('THE COMPANY') WILL BE HELD ON TUESDAY, SEPTEMBER 29, 2026 AT 03:30 PM THROUGH VIDEO CONFERENCING ('VC')/OTHER AUDIO-VISUAL MEANS ('OAVM') DEEMED VENUE AT THE REGISTERED ADDRESS OF THE COMPANY SITUATED AT THE GAT NO. 204, VADIVARHE, IGATPURI- 422403, MAHARASHTRA, 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, 2026, together with the reports of the Board of Directors and Auditors thereon.**

2. **To consider and approve the re-appointment of Mrs. Meena Sunil Pophale (DIN: 00834085), as Director of the Company who retires by rotation.**

SPECIAL BUSINESS:

3. **To approve the re-appointment of Mr. Sunil Haripant Pophale (DIN: 00064412) and remuneration payable to him as a Chairman and Executive Director of the Company who has attained the age of 70 years.**

   To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

   "RESOLVED THAT pursuant to the provisions of pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time , Sections 152, 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules made thereunder, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, and pursuant to the provisions of the Articles of Association of the Company, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the Members be and is hereby accorded for the re-appointment of Mr. Sunil Haripant Pophale (DIN: 00064412), who has attained the age of seventy (70) years, as Chairman and Executive Director of the Company for a further **period of five (5) consecutive years with effect from March 28, 2027 to March 28, 2032**, liable to retire by rotation, upon such terms and conditions as may be determined by the Board of Directors, subject to the provisions of the Act and Schedule V thereto.

   RESOLVED FURTHER THAT pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended time to time, Sections 196, 197 and 198 and other applicable provisions, if any, of the Companies Act 2013, read with Schedule V thereto and the applicable rules made thereunder, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Sunil Haripant Pophale, in his capacity as Chairman and Executive Director of the Company, for a period of three (3) years commencing from May 1, 2027 to April 30, 2030, **within an overall range of ₹24,00,000/- (Rupees Twenty-Four Lakhs only) to ₹48,00,000/- (Rupees Forty-Eight Lakhs only) per annum**, inclusive of salary, allowances, perquisites and other benefits, as may be determined by the Board of Directors from time to time, based on the recommendation of the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the remuneration payable to Mr. Sunil Haripant Pophale shall be subject to the overall limits and conditions prescribed under the applicable provisions of the Act, including Sections 197 and 198 read with Schedule V thereto, as amended from time to time.

RESOLVED FURTHER THAT notwithstanding anything contained herein, in the event of loss or inadequacy of profits in any financial year during the tenure of Mr. Sunil Haripant Pophale, the remuneration payable to him shall be governed by and subject to the applicable provisions, conditions and limits prescribed under Section 197 read with Schedule V to the Act and other applicable provisions, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall include any Committee thereof authorised by the Board) be and is hereby authorised, based on the recommendation of the Nomination and Remuneration Committee, to revise, alter, vary or modify the terms and conditions of appointment and/or remuneration of Mr. Sunil Haripant Pophale from time to time, provided that such revision, alteration, variation or modification is within the overall limits approved by the Members herein and is in compliance with the applicable provisions of the Act and Schedule V thereto.

RESOLVED FURTHER THAT any Director or the Company Secretary & Compliance Officer of the Company be and is hereby severally authorised to do all such acts, deeds, matters and things and to execute all such documents, applications, forms and writings as may be necessary, desirable or expedient to give effect to this resolution, including filing of necessary forms and returns with the Registrar of Companies and/or any other regulatory or statutory authority.

4. **To consider and approve the re-appointment of Mrs. Meena Sunil Pophale (DIN: 00834085) and remuneration payable to her as Whole time Director of the Company who will be liable to retire by rotation.**

   To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

   "RESOLVED THAT pursuant to the provisions of pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time , Sections 152, 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules made thereunder, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, and pursuant to the provisions of the Articles of Association of the Company, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the Members be and is hereby accorded for the re-appointment of Mrs. Meena Sunil Pophale (DIN: 00834085), as Whole time Director of the Company for a further period of five (5) consecutive years with effect **from November 11, 2026 to November 10, 2031**, liable to retire by rotation, upon such terms and conditions as may be determined by the Board of Directors, subject to the provisions of the Act and Schedule V thereto.

   RESOLVED FURTHER THAT pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended time to time, Sections 196, 197 and 198 and other applicable provisions, if any, of the Companies Act 2013, read with Schedule V thereto and the applicable rules made thereunder, consent of the Members be and is hereby accorded for payment of remuneration to Mrs. Meena Sunil Pophale, in her capacity as Whole Time Director of the Company, for a period of three (3) years commencing from May 1, 2027 to April 30, 2030, **within an overall range of ₹12,00,000/- (Rupees Twelve Lakhs only) to ₹24,00,000/- (Rupees Twenty Four Lakhs only) per annum**, inclusive of salary, allowances, perquisites and other benefits, as may be determined by the Board of Directors from time to time, based on the recommendation of the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the remuneration payable to Mrs. Meena Sunil Pophale shall be subject to the overall limits and conditions prescribed under the applicable provisions of the Act, including Sections 197 and 198 read with Schedule V thereto, as amended from time to time.

RESOLVED FURTHER THAT notwithstanding anything contained herein, in the event of loss or inadequacy of profits in any financial year during the tenure of Mrs. Meena Sunil Pophale, the remuneration payable to her shall be governed by and subject to the applicable provisions, conditions and limits prescribed under Section 197 read with Schedule V to the Act and other applicable provisions, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall include any Committee thereof authorised by the Board) be and is hereby authorised, based on the recommendation of the Nomination and Remuneration Committee, to revise, alter, vary or modify the terms and conditions of appointment and/or remuneration of Mrs. Meena Sunil Pophale from time to time, provided that such revision, alteration, variation or modification is within the overall limits approved by the Members herein and is in compliance with the applicable provisions of the Act and Schedule V thereto.

RESOLVED FURTHER THAT any Director or the Company Secretary & Compliance Officer of the Company be and is hereby severally authorised to do all such acts, deeds, matters and things and to execute all such documents, applications, forms and writings as may be necessary, desirable or expedient to give effect to this resolution, including filing of necessary forms and returns with the Registrar of Companies and/or any other regulatory or statutory authority.

5. **To approve remuneration of Mr. Sunil Pophale (DIN:00064412) as Chairman & Executive Director for a period of 1 year with effect from May 01, 2026.**

To consider and, if thought fit, to pass the following as **SPECIAL RESOLUTION**:
RESOLVED THAT pursuant to the provisions of 196, 197, 198, 203 and Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Audit Committee, Nomination and Remuneration Committee and as approved by the Board of Directors of the Company, approval of Members of the Company be and is hereby accorded for fixing the remuneration payable to Mr. Sunil Pophale (DIN:00064412), Chairman and Executive Director at Rs. 1,00,000/-(Rupees One Lakh) per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 1 year with effect from May 01, 2026, subject to the terms and conditions which are given in the Explanatory Statement annexed hereto with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and as may be accepted to Mr. Sunil Pophale. which may or may not exceed the limit specified under

Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT Mr. Madhukar Suvarna, Chief Financial Officer of the Company, be and is hereby authorised to consider the payment of remuneration to Mr. Sunil Pophale or holding the same taking into consideration the revenue and ability of the Company to pay the remuneration due to market conditions.

RESOLVED FURTHER THAT pursuant to the provisions of Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof from time to time), approval of the members of the Company be and is hereby accorded to pay the Remuneration as mentioned above, to the Chairman and Executive Director of the Company, in the event of inadequacy of profits or no profits in the Company.

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

6. **To approve remuneration of Mrs. Meena Sunil Pophale (DIN: 00834085) as Whole-Time Director for a period of 1 year with effect from May 01, 2026.**

To consider and, if thought fit, to pass the following as **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 188, 196, 197, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and based on the on the recommendation of the Nomination and Remuneration Committee and audit committee and as approved by the Board of Directors of the Company, approval of Members of the Company be and is hereby accorded for fixing remuneration payable to Mrs. Meena Sunil Pophale (DIN: 00834085), Whole-Time Director at Rs.1,00,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 1 year with effect from May 01, 2026 on such terms and conditions as given below:

Term of Remuneration	1 year with effect from May 01, 2026
Salary exclusive of all allowances	Rs. 49,247/- per month. The Whole Time Director shall be entitled to such increment from time to time as the Board may by its discretion determine
Perquisites and allowances in addition to salary	A. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 9,849/- per month to the Whole time director. B. Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/- per month to the Whole time director. C. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month to the Whole time director.

	D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month to the Whole time director. E. Medical Allowance: The Company will pay Medical Allowance of Rs. 4,104/- to the Whole time director. F. Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes. Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee. 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.
Retirement Benefits	A. Gratuity payable shall be in accordance with the rules of the Companies Act and Gratuity Rules. B. Earned Leave on full pay and allowances as per the rules of the Company, leave accumulated shall be encashable of Leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.
Other benefits	A. The Whole time director shall be entitled to reimbursement of expenses like Vehicle, Guest Entertainment, Travelling Expenses actually and properly incurred during the course of doing legitimate business of the company. The appointee shall be eligible for Housing, Education and Medical Loan and other Loans or facilities as applicable in accordance with the rules of the company and in compliance with the provisions of the Companies Act, 2013.
Minimum Remuneration	The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law. Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole-time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the Central Government, if required, or any other approvals as may be required under law.

RESOLVED FURTHER THAT Mr. Madhukar Suvarna, Chief Financial Officer of the Company, be and is hereby authorised to consider the payment of remuneration to Mrs. Meena Sunil Pophale or holding the same taking into consideration the revenue and ability of the Company to pay the remuneration due to market conditions.

RESOLVED FURTHER THAT pursuant to the provisions of Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof from time to time), approval of the members of the Company be and is hereby accorded to pay the Remuneration as mentioned above, to the Whole Time Director of the Company, in the event of inadequacy of profits or no profits in the Company.

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

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

Sd/-
Sunil Pophale
Chairman & Executive Director
DIN: 00064412

Date: 05th September 2026
Place: Mumbai

NOTES:

1. The Ministry of Corporate Affairs ("MCA") in continuation to its General Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2022 dated May 5, 2022, Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023, Circular No. 09/2024 dated September 19, 2024 and vide its Circular No. 03/2025 dated September 9, 2025 in relation to "Clarification on holding of Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)" (collectively referred to as "MCA Circulars") has permitted the holding of AGM, without the physical presence of the Members at a common venue. In compliance with the MCA and SEBI Circulars, the 17th AGM of the members of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. The Notice of 17th AGM ('Notice') was approved by the Board of Directors in its meeting held on 3rd September, 2026 and Any of the Directors or Company Secretary were authorised to issue the 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 17th 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 113 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 cs@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 2025-26 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 preregister 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 Saturday, September 26, 2026 from 09.00 a.m. IST and Monday, September 28, 2026 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. Vaibhav Dandawate, (Membership No. A51538) failing him Ms. Deepti Kulkarni (Membership No. A34733), Partners at Makrand M Joshi & Co, to act as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and Mr. Vaibhav Dandawate 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.

20. Proceedings of the meeting shall be made available as soon as possible on the website of the Company www.vscl.in.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING: -

1. The remote e-voting period shall commence on Saturday, September 26, 2026 at 9:00 a.m. IST and shall end on Monday, September 28, 2026 at 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. Monday, September 21, 2026, 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 21, 2026, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call 022 - 4886 7000. 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 21, 2026 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	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful

demat mode with NSDL.	authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e- Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote eVoting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e- Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e- Voting service provider i.e. NSDL** and you will be redirected
	to e-Voting website of NSDL for casting your vote during the remote eVoting period or joining virtual meeting & voting during the meeting.
	4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers..
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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 022 - 4886 7000
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 1800-21-09911

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.

<u>How to Log-in to NSDL e-Voting website?</u>

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 user your existing password to login and cast your vote.

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

c) How to retrieve your 'initial password'?

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

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

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

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

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

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

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

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

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, home page of e-Voting will open.

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 email 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 evoting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 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.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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 cs@vscl.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (cs@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 not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for eVoting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. 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 eVoting 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 (cs@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 cs@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 and attend meeting to the Scrutinizer at srcutinisers@mmjc.in and to the Company at the email address viz; cs@vscl.in, if they have voted from individual tab & not uploaded same in the NSDL 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.evoting.nsdl.com, under help section or write an email to evoting@nsdl.co.in or contact Ms. Sarita Mote - 022 - 4886 7000

All grievances connected with the facility for voting by electronic means may be addressed to evoting@nsdl.co.in or contact Ms. Sarita Mote - 022 - 4886 7000

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS CONCERNING EACH OF THE BUSINESS(ES) TO BE TRANSACTED AT THE 17th ANNUAL GENERAL MEETING

Item No. 2: Ordinary Resolution

To appoint Mr. Meena Sunil Pophale (DIN: 00834085) as a director, who retires by rotation and being eligible offers herself for re-appointment.

In terms of the provisions of Section 152 of the Act at least two-thirds of the total number of directors (excluding independent directors), are liable to retire by rotation, out of which at least one-third of the total number of such directors shall retire at every AGM. In accordance with this requirement, Mrs. Meena Sunil Pophale, Whole Time Director of the Company, would be retiring at this AGM and being eligible, has offered herself for re-appointment.

The Members had at their Extraordinary General Meeting, held on November 15, 2016, approved the re-appointment Ms. Meena Sunil Pophale as Whole-Time Director of the Company for a term of five years with effect from November 10, 2016, along with remuneration payable to her.

Pursuant to Schedule V of the Companies Act, 2013, the Resolution for payment of remuneration should not be for a period exceeding three years. The Members had at 10th Annual General Meeting held on September 30, 2019, approved the remuneration payable to Mrs. Meena Sunil Pophale as Whole time Director of the Company for a term of two years with effect from November 11, 2019.

Her re-appointment was approved by the members in the 12th AGM for a period of 5 (five) years, from November 11, 2021 to November 10, 2026, liable to retire by rotation.

Pursuant to Schedule V of the Companies Act, 2013, the Resolution for payment of remuneration should not be for a period exceeding three years. The Members had at 12th AGM Annual General Meeting held on September 28, 2021, approved the remuneration payable to Mrs. Meena Sunil Pophale as the Director of the Company for a term of three years with effect from November 11, 2021. The Members at 16th AGM held on 29th September 2025 approved remuneration payable to Mrs. Meena Pophale for 1 year starting from 1st April 2025.

Mrs. Meena Sunil Pophale holds a Bachelor's degree in Arts. She has been associated with the Company since its incorporation and was redesignated as Whole-Time Director with effect from November 10, 2016.

She has approximately 30 years of experience and is responsible for overseeing the Company's Human Resources and Administrative functions. Her experience and continued involvement have contributed to strengthening the Company's organisational and administrative framework.

Based on the performance evaluation, the Board recommends the resolution as set out in item no. 2 for approval of the members as an ordinary resolution.

Except Mr Sunil Pophale and Mrs. Meena Pophale, none of the other directors and key managerial personnel and/ or their relatives are in any way, financially or otherwise, interested or concerned in this resolution except as member to the extent of their shareholding in the Company.

Item No. 3: Special Resolution

To approve the re-appointment of Mr. Sunil Haripant Pophale (DIN: 00064412) and remuneration payable to him as a Chairman and Executive Director of the Company who has attained the age of 70 years.

Mr. Sunil Haripant Pophale (DIN: 00064412) has been associated with the Company and has been providing leadership and strategic direction to its business and operations. The Members of the Company, at their Extraordinary General Meeting held on March 28, 2017, had approved the redesignation of Mr. Sunil Haripant Pophale as the Chairman and Executive Director of the Company.

Thereafter, pursuant to the applicable provisions of the Act, the Members at the 10th Annual General Meeting held on September 30, 2019, approved the revision in the remuneration payable to Mr. Sunil Haripant Pophale for a period of three (3) years with effect from April 1, 2020.

Subsequently, the Members at the 12th Annual General Meeting held on September 28, 2021, approved the re-appointment of Mr. Sunil Haripant Pophale as Chairman and Executive Director of the Company for a period of five (5) years with effect from March 28, 2022, liable to retire by rotation. Accordingly, his present term of appointment is due to expire on March 27, 2027.

Mr. Sunil Haripant Pophale is a graduate of the **Indian Institute of Technology (IIT), Powai**, having graduated in 1979. He is an accomplished entrepreneur with over **44 years of experience** in business development, brand building and corporate management.

He has a proven entrepreneurial track record as the founder and Chief Promoter of **Fem Care Pharma Limited**, which was listed on the Bombay Stock Exchange in 1994. He successfully monetised his stake in the Company in 2009. Over the course of his professional career, Mr. Pophale has gained extensive experience in entrepreneurship, strategic planning, business development, brand building and corporate management.

With his extensive entrepreneurial experience, strategic vision and leadership capabilities, Mr. Pophale continues to provide strategic leadership and direction to Vadivarhe Speciality Chemicals Limited. He plays an important role in shaping the Company's growth strategy, evaluating business opportunities and supporting its long-term business development and value creation.

Considering his qualifications, extensive experience, entrepreneurial background, leadership capabilities, strategic vision and significant contribution to the growth and development of the Company, the Nomination and Remuneration Committee (“NRC”) and the Board of Directors are of the view that the continued association and leadership of Mr. Sunil Haripant Pophale would be in the best interests of the Company and its stakeholders.

Accordingly, based on the recommendation of the NRC, the Board of Directors, at its meeting held on 03rd September 2026, approved the re-appointment of Mr. Sunil Haripant Pophale as **Chairman and Executive Director** of the Company for a further period of five (5) consecutive years commencing from **March 28, 2027 and ending on March 27, 2032**, liable to retire by rotation, subject to the approval of the Members of the Company.

Mr. Sunil Haripant Pophale has attained the age of seventy (70) years. Accordingly, pursuant to the provisions of Section 196(3)(a) of the Act, his re-appointment as Chairman and Executive Director after attaining the age of seventy (70) years requires the approval of the Members by way of a **Special Resolution**. The Board is of the opinion that, considering his extensive experience, proven entrepreneurial track record, leadership and strategic contribution to the Company, his continued appointment as Chairman and Executive Director would be beneficial to the Company and would enable the Company to continue to benefit from his knowledge, experience, guidance and leadership.

The remuneration payable to Mr. Sunil Haripant Pophale for the period from **May 1, 2026 to April 30, 2027** has been recommended by the Nomination and Remuneration Committee and Board of Directors and is being proposed for approval of the Members under Item No. 5 of this Notice. Accordingly, in addition to the remuneration proposed under Item No. 5, approval of the Members is also being sought under this Item for payment of remuneration to Mr. Sunil Haripant Pophale for a further period of **three (3) years commencing from May 1, 2027 to April 30, 2030**, on the terms and conditions set out in the resolution.

Subject to the approval of the Members, Mr. Sunil Haripant Pophale shall be entitled to remuneration within an overall range of **₹24,00,000/- (Rupees Twenty-Four Lakhs only) to ₹48,00,000/- (Rupees Forty-Eight Lakhs only) per annum**, inclusive of salary, allowances, perquisites, benefits and other applicable components, as may be determined by the Board of Directors from time to time, based on the recommendation of the NRC and in accordance with the applicable provisions of the Act.

The remuneration payable to Mr. Sunil Haripant Pophale shall be subject to the provisions of Sections 197 and 198 of the Act read with Schedule V thereto and other applicable provisions of the Act. In the event of loss or inadequacy of profits in any financial year during the relevant period, the remuneration payable shall be governed by and subject to the applicable provisions, conditions and limits prescribed under Schedule V to the Act, as applicable.

The Board of Directors shall, based on the recommendation of the NRC, be authorised to alter, vary or modify the terms and conditions of appointment and/or remuneration of Mr. Sunil Haripant Pophale from time to time, within the overall limits approved by the Members and subject to compliance with the applicable provisions of the Act and Schedule V thereto.

A brief profile and other details of Mr. Sunil Haripant Pophale, as required under the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the accompanying Notice and/or elsewhere in the Annual Report, as applicable.

Mr. Sunil Haripant Pophale and Mrs. Meena Pophale is concerned or interested in the resolution set out at Item No. 3 of the accompanying Notice to the extent of his re-appointment as Chairman and Executive Director and the remuneration payable to him.

Save and except Mr. Sunil Haripant Pophale and Mrs. Meena Sunil Pophale, to the extent of their respective shareholding, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the **Special Resolution** set out at Item No. 3 of the accompanying Notice for approval of the Members.

Item No. 4

To consider and approve the re-appointment of Mrs. Meena Sunil Pophale (DIN: 00834085) and remuneration payable to her as Whole time Director of the Company who will be liable to retire by rotation.

Mrs. Meena Sunil Pophale (DIN: 00834085) has been associated with the Company and has been serving as its Whole-time Director.

The Members of the Company, at their Extraordinary General Meeting held on November 15, 2016, approved the re-appointment of Mrs. Meena Sunil Pophale as Whole-time Director of the Company for a period of five (5) years with effect from November 10, 2016, along with the remuneration payable to her.

Thereafter, considering the requirement of separate approval for payment of remuneration for the applicable period, the Members at the 10th Annual General Meeting held on September 30, 2019, approved the remuneration payable to Mrs. Meena Sunil Pophale as Whole-time Director for a period of two (2) years with effect from November 11, 2019.

Subsequently, the Members approved the appointment of Mrs. Meena Sunil Pophale as Whole-time Director for a period of five (5) years with effect from November 11, 2021, liable to retire by rotation. Her present term of appointment is, accordingly, due to expire on November 10, 2026.

The Board of Directors, considering the experience, contribution and continued involvement of Mrs. Meena Sunil Pophale in the affairs and management of the Company, and based on the recommendation of the Nomination and Remuneration Committee ("NRC"), has considered it appropriate and in the best interests of the Company to re-appoint her as Whole-time Director for a further period of five (5) consecutive years with effect from November 11, 2026 to November 10, 2031, liable to retire by rotation, subject to the approval of the Members.

Mrs. Meena Sunil Pophale (DIN: 00834085) holds a Bachelor's degree in Arts and has been associated with the Company since its incorporation. She was redesignated as Whole-time Director with effect from November 10, 2016 and has continued to contribute to the management and operations of the Company.

Mrs. Meena Sunil Pophale has approximately 30 years of experience and is responsible for overseeing the Company's Human Resources and Administrative functions. Through her experience and continued involvement in the affairs of the Company, she has contributed towards strengthening the Company's organizational and administrative framework and ensuring effective management of its human resources and administrative functions.

Considering her long-standing association with the Company, extensive experience, knowledge of the Company's operations and continued contribution towards its Human Resources and Administrative functions, the Nomination and Remuneration Committee ("NRC") and the Board of Directors are of the view that her continued association as Whole-time Director would be beneficial to the Company and its stakeholders.

Accordingly, based on the recommendation of the NRC, the Board of Directors, at its meeting held on 3rd September 2026, approved the re-appointment of Mrs. Meena Sunil Pophale as **Whole-time Director** of the Company for a further period of five (5) consecutive years commencing from **November 11, 2026 and ending on November 10, 2031**, liable to retire by rotation, subject to the approval of the Members of the Company.

The Nomination and Remuneration Committee and the Board of Directors have approved the payment of remuneration to Mrs. Meena Sunil Pophale at the rate of ₹1,00,000/- (Rupees One Lakh only) per month for the period commencing from May 1, 2026 to April 30, 2027, subject to the approval of the Members. The said remuneration is being proposed for approval of the Members under Item No. 6 of this Notice.

Accordingly, in addition to the remuneration proposed under Item No. 6 of this Notice, approval of the Members is also being sought under this Item for payment of remuneration to Mrs. Meena Sunil Pophale for a further period of three (3) years commencing from May 1, 2027 to April 30, 2030, within an overall range of ₹12,00,000/- (Rupees Twelve Lakhs only) to ₹24,00,000/- (Rupees Twenty-Four Lakhs only) per annum, inclusive of salary, allowances, perquisites and other benefits, as may be determined by the Board of Directors from time to time, based on the recommendation of the NRC.

The remuneration payable to Mrs. Meena Sunil Pophale shall be subject to the provisions of Sections 197 and 198 of the Act, read with Schedule V thereto and other applicable provisions of the Act and the rules made thereunder. In the event of loss or inadequacy of profits in any financial year during the relevant period, the remuneration payable to her shall be governed by and subject to the applicable provisions, conditions and limits prescribed under Section 197 read with Schedule V to the Act, as applicable.

The Board of Directors, based on the recommendation of the NRC, shall be authorised to revise, alter, vary or modify the terms and conditions of appointment and/or remuneration of Mrs. Meena Sunil Pophale from time to time, within the overall limits approved by the Members and subject to compliance with the applicable provisions of the Act, Schedule V thereto and other applicable laws.

The Company has received from Mrs. Meena Sunil Pophale the necessary consent and declarations, including confirmation that she is not disqualified from being appointed as a Director under the applicable provisions of the Act and other applicable laws.

A brief profile and other details of Mrs. Meena Sunil Pophale, as required under the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the accompanying Notice and/or elsewhere in the Annual Report, as applicable.

Mrs. Meena Sunil Pophale is concerned or interested in the resolution set out at Item No. 6 of the accompanying Notice to the extent of her re-appointment as Whole-time Director and the remuneration payable to her.

Save and except Mrs. Meena Sunil Pophale and her relatives, to the extent of their respective shareholding, if any, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the **Special Resolution** set out at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

Item No. 5

To approve remuneration of Mr. Sunil Pophale (DIN:00064412) as Chairman & Executive Director for the period of 1 year from 1st May 2026 to 30th April 2027.

The Members at their Extraordinary General Meeting held on March 28, 2017, has redesignated Mr. Sunil Haripant Pophale (DIN: 00064412) as the Chairman and the Executive Director of the Company.

Pursuant to Schedule V of the Companies Act, 2013, the Resolution for payment of remuneration should not be for a period exceeding three years. The Members had at 10th Annual General Meeting held on September 30, 2019, approved the revision in remuneration payable to Sunil Haripant Pophale as the Director of the Company for a term of three years with effect from April 01, 2020.

The shareholders at the 12th Annual General Meeting (AGM) held on September 28, 2021, approved the appointment of Mr. Sunil Pophale (DIN: 00064412) as a a Chairman and Executive Director of the Company to hold office for a period of five (5) consecutive years with effect from March 28, 2022 to March 27, 2027 at a remuneration of Rs. 12,00,000/- per annum (inclusive of Salary, perquisites, benefits and allowances) for a period of 3 years.

The Shareholders in the 16th AGM approved remuneration to be payable to Mr. Sunil Pophale for the period of 1 year from the date of 1st May 2025 to 30th April 2026.

The Board of Directors had at its meeting held on May 28, 2026 subject to necessary approvals, has approved remuneration payable to Mr. Sunil Haripant Pophale (DIN: 00064412) as Chairman and Executive Director of the Company at a remuneration of Rs. 1,00,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 1 year with effect from May 01, 2026.

The Company would enter into an agreement with Mr. Sunil Pophale on the following terms of remuneration:

Salary : Rs. 1,00,000/- per month (inclusive of Salary, perquisites, benefits and allowances). for a period of 1 year with effect from May 01, 2026.
Commission : NIL.
Perquisites : NIL
Other benefits: The Chairman and Executive director shall be entitled to reimbursement of expenses like Vehicle, Guest Entertainment, travelling expenses actually and properly incurred during the course of doing legitimate business of the company.

Minimum Remuneration: The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.

Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole-time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the Central Government, ifrequired, or any other approvals as may be required under law.

Except Mr. Sunil Pophale, Chairman and Executive Director and Mrs. Meena Pophale, Whole Time Director, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends the passing of the Resolution as set out in Item No. 5 as **Special Resolution**.

Item No. 6: Special Resolution

To approve remuneration of Mrs. Meena Sunil Pophale (DIN: 00834085) as Whole-Time Director for a period of 1 year with effect from May 01, 2026.

The Members had at their Extraordinary General Meeting, held on November 15 2016, approved the re-appointment Mrs. Meena Sunil Pophale (DIN: 00834085) as Whole-Time Director of the Company for a term of five years with effect from November 10, 2016, along with remuneration payable to her.

Pursuant to Schedule V of the Companies Act, 2013, the Resolution for payment of remuneration should not be for a period exceeding three years. The Members had at 10th Annual General Meeting held on September 30, 2019, approved the remuneration payable to Mrs. Meena Sunil Pophale (DIN: 00834085) as Whole-Time Director of the Company for a term of two years with effect from November 11, 2019.

The shareholders at the 12th Annual General Meeting (AGM) held on September 28, 2021, approved the appointment of Mrs. Meena Sunil Pophale (DIN: 00834085) as Whole-Time Director of the Company to hold office for a period of five (5) consecutive years commencing from November 11, 2021 to November 10, 2026 at a remuneration of Rs. 12,00,000/- per annum (inclusive of Salary, perquisites, benefits and allowances) for a period of 3 years.

The Board of Directors had at its meeting held on May 28, 2026 subject to necessary approvals, has approved remuneration payable to Mrs. Meena Sunil Pophale (DIN: 00834085) as Whole-Time Director of the Company at at Rs.1,00,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 1 year with effect from May 01, 2026 on such terms and conditions as given below:

Term of Remuneration	1 years with effect from May 01, 2026
Salary exclusive of all allowances	Rs. 49,247/- per month. The Whole Time Director shall be entitled to such increment from time to time as the Board may by its discretion determine
Perquisites and allowances in addition to salary	G. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 9,849/- per month to the Whole time director. H. Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/- per month to the Whole time director. I. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month to the Whole time director. J. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month to the Whole time director. K. Medical Allowance: The Company will pay Medical Allowance of Rs. 4,104/- to the Whole time director.

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

Except Mr. Sunil Pophale, Chairman and Executive Director and Mrs. Meena Pophale, Whole Time Director, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends the passing of the Resolution as set out in Item No. 6 as **Special Resolution.**

THE INFORMATION REQUIRED IN CASE OF INADEQUATE PROFITS UNDER SCHEDULE V OF THE COMPANIES ACT, 2013 FOR APPROVAL OF MANAGERIAL REMUNERATION PROPOSED UNDER ITEM NO. 3,4, 5 & 6:

I. General Information:

1. **Nature of Industry**

   The Company operates in the **Specialty Chemicals industry**, engaged in manufacturing and supply of specialty chemical products used across multiple industrial applications.

2. **Date of Commencement of Commercial Production**

   The Company commenced commercial production on **23rd February 2009**.

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus-**Not applicable, since the Company is in operation since 2009.

4. **Financial Performance Based on Given Indicators**

- The audited financial statements of the Company for the financial year ended March 31, 2026, have been placed before the Members for their consideration and approval.
- During the financial year 2025–26, the Company achieved revenue from operations of **₹45.78 crore**, registering an increase of approximately **17% over the previous financial year**. However, despite the growth in revenue, the Company continued to face considerable pressure on its margins due to increased competition, particularly from China, lower realisation in respect of certain key products, delays in customer orders, increase in input costs and the cyclical nature of the speciality chemicals industry.
- Consequently, the Company reported a loss before tax of approximately **₹1.64 crore** during FY 2025–26, as compared to a loss before tax of approximately **₹9.27 crore** in the previous financial year. The Company, however, witnessed a significant improvement in its operating cash flows and generated **positive cash flow from operating activities of approximately ₹6.36 crore**, as against negative operating cash flow of approximately ₹7.15 crore in FY 2024–25. Further, the Company did not incur any cash loss during FY 2025–26.
- The financial performance of the Company during the year was affected primarily by margin pressures arising from adverse market conditions and increased input costs, notwithstanding the growth in turnover. The management is focused on improving operational efficiencies, optimising costs, enhancing product realisations, diversifying its product offerings and markets, and strengthening relationships with existing and prospective customers.
- The management has also represented that the Company has **confirmed orders in hand which are expected to generate substantial cash flows and improve the financial position of the Company in the coming periods**.
- The Board is confident that the measures being undertaken by the Company, together with the expected improvement in business volumes and realisations, will enable the Company to overcome the prevailing challenges, strengthen its financial position and improve its profitability in the coming years.
- Accordingly, notwithstanding the inadequacy of profits during FY 2025–26, the Board considers the proposed managerial remuneration to be appropriate and commensurate with the responsibilities, experience and contribution of the managerial personnel and recommends the same for approval of the Members in accordance with the applicable provisions of Schedule V of the Companies Act, 2013.

5. **Foreign Investments or Collaborations, if any**

   The Company does not currently have any direct foreign investment or collaboration arrangements.

II. Information about the Appointee

(A) Mr. Sunil Haripant Pophale (DIN: 00064412), Chairman & Executive Director

1. **Background Details**
   - Age: 70 years.
   - B.Tech (IIT Powai, Mumbai).
   - Over 36 years of experience in brand building, product development, sales, and management. Founder of Fem Care Pharma Ltd (listed in 1994, monetized in 2009).
2. **Past Remuneration**
   - Remuneration in for the period of 1 year from 1st May 2025 to 30th April 2026 was Rs. 50,000 per month.
3. **Recognition or Awards**
   - Recognized as a successful entrepreneur and promoter with over three decades of contribution in pharma and specialty chemicals.
4. **Job Profile and Suitability**
   - Responsible for overall business management including production, sales, HR, and administration.
   - His extensive industry knowledge and promoter-driven leadership make him suitable for the position.
5. **Remuneration Proposed**
   - ₹1,00,000/- per month (inclusive of salary, allowances, and perquisites) for 1 year w.e.f. May 1, 2026.
   - within an overall range of ₹24,00,000/- (Rupees Twenty-Four Lakhs only) to ₹48,00,000/- (Rupees Forty-Eight Lakhs only) per annum inclusive of salary, allowances, perquisites and other benefits for a further period of three (3) years commencing from May 1, 2027 to April 30, 2030,
6. **Comparative Remuneration Profile**
   - The proposed remuneration is modest compared to industry standards for listed chemical companies of similar size.
   - Significantly lower than managerial pay for comparable executive directors in the specialty chemicals segment.
7. **Pecuniary Relationship**
   - Mr. Pophale holds 32,18,250 (as on date of notice) equity shares in the Company.
   - He is spouse of Mrs. Meena Sunil Pophale, Whole-Time Director.
   - Apart from this, no other pecuniary relationship with managerial personnel.

(B) Mrs. Meena Sunil Pophale (DIN: 00834085), Whole-Time Director:

1. **Background Details**
    - Age: 64 years.
    - Associated with the Company since inception with hands-on managerial responsibilities.
2. **Past Remuneration**
    - Remuneration in 1 year from 1st May 2025 to 30th April 2026 was Rs. 1,00,000 per month.
3. **Recognition or Awards**
    - Key contributor in Company's operational stability and compliance-driven management.
4. **Job Profile and Suitability**
    - In charge of day-to-day operations, HR, and administrative functions.
    - Brings continuity, discipline, and organizational leadership.
5. **Remuneration Proposed**
    - ₹1,00,000/- per month (inclusive of salary, allowances, and perquisites) for 1 year w.e.f. May 1, 2025.
    - within an overall range of ₹12,00,000/- (Rupees Twelve Lakhs only) to ₹24,00,000/- (Rupees Twenty-Four Lakhs only) per annum, inclusive of salary, allowances, perquisites and other benefits for a further period of three (3) years commencing from May 1, 2027 to April 30, 2030,
6. **Comparative Remuneration Profile**
    - The remuneration is modest compared to managerial remuneration in companies of similar size in the specialty chemicals sector.
7. **Pecuniary Relationship**
    - Spouse of Mr. Sunil H. Pophale, Chairman & Executive Director.
    - Holds equity interest in the Company.
    - No other managerial inter-relationships.

III. Other Information:

1. **Reasons for Loss or Inadequate Profits**
    - Volatility in raw material prices.
    - Competitive pressure on pricing.
    - Temporary slowdown in certain end-user industries and consequent delay in orders from customers.
2. **Steps Taken or Proposed for Improvement**
    - Cost optimization across operations.

- Expanding product portfolio into higher-margin specialty chemicals.
- Strengthening exports and new customer acquisitions.
- Ongoing focus on operational efficiencies and automation.

3. **Expected Increase in Productivity and Profits**

    - With operational improvements and business diversification, the Company expects a **gradual improvement in EBITDA margins**.
    - The Board anticipates **double-digit revenue growth** over the next 2–3 years, with sustainable profitability returning once input cost pressures stabilize.

PROFILE OF DIRECTORS

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings]

Name	Mr. Sunil H. Pophale	Mrs. Meena Sunil Pophale
Age	70 years	64 years
Brief resume, Qualifications and Experience	Mr. Sunil Pophale has a B.Tech degree from the Indian Institute of Technology (I.I.T.) in Powai (Mumbai	Mrs. Meena Sunil Pophale has a bachelor's degree of Arts.
Date of first Appointment on the Board	23rd February, 2009	23rd February, 2009
Expertise in Specific Functional Areas	He is having around 35 years' experience and presently looking after Sales, Product Developments, Production, Human Resources and Admin matters of the Company.	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	NA
Directorship in other Companies (excluding foreign companies and Section 8 companies)	1.ReeLabs Private Limited 2.MSP Medicines LLP 3.Pophale International LLP	Pophale International LLP
Chairmanship/ Membership of Committees of the Board of Directors of other listed companies	NA	NA
Chairmanship/ Membership of Committees of the Board of Directors of other companies	NA	NA
Number of shares held in the Company	32,18,250 Equity Shares of face value of ₹ 10 each.	60,38,000 Equity Shares of face value of ₹ 10 each.

Terms and Conditions of Appointment/re-appointment	As agreed between the Board of Directors and Mr. Sunil Pophale	As agreed between the Board of Directors and Mrs. Meena Pophale
Details of Remuneration sought to be paid	Rs. 1,00,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 1 year with effect from May 01, 2026. Within overall limit of Rs. 24,00,000/- to Rs. 48,00,000/- inclusive of all perquisites and benefits and allowances) with effect from 01st May 2027 to 30th April 2030.	Rs. 1,00,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 1 year with effect from May 01, 2026. Within overall limit of Rs. 12,00,000/- to Rs. 24,00,000/- inclusive of all perquisites and benefits and allowances) with effect from 01st May 2027 to 30th April 2030.
Remuneration last drawn	Rs. 50,000 per month from 1st May 2025 to 30 April 2026.	Rs. 1,00,000 per month from 1st May 2025 to 30 April 2026.
Number of meetings attended during the year	Six (6) including AGM	Six (6) including AGM
Disclosure of relationship between Directors, Key Managerial Personnel inter-se	Mr. Sunil Pophale is the spouse of Mrs. Meena Pophale, Whole Time Director of the Company. He is not related to any other director or Key Managerial Personnel in the Company	Mr. Sunil Pophale is the spouse of Mrs. Meena Pophale, Whole Time Director of the Company. He 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	NA

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

Sd/-
Sunil Pophale
Chairman & Executive Director
DIN: 00064412
Date: 05th September, 2026
Place: Mumbai

DIRECTORS' REPORT
VADIVARHE SPECIALITY CHEMICALS LIMITED
FOR THE FY 2025-26

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

Your Directors are hereby presenting the 17th Directors Report on the Company together with the Audited Statement of Accounts for the financial year ended March 31, 2026.

1. FINANCIAL STATEMENTS & RESULTS:

Financial Results

The Company's financial performance during the year ending March 31, 2026, as compared to the previous financial year, is summarized as below:

(Rs. in Lacs)

Particulars	For the financial year ended 31st March, 2026	For the financial year ended 31st March, 2025
Income	4640.62	3817.45
Less: Expenses	4836.61	4749.73
Prior Period Income	-	-
Profit before exceptional and extraordinary items and tax	(195.98)	(932.27)
Exception Income	32.31	5.75
Exception expenditure	-	-
Profit/ (Loss) before tax	(163.76)	(926.53)
Less: Provision for tax	-	-
Deferred Tax Expense/(Benefits)	-	-
Profit after Tax	**(163.76)**	**(926.53)**
APPROPRIATION		
Interim Dividend	-	-
Final Dividend	-	-
Tax on distribution of dividend	-	-
Transfer of General Reserve	-	-
Balance carried to Balance sheet	**(163.76)**	**(926.53)**

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 being the seventeenth year of operations, the Company continued its efforts towards strengthening its business operations, improving operational efficiencies and enhancing its overall financial performance.

During the financial year ended **March 31, 2026**, the Company achieved **total revenue of ₹4,640.62 Lakhs,** as compared to ₹3,817.45 Lakhs in the previous financial year, reflecting an increase of approximately **21.56%.**

The Company also witnessed a significant improvement in its profitability during the year. **The Loss After Tax was substantially reduced to ₹163.76 Lakhs for FY 2025–26**, as compared to a loss of ₹926.53 Lakhs in the previous financial year, representing a **reduction in losses of approximately 82.32%.**

The improvement in the Company's financial and operational performance was supported by increased business activity, improved product mix, better capacity utilisation and the continued focus of the management on cost optimisation, efficient utilisation of raw materials and improvement in manufacturing processes.

The Company continues to focus on strengthening its product portfolio through the development and commercialisation of new products and technologies. The management remains committed to improving operational efficiency, increasing revenues, strengthening working capital management and enhancing profitability in the coming years.

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 are pleased to present a review of the Company's business operations and performance during the financial year under review, together with its outlook and future prospects:

a. Production and Profitability

The Company continued its efforts towards improving productivity, enhancing capacity utilisation and optimising its manufacturing operations during the year under review. The management remains focused on achieving optimum utilisation of the Company's production facilities and improving operational efficiencies across various stages of the manufacturing process.

Continuous efforts are being made to improve product yields, optimise the consumption of raw materials and other resources and minimise the overall cost of production. The Company also continues to focus on the development and commercialisation of new products with the objective of expanding its product portfolio, improving product realisation and generating additional revenue streams.

The Company's efforts towards better product mix, improved manufacturing efficiency and stringent cost-control measures contributed to a significant improvement in its financial performance during FY 2025–26. The loss incurred by the Company was substantially reduced as compared to the previous financial year.

Going forward, the Company intends to continue its focus on improving capacity utilisation, increasing productivity, optimising production costs and developing higher-value products with the objective of strengthening its operational and financial performance.

b. Marketing and Market environment

During FY 2025–26, the Company continued its operations in the specialty chemicals, Active Pharmaceutical Ingredients (APIs) and chemical intermediates segments. The business environment continued to be influenced by various factors, including volatility in raw material prices, fluctuations in foreign exchange rates, changes in global and domestic demand, evolving regulatory requirements and competition from domestic as well as international manufacturers.

The Company continued to focus on strengthening its customer relationships, expanding its market reach and diversifying its product portfolio. Efforts are being made to develop new products, explore additional business opportunities and cater to the evolving requirements of customers across different industries and markets.

The management also continued its focus on improving operational efficiency, optimising costs and strengthening its competitive position through product quality, manufacturing capabilities, customer service and reliability of supply.

The Company's diversified product applications across pharmaceutical, agrochemical, personal care and specialty chemical industries provide opportunities to cater to multiple market segments. The management remains focused on leveraging these opportunities while continuing to respond to changes in market conditions and customer requirements.

c. Future Prospects including constraints due to Government policies

The Company continues to evaluate opportunities for business growth through the development of new products, expansion of its product portfolio, improved capacity utilisation and strengthening of its presence in existing and potential new markets.

The Company has also secured sales orders for execution during the initial part of FY 2026–27 and continues to work on the development and commercialisation of new products and technologies. The management expects these initiatives to contribute positively to revenue growth and operational performance, subject to market conditions and other business factors.

The future performance of the Company may be influenced by factors such as availability and cost of raw materials, foreign exchange fluctuations, working capital availability, changes in demand, competitive pressures, regulatory developments and general economic conditions.

During the year under review, there were no significant changes in Government policies having a material adverse impact specifically on the Company's operations in the API and chemical intermediates segments. However, the Company continues to monitor changes in applicable laws, regulations and Government policies and takes appropriate measures to ensure compliance and manage the impact of any regulatory developments.

The management remains cautiously optimistic about the future prospects of the Company and will continue its efforts towards improving revenues, operational efficiency and profitability through prudent financial management, product innovation and sustainable business development.

6. DIVIDEND:

Company has suffered from huge losses, and your directors have decided not to recommend any dividend for the financial year under review.

7. UNPAID DIVIDEND & IEPF:

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

However, your Company has never declared any dividend in its lifetime and consequently 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:

The Company has outstanding loans from Mr. Sunil Haripant Pophale, Chairman and Executive Director, and Mrs. Meena Sunil Pophale, Whole-time Director, as on March 31, 2026.

The aforesaid loans include balances outstanding from earlier periods. During the financial year under review, there were movements in the loan accounts, including repayment of loans to the Directors. As disclosed in the audited financial statements, the Company repaid an aggregate amount of ₹3,49,34,600 to Mr. Sunil H. Pophale during FY 2025–26. The audited financial statements also disclose a fresh loan transaction of ₹16,39,200 from Mr. Sunil H. Pophale during the year. No fresh loan transaction or repayment to Mrs. Meena S. Pophale is disclosed for FY 2025–26 in the individual related-party transaction details.

Both Mr. Sunil Haripant Pophale and Mrs. Meena Sunil Pophale have furnished declarations in writing to the Company confirming that the amounts advanced by them are not out of funds acquired by them by way of borrowing or accepting loans or deposits from other persons. Accordingly, the amounts outstanding and qualifying under the applicable conditions are not treated as "deposits" in terms of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014.:-

Name of Director giving loan	Amount outstanding as on March 31, 2026
Mr. Sunil Haripant Pophale	Rs. 13,07,68,000/-
Mrs. Meena Sunil Pophale	Rs. 1,00,44,800/-

11. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

During the financial year under review, the Company entered into transactions with its related parties in the ordinary course of business and on an arm's length basis. Such transactions were undertaken in compliance with the applicable provisions of the Companies Act, 2013, the rules made thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

The related party transactions were reviewed and approved by the Audit Committee, including through omnibus approval, wherever applicable, in accordance with the provisions of Section 177 and other applicable provisions of the Companies Act, 2013, and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors also reviewed such transactions, wherever required under the applicable provisions.

The Company has formulated a Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions in accordance with the applicable provisions of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations. The said Policy is available on the website of the Company

The disclosure of Related Party Transactions, as required under Regulation 23(9) of the SEBI Listing Regulations, has been submitted to the Stock Exchange on a half-yearly basis within the prescribed timelines.
The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, wherever applicable, are provided in Annexure I in E-Form AOC-2, forming part of this Report.

The related party transactions entered into during the year did not require approval of the shareholders under the applicable provisions of the Companies Act, 2013 or Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The disclosures relating to related party transactions, as required under the applicable accounting standards and other applicable laws, form part of the financial statements for the financial year ended March 31, 2026.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The operations of the Company are not energy intensive in nature. Nevertheless, the Company recognises the importance of efficient utilisation of energy and continues to undertake appropriate measures for conservation of energy, wherever feasible and economically viable. The Company also evaluates the use of alternate and energy-efficient sources and technologies with a view to optimise energy consumption and improve operational efficiency.

The Company remains committed to the conservation of natural resources, protection of the environment and maintenance of appropriate health and safety standards across its operations. Continuous efforts are made to promote efficient utilisation of resources and to adopt suitable measures for sustainable and responsible business operations.

During the year under review, the Company did not absorb or import any new technology. However, the Company continues to evaluate and explore appropriate technologies and process improvements that may contribute towards enhancing operational efficiency, product quality and productivity.

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, 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, are provided in ANNEXURE II, which forms an integral 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 The Annual Return of the Company for FY 2025–26, prepared in accordance with Section 92(3) of the Companies Act, 2013, will be made available on the Company's website upon filing with the Registrar of Companies at: https://www.vscl.in/investor/annual-returns.php

14. SHARE CAPITAL

During the Financial Year 2025-26, 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, 2026, comprising of 1,27,82,750 Equity Shares of Rs. 10 each fully paid-up.

Subsequent to the close of the financial year, pursuant to the approval of the Board of Directors dated March 13, 2026 and approval of the Members obtained through Postal Ballot concluded on April 12, 2026, the Company allotted 22,17,250 Equity Shares of face value of ₹10 each at an issue price of ₹20 per Equity Share, including a premium of ₹10 per share, aggregating to ₹4,43,45,000, to Mr. Sunil Haripant Pophale, Promoter, by way of conversion of outstanding unsecured loan into equity shares.

The allotment was approved by the Board through circular resolution dated April 23, 2026.

Consequent upon the aforesaid allotment, the paid-up share capital of the Company increased to Rs. 15,00,00,000 comprising 1,50,00,000 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 the applicable Secretarial Standards, namely Secretarial Standard–1 (SS–1) on Meetings of the Board of Directors and Secretarial Standard–2 (SS–2) on General Meetings, issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under the applicable provisions of the Companies Act, 2013.

The Company has ensured compliance with the applicable requirements relating to the convening and conduct of meetings of the Board of Directors and its Committees, as well as General Meetings, including the issuance of notices, maintenance of minutes and other applicable procedural requirements.

16. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES

During the financial year under review, the Company has not granted any loans, provided any guarantees or securities or made any investments falling within the purview of Section 186 of the Companies Act, 2013, except as disclosed in the financial statements, wherever applicable.

The details of investments, wherever applicable, are disclosed in the relevant notes forming part of the financial statements.

17. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Subsequent to the close of the financial year ended March 31, 2026, the Company completed a preferential allotment of 22,17,250 Equity Shares, aggregating to ₹4.4345 Crore, pursuant to the conversion of outstanding unsecured loans of Promoter into equity shares, as detailed under the "Share Capital" section of this Report.

The aforesaid conversion and preferential allotment resulted in the conversion of a portion of the Company's outstanding unsecured liabilities into equity and is expected to strengthen the Company's capital structure.

Save as aforesaid, there have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report, except as otherwise disclosed in this Report and/or the financial statements..

18. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

The Company has established and maintained adequate internal financial controls with reference to financial statements, commensurate with the size, scale and nature of its operations. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting, accuracy and completeness of accounting records, safeguarding of assets, prevention and detection of frauds and errors, and compliance with applicable policies and procedures.

During the year under review, the Statutory Auditors, as part of their audit of the Internal Financial Controls over Financial Reporting, observed that the internal financial controls were operating effectively, while identifying certain areas requiring improvement in relation to the flow and recording of entries relating to material consumed and cost of goods sold in the SAP system, particularly with respect to material offset, clearing and inventory variance ledgers. The Management has taken note of the observations and is undertaking appropriate measures to strengthen the relevant processes, controls and review mechanisms.

The Company has a structured Internal Audit mechanism, which is conducted in accordance with a pre-approved audit calendar. The Internal Auditor periodically reviews the adequacy and effectiveness of the Company's processes and controls and reports identified control deficiencies, process gaps and operational inefficiencies, if any, along with recommendations for improvement. The observations and agreed action plans are placed before the Audit Committee for its review and oversight. The Audit Committee periodically monitors the implementation of corrective measures and evaluates the adequacy and effectiveness of the internal control framework.

The Company remains committed to continuously strengthening its internal control environment and improving the efficiency and effectiveness of its operational and financial processes.

19. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Board of Directors

The Board of Directors of Vadivarhe Speciality Chemicals Limited ("VSCL" or "the Company") comprises an appropriate mix of Executive and Independent Directors, having diverse experience, expertise and knowledge. The composition of the Board is in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the Company.

The Board provides strategic direction and guidance to the management and oversees the overall governance, operations, financial performance and long-term growth of the Company. The Directors actively participate in the meetings of the Board and its Committees and contribute to informed decision-making through their collective experience and expertise.

The Board is headed by **Mr. Sunil Haripant Pophale, Chairman and Executive Director**, who provides strategic leadership and guidance to the Company. The Board, collectively, formulates broad policies, reviews the Company's business and operational performance, evaluates strategic initiatives and provides guidance to the management in achieving the Company's business objectives.

The composition of the Board of Directors of the Company as on **March 31, 2026**, is as follows:

Name of the Director	Designation	DIN
Mr. Sunil Haripant Pophale	Chairman & 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

i. **<u>Appointment/ Resignation</u>**

During the financial year under review, **Mr. Anil Suryavanshi resigned** from the office of **Whole-time Director** of the Company with effect from **June 9, 2025**.

There were no other appointments or resignations of Directors during the financial year under review.

ii. **<u>Retirement by rotation</u>**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Meena Sunil Pophale (DIN: 00834085), Whole-time Director of the Company, being the Director liable to retire by rotation and being eligible for re-appointment, has offered herself for re-appointment at the ensuing Annual General Meeting.

The Board, based on the recommendation of the Nomination and Remuneration Committee, recommends her re-appointment as a Director of the Company, liable to retire by rotation.

b) Key Managerial Personnel (other than Directors)

During the financial year under review, there were **changes in the Key Managerial Personnel** of the Company.

i. **Mr. Susheel Koul** tendered his **resignation** from the position of **Chief Executive Officer** of the Company and ceased to hold office with effect from the close of business hours on **April 30, 2025.**
ii. **Mr. Laxmikant Potdar resigned** from the position of **Chief Financial Officer** of the Company and ceased to hold office with effect from the close of business hours on **May 31, 2025.**
iii. Subsequently, **Mr. Madhukar Suvarna** was **appointed** as **the Chief Financial Officer** of the Company with effect from **August 27, 2025**.

The Key Managerial Personnel (KMP) of the Company as on March 31, 2026, are as follows:

Name	Designation	Date of appointment
Mr. Manoj Kumar *	Company Secretary & Compliance Officer	27/05/2024
Mr. Madhukar Suvarna	Chief Financial Officer	27/08/2025

***** Subsequent to the close of the financial year, Mr. Manoj Kumar resigned from the position of Company Secretary and Compliance Officer with effect from August 31, 2026. Mr. Shrikant Kabra was appointed as Company Secretary and Compliance Officer with effect from September 3, 2026.

c) Declaration by Independent Directors

The Independent Directors of the Company have furnished the requisite declarations under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence specified under Section 149(6) of the Act and the applicable provisions of the SEBI Listing Regulations and are not aware of any circumstance which exists or may reasonably be anticipated to impair or impact their ability to discharge their duties with an objective independent judgment.

The Board has taken the same on record.

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

Note: Attendance is indicated **by "√" for Directors who were present** at the respective meeting. "**Absent**" indicates that the Director was not present at the respective meeting.

Board meetings

The Board of Directors met 5 (Five) times during the financial year ended March 31, 2026, 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 29, 2025	August 26, 2025	November 14, 2025	January 23, 2026	March 13, 2026
Mr. Sunil Haripant Pophale	√	√	√	√	√
Mrs. Meena Sunil Pophale	√	√	√	√	√
Mr. Prasanna Prabhakar Rege	√	√	**Absent**	√	√
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.

a) Audit Committee

The Audit Committee is constituted in accordance with Section 177 of the Companies Act, 2013 and the applicable provisions of the SEBI Listing Regulations. During the year, the Committee discharged its functions in accordance with its terms of reference, including review and approval of related party transactions in accordance with the applicable provisions of law and the Company's Related Party Transaction Policy.

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, 2026. The details of the same are as mentioned under:-

Name of the Director	May 29, 2025	August 26, 2025	November 14, 2025	January 23, 2026	March 13, 2026
Mr. Ravindra Keshav Paranjpe	√	√	√	√	√
Mrs. Uttara Adwait Kher	√	√	√	√	√
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.

b) 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, 2026. The details of the same are as mentioned under: -

Name of the Director	May 29, 2025	August 26, 2025	January 23, 2026
Mr. Ravindra Keshav Paranjpe	√	√	√

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

c) 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 23, 2026, during the financial year ended March 31, 2026. The details of the same are as mentioned under:

Name of the Director	January 23, 2026
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, 2026.

d) 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 23, 2026. 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 23, 2026, are as follows:

Name of the Directors	Position	Status	January 23, 2026
Mr. Prasanna Rege	Chairman	Independent Director	√
Mr. Ravindra Keshav Paranjpe	Member	Independent Director	√
Mrs. Uttara Adwait Kher	Member	Independent Director	√

e) Vigil Mechanism

Pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013, read with the applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism, including a Whistle Blower Policy, for its Directors and employees.

The Vigil Mechanism provides an appropriate mechanism for Directors and employees to report genuine concerns and instances of unethical behaviour, actual or suspected fraud, violation of the Company's policies, applicable laws or regulations, or any other improper or unethical conduct. The mechanism provides adequate safeguards against victimisation of persons who avail themselves of the mechanism and also provides for direct access to the Chairperson of the Audit Committee, in appropriate or exceptional cases.

The Company is committed to maintaining the highest standards of ethical, moral and legal conduct in its business operations and encourages its stakeholders to report genuine concerns without fear of retaliation.

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

f) Risk Management Policy

The Board of Directors of the Company has formulated and implemented a Risk Management Policy and framework to identify, assess, monitor and mitigate risks that may have an adverse impact on the Company's business, operations, financial performance or long-term objectives. The framework provides a structured approach for managing uncertainties and assists the management and the Board in incorporating risk considerations into strategic and operational decision-making across the Company's business activities and corporate functions.

The Company recognises that effective risk management is an integral part of sound corporate governance and sustainable business operations. Accordingly, the management periodically identifies and evaluates significant risks and takes appropriate measures to minimise their potential impact.

The key risks identified by the Company include, inter alia, volatility in raw material prices, foreign exchange fluctuations, changes in market demand, regulatory and compliance requirements, availability of adequate working capital, operational risks and other business-related risks.

The Company has established appropriate systems and processes for the identification, assessment, mitigation, monitoring and periodic review of risks. The management and the Board periodically review the risk environment and the effectiveness of mitigation measures and, wherever necessary, take appropriate corrective or preventive actions.

The Company's risk management framework is designed to provide reasonable assurance that significant risks are identified and managed in a timely and effective manner. However, the nature of business involves certain inherent risks, and the Company continues to strengthen its systems and processes to respond appropriately to changes in the internal and external business environment.

g) Annual Evaluation of Directors, Committee and Board

The Board has carried out an annual performance evaluation of its own performance, and of the Directors individually, as well as the evaluation of all the committees i.e., Audit, Nomination and Remuneration, Stakeholders Relationship and other Committees of 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.

h) Management Discussion & Analysis

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

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

Pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following persons formed part of the Senior Management of the Company during the financial year under review:

Name	Designation
Mr. Shekhar Setty	General Manager – Plant Operations
Mr. Madhukar Suvarna	Chief Financial Officer
Mr. Manoj Kumar	Company Secretary and Compliance Officer

During the financial year under review, Mr. Madhukar Suvarna was appointed as Chief Financial Officer with effect from August 27, 2025, and consequently formed part of the Senior Management of the Company.

Subsequent to the close of the financial year, Mr. Manoj Kumar, Company Secretary and Compliance Officer, tendered his resignation and will cease to hold office with effect from the close of business hours on August 31, 2026.

Subsequent to the close of the financial year, Mr. Shrikant Kabra was appointed as Company Secretary and Compliance Officer with effect from September 3, 2026

There were no other material changes in the Senior Management of the Company since the close of the previous financial year, except as stated above.

22. CORPORATE SOCIAL RESPONSIBILITY POLICY

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility were not applicable to the Company during the financial year 2025-26, as the Company did not meet any of the prescribed thresholds specified under Section 135(1) of the Act during the immediately preceding financial year.

Accordingly, the provisions relating to constitution of the CSR Committee, formulation of CSR Policy and CSR expenditure were not applicable to the Company during the financial year under review.

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, 2026

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. S R Rahalkar & Associates (Firm registration No: 108283W), Chartered Accountants, the Statutory Auditors of the Company have been appointed for a term of 5 (Five) years and they will continue to be the Statutory Auditors of the Company until the conclusion of Annual General Meeting to be held in the Financial Year 2028-29.

The Statutory Auditor has, in its report on Internal Financial Controls over Financial Reporting, identified certain areas requiring improvement in the Company's internal financial control processes relating to recording and accounting of material consumption and related SAP ledger entries. The Management has taken note of the observation and has initiated appropriate corrective measures to strengthen the relevant controls and review mechanisms. The Audit Committee and the Board will continue to monitor the implementation of the corrective measures.

b. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2026

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended March 31, 2026, 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, 2026

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 2025-26.

The secretarial audit report issued by M/s Prajot Vaidya & Co., Practicing Company Secretaries, in Form MR-3 for the financial year 2025-26, forms part of the Directors Report as “ANNEXURE IV”.

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

d. INTERNAL AUDITOR

M/s Yatin & Associates, Chartered Accountants (FRN: 112100W) were appointed as the Internal Auditor of the Company for the financial year 2025-26 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 requirement for maintenance of cost records is not applicable 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. INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the financial year under review, the Company maintained a robust and stable financial position, with no applications initiated or proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016). This reflects the Company's steadfast commitment to prudent financial management, operational resilience, and adherence to its obligations, ensuring that no circumstances arose necessitating recourse to the provisions of the aforementioned Code.

Furthermore, no such proceedings were brought before the National Company Law Tribunal or any other judicial or quasi-judicial authorities during this period. The absence of such applications or proceedings underscores the Company's strong governance framework and its ability to navigate the financial landscape effectively, fostering confidence among stakeholders regarding its fiscal health and sustainability.

26. ONETIME SETTLEMENT AND VALUATION

During the year under review, the Company did not enter into any one-time settlement agreements with any banks or financial institutions, and consequently, no valuation was conducted for such purposes. Similarly, no valuation was required or performed in relation to loans obtained from banks or financial institutions. Hence, there are no differences to report between valuations done at the time of one-time settlement and those done while availing loans, as no such activities occurred during the year.

27. 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

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, and based on the audited financial statements of the Company for the financial year ended March 31, 2026, the Board of Directors hereby confirms that:

I. in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable;

II. such accounting policies have been selected and applied consistently, and the Directors have 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, 2026, and of the loss of the Company for the year ended on that date;

III. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. the annual accounts have been prepared on a going concern basis;

V. the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and

VI. proper systems have been devised to ensure compliance with the provisions of all applicable laws, and such systems are adequate and operating effectively.;

VII. **Observations of Statutory Auditors-** The Statutory Auditors have drawn attention, by way of an Emphasis of Matter, to the material uncertainty relating to going concern arising from accumulated losses and erosion of net worth and the excess of current liabilities over current assets. The Management has represented that the Company has confirmed orders in hand which are expected to generate substantial cash flows and improve the financial position in the coming periods. The Board has considered the management's assessment and the financial projections and is of the view that the Company will be able to continue its operations and meet its obligations as they fall due

c. CORPORATE GOVERNANCE

Since the equity shares of the Company are listed on the SME Exchange, the corporate governance provisions specified under Regulations 17, 17A, 18, 19, 20, 21, 22, 24, 24A, 25, 26, 26A and 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company pursuant to Regulation 15(2)(b) thereof.

However, Regulation 23 relating to Related Party Transactions is applicable to the Company with effect from April 1, 2025, and the Company has complied with the applicable requirements thereof.

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, the Company did not have any scheme involving the purchase of its shares by employees pursuant to the provisions of Section 67(3) of the Companies Act, 2013, read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014. Accordingly, no disclosure is required in this regard.

h. HUMAN RESOURCES

Your Company considers its human resources to be one of its most valuable assets and continues to focus on attracting, retaining, developing, and nurturing talent. The Company endeavours to promote the professional growth and development of its employees through appropriate learning and development initiatives, job rotation, skill enhancement, and job enlargement opportunities.

As on March 31, 2026, the Company had a total workforce of 83 employees, comprising 6 female employees and 77 male employees.

The Company is committed to providing a safe, healthy, inclusive, and conducive working environment for all its employees. Appropriate policies and practices have been adopted and implemented in accordance with the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws, with the objective of safeguarding the interests, rights, and well-being of its employees.

The Board places on record its appreciation for the dedication, commitment, and valuable contribution made by all employees towards the growth and progress of the Company.

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 V**" 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 V" 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.

Particulars	No. of Complaints
Complaints as on April 1, 2025	NIL
Complaints filed during Financial Year 2025-26	NIL
Complaints disposed-off during Financial Year 2025-26	NIL
Complaints pending for a period exceeding Ninety Days.	NIL
Complaints pending as on March 31, 2026	NIL

k. MATERNITY BENEFIT COMPLIANCE:

The Company reaffirms its unwavering commitment to the health, dignity, and well-being of its women employees by ensuring full compliance with the provisions of the Maternity Benefit Act, 1961 and the rules framed thereunder.

In line with the statutory framework, the Company provides all eligible women employees with maternity leave benefits, including paid leave, job protection, and continued access to applicable medical and other statutory entitlements. These benefits are extended with the objective of supporting women during a crucial phase of life and ensuring a smooth transition between personal responsibilities and professional commitments. Further, the Company has adopted a proactive approach to build a gender-sensitive and inclusive workplace, going beyond mere statutory requirements. Adequate internal policies are in place to create awareness, sensitize teams, and ensure timely redressal of any concerns related to maternity entitlements. Periodic reviews are also undertaken to ensure strict adherence to the law and promote a culture of empathy and support. The Board places on record its assurance that the Company has maintained a compliant and supportive environment in accordance with the spirit and intent of the Maternity Benefit Act, and will continue to enhance employee-centric practices that promote diversity, equity, and inclusion across the organization.

l.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 relating to remuneration of Directors, Key Managerial Personnel and employees of the Company, as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been marked as ***"ANNEXURE V"*** to this Director's Report.

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

Particulars	**Details**		
Name of Person & Designation to whom Remuneration is paid as per Section II of Schedule V	Anil Suryavanshi (Whole-time Director) *	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	**1. Salary exclusive of all allowances** 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. **2. Perquisites and allowances in addition to salary** A. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 46,310/- per month. B. Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/-	**1. Salary Inclusive of all allowances:** Rs. 50,000/- per month (inclusive of Salary, perquisites, benefits and allowances),	**1. Salary exclusive of all allowances** Rs. 49,247/- per month. The Executive Director shall be entitled to such increment from time to time as the Board may by its discretion determine **2. Perquisites and allowances in addition to salary** House Rent Allowance: The Company will pay House Rent Allowance of Rs. 9,849/- per month to the Executive director. Conveyance Allowance: The Company will pay

	per month. C. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month. E. Medical Allowance: The Company will pay Medical Allowance of Rs. 19,296/- Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes. Perquisites shall be evaluated as per Income Tax Rule wherever applicable and		Conveyance Allowance of Rs. 35,000/- per month to the Executive director. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month to the Executive director Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month to the Executive director. Medical Allowance: The Company will pay Medical Allowance of Rs. 4,104/- to the Executive director. Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes. 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.

	in the absence of any such rule, Perquisites shall be evaluated at actual cost.		
Details of fixed component and performance linked incentives along with the performance criteria	**Fixed Component:** 3,33,956/- **Performance linked incentives:** There is no such criteria formulated by the Company.	**Fixed Component:** Rs. 50,000/- per month (inclusive of Salary, perquisites, benefits and allowances), **Performance linked incentives:** There is no such criteria formulated by the Company.	**Fixed Component:** **Rs. 1,00,000 Per month.** **Performance linked incentives:** There is no such criteria formulated by the Company.
Service contracts, notice period, severance fees	As per the Company's Policy	As per the Company's Policy	As per the Company's Policy
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	N/A	N/A	N/A

Mr. Anil Survavanshi resigned from the post of whole time director of company with effect from 09th June 2025.

28. 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.

29. 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 instance of onetime settlement with any Bank or Financial Institution.

30. 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.

31. 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
Date: 03.09.2026
Place: Mumbai

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

ANNEXURE I

Form No. e-Form AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

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

a	Name of the related party and nature of relationship -	Not Applicable
b	Nature of contracts/arrangements/ transactions	
c	Duration of the contracts / arrangements/transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any	
e	Justification for entering into such contracts or arrangements or transactions	
f	Date(s) of approval by the Board	
g	Amount paid as advances, if any:	
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

Name of the Related	Nature of Contracts /	Duration of the Contracts	Salient Terms of the Contracts or	Date(s) of	Amount paid as

Party and Nature of Relationship	Arrangements / Transactions	/ Arrangements / Transactions	Arrangements or Transactions Including the Value, if Any	Approval by the Board, if Any	advances, if any:
Zenvision Pharma LLP (LLPIN: AAE-2082) – Promoter Group Company	Sale of goods	From April 1, 2025 to March 31, 2026	Transaction entered into in the ordinary course of business and on an arm's length basis, on prevailing commercial terms. The aggregate value of transactions during FY 2025–26 was **₹95,37,000/-**. The transaction was covered under the omnibus approval granted by the Audit Committee on February 12, 2025.	12th Feb 2025	NIL
Respect Labs LLP AAG-6413 Promoter Group Company	Purchase of goods	From April 1, 2025 to March 31, 2026	Transaction entered into in the ordinary course of business and on an arm's length basis, on prevailing commercial terms. The aggregate value of transactions during FY 2025–26 was **₹1,26,300/-**. The transaction was covered under the omnibus approval granted by the Audit Committee on February 12, 2025.	12th Feb 2025	NIL
Zenvision Pharma LLP AAE-2082 Promoter Group Company	Purchse of goods	From April 1, 2025 to March 31, 2026	Transaction entered into in the ordinary course of business and on an arm's length basis, on prevailing commercial terms.	12th Feb 2025	NIL

			The aggregate value of transactions during FY 2025–26 was **₹8,50,000/-**. The transaction was covered under the omnibus approval granted by the Audit Committee on February 12, 2025.		

Annexure II

DISCLOSURE PURSUANT TO SECTION 134(3) (m) OF THE COMPANIES ACT, 2013 READWITHRULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

(A) Conservation of energy:

(B) Steps taken or impact on conservation of energy

The Company continues to explore and undertake initiatives aimed at improving energy efficiency and increasing the utilisation of renewable sources of energy.

During the year under review, the Company initiated a project for the installation and upgradation of its solar power infrastructure, including the installation of a **62 kW Solar Power Plant with net metering** along with related equipment and infrastructure. An advance payment of **₹9.85 lakh** was made towards the said project during the financial year.

The project was under execution as at March 31, 2026 and is expected to be completed and commissioned during the financial year 2026–27. Upon commissioning, the solar power infrastructure is expected to contribute towards increased utilisation of renewable energy and reduction in dependence on conventional sources of energy.

(C) Steps taken by the Company for utilising alternate sources of energy

The Company has initiated the installation and upgradation of its solar power infrastructure through the proposed **62 kW Solar Power Plant with net metering**. The project is under execution and is expected to be completed during FY 2026–27.

The Company also continues to promote energy-efficient practices, including the use of **LED lighting systems**, wherever feasible and required.

(D) Capital investment on energy conservation equipment

During the financial year 2025–26, the Company incurred a capital outlay of **₹9,84,536/-** towards the ongoing solar power project, comprising the installation and upgradation of solar power infrastructure.

The project, which includes a **62 kW Solar Power Plant with net metering** and related equipment and infrastructure, was under execution as at March 31, 2026. Further expenditure towards the project has been incurred subsequent to the close of the financial year and will be accounted for in the respective financial year in accordance with the applicable accounting standards and accounting policies of the Company.

(E) Technology absorption:

Efforts made towards technology absorption	The Company continues to focus on strengthening its product portfolio, developing new products, improving operating efficiencies and expanding its customer base, including export markets. The Company has received orders for execution during FY 2026-27 and is pursuing additional business opportunities. The Company expects these initiatives, subject to market conditions and timely availability of working capital, to support improvement in revenue and operating performance.
Benefits derived like product improvement, cost reduction, product development or import substitution	The Company continues to focus on strengthening its product portfolio, developing new products, improving operating efficiencies and expanding its customer base, including export markets. The Company has received orders for execution during FY 2026-27 and is pursuing additional business opportunities. The Company expects these initiatives, subject to market conditions and timely availability of working capital, to support improvement in revenue and operating performance.
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

(F) Foreign exchange earnings and Outgo:

	April 01, 2025 to March 31, 2026	April 01, 2024 to March 31, 2025
	Amount in Rs.	**Amount in Rs.**
Actual Foreign Exchange earnings	30,66,13,000	9,99,20,800
Actual Foreign Exchange outgo	3,40,29,200	1,64,68,200

For and on behalf of the Board
Vadivarhe Speciality Chemicals Limited

SD/-
Sunil Haripant Pophale
Director
DIN: 00064412
Date: 03.09.2026
Place: Mumbai

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

ANNEXURE IIII
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

Your Company is engaged in the manufacture and supply of Organic Chemicals, Chemical Intermediates, Active Pharmaceutical Ingredients (APIs), Personal Care Products and Specialty Chemicals. Over the years, the Company has developed significant capabilities in the manufacturing of chemical intermediates and specialty products and has established itself as a reliable supplier to customers across diverse industries.

The chemical and pharmaceutical industries continue to play a significant role in the growth of the Indian manufacturing sector. India is increasingly emerging as a preferred global sourcing and manufacturing destination, supported by its established manufacturing infrastructure, availability of technical expertise, cost competitiveness, improving quality systems and growing emphasis on regulatory compliance.

The specialty chemicals and pharmaceutical intermediate segments are characterised by evolving customer requirements, stringent quality standards, regulatory expectations and continuous technological developments. Customers increasingly seek reliable and long-term supply partners capable of maintaining consistent product quality, ensuring timely deliveries and complying with applicable quality and regulatory requirements.

The Company's products have applications across a wide range of industries, including pharmaceuticals, agrochemicals, personal care and other specialty chemical applications. This diversification provides the Company with opportunities to cater to multiple industry segments and reduce dependence on any single product application or end-use sector.

With its manufacturing experience, technical capabilities and focus on quality, the Company continues to explore opportunities for strengthening its product portfolio, improving operational efficiencies and expanding its presence in existing as well as potential new markets.

Opportunities & Threats

Having been engaged in the chemical & API manufacturing industry for the past 14 years, the Company has developed operational experience and expertise in manufacturing and supplying chemical intermediates and specialty chemical products. The Company continues to focus on leveraging its manufacturing capabilities, technical knowledge, established processes and quality standards to strengthen its competitive position.

The Company's product portfolio caters to diverse industries, including pharmaceuticals, agrochemicals and personal care. The broad range of applications for its products provides opportunities to serve customers operating across different sectors and geographies.

India's growing position as an alternative and complementary global manufacturing and sourcing destination presents significant opportunities for domestic chemical manufacturers. Global customers are increasingly focusing on supply-chain diversification and are evaluating Indian manufacturers based on factors such as product quality, regulatory and technical documentation, reliability of supply, manufacturing capabilities and long-term business continuity. This trend may create opportunities for the Company to strengthen existing customer relationships and explore new business opportunities in domestic and international markets.

The Company has developed a diversified customer base and continues to serve customers across different markets. Its focus remains on maintaining product quality, consistency, reliability and customer satisfaction while exploring opportunities to expand its market reach and product offerings.

The Company is **WHO-GMP certified**, which supports its quality-focused manufacturing approach and enhances its ability to cater to customers requiring adherence to established quality and manufacturing standards.

At the same time, the industry is exposed to various risks and challenges. These include fluctuations in raw material prices, volatility in energy and other operating costs, changes in regulatory requirements, increasing competition from domestic and international manufacturers, foreign exchange fluctuations, supply-chain disruptions and changes in customer demand.

Competition from manufacturers in other countries, including China and other emerging manufacturing jurisdictions, may also affect pricing and market dynamics. In addition, increasingly stringent environmental, health, safety and quality requirements may require continuous investments in manufacturing processes, compliance systems and technology.

The Company seeks to address these challenges through prudent operational management, focus on quality and compliance, customer relationship management, optimisation of manufacturing processes, cost-control measures and continuous evaluation of market opportunities. The management remains focused on improving operational efficiency, strengthening the Company's market position and pursuing sustainable growth while maintaining appropriate risk management and governance practices.

Segment/ Product Wise Performance

Your Company is engaged in the manufacturing of Organic Chemicals, Chemical Intermediates, Active Pharmaceutical Ingredients (APIs), Personal Care Products and Specialty Chemicals. Considering the nature of the products, manufacturing processes, customer base and the manner in which the management monitors and evaluates the business operations, the Company's activities are considered to constitute a single operating segment.

The Company continues to focus on strengthening its business operations and improving its financial performance through the development of new products, expansion of its product portfolio, enhancement of manufacturing capabilities and exploration of new business opportunities. Continuous efforts are being made to improve operational efficiencies, optimise production processes, strengthen customer relationships and identify products and markets offering sustainable growth potential.

During the financial year under review, the Company recorded a significant improvement in its revenue from operations. The total revenue from operations for the year ended March 31, 2026 increased to ₹4,640.62 Lakhs, as compared to ₹3,817.45 Lakhs during the previous financial year, reflecting a growth of approximately 21.56%.

The increase in revenue reflects the Company's continued efforts towards business development, expansion of its product offerings and strengthening of its presence in the market. The management remains focused on further increasing turnover and improving profitability through the introduction and development of new products, better capacity utilisation, operational efficiencies, cost optimisation and strengthening of its customer and market base.

Going forward, the Company intends to continue its focus on sustainable growth by leveraging its manufacturing experience, technical capabilities and quality-focused approach. The Company will continue to evaluate opportunities for product development and expansion into new and existing markets, while maintaining focus on prudent financial management, operational efficiency and long-term value creation for all stakeholders.

Market and Outlook

Your Company continues to maintain a healthy order book position, reflecting the continued demand for its products and the confidence reposed by its customers in the Company's manufacturing capabilities, product quality and reliability of supply. The flow of orders during the year has been encouraging, and the management remains focused on efficiently executing the existing orders while pursuing new business opportunities across its product segments and markets.

The Company places significant emphasis on **Research and Development (R&D)** and continuous product innovation as an important driver of its future growth. The Company's R&D programmes are focused on the development of new products, improvement of existing products and processes, and identification of opportunities in high-value and specialty product categories. During the year, the Company successfully developed and added a range of new products to its product portfolio. These products have started contributing to the Company's business and are expected to provide further growth opportunities in the coming years, subject to market conditions and successful commercialisation.

The management believes that continuous product development and diversification of the product portfolio will enable the Company to strengthen its customer base, improve market penetration and reduce dependence on a limited range of products. The contribution from newly developed products, along with the Company's ongoing business development initiatives, is expected to support the Company's efforts towards sustainable growth in revenue and overall business performance.

The Company has continued its focus on improving the product mix, enhancing operational efficiency and maintaining stringent control over costs. Continuous efforts are being made to optimise manufacturing processes, improve productivity, increase capacity utilisation and ensure efficient utilisation of resources. A favourable product mix, coupled with improved operating efficiencies and cost optimisation initiatives, is expected to support the Company's efforts towards improving production levels and operating performance.

Cost management continues to remain an important area of focus for the Company. The management continuously evaluates costs across various levels of operations and undertakes appropriate measures to improve efficiency and optimise the consumption of raw materials, energy and other operational resources. The Company also seeks to improve its margins through a combination of operational efficiencies, better product realisation and, wherever commercially feasible, appropriate revision in product prices.

The Company's production facilities and manufacturing operations are continuously reviewed and realigned in accordance with market requirements and the demand for its products. This enables the Company to respond more effectively to changing customer requirements and optimise the utilisation of its manufacturing infrastructure.

The management remains optimistic about the Company's future prospects and continues to focus on strengthening its order book, expanding its product portfolio, improving operational efficiency and enhancing profitability. Adequate availability of working capital will remain important to support the Company's growth plans, increased production levels and expansion of business operations.

Subject to market conditions, availability of raw materials and working capital, and other unforeseen circumstances, the Company expects to continue its efforts towards improving its turnover, operational performance and overall financial results in the coming years.

Risks and Concerns

The Company's operations are exposed to various business and economic risks, including fluctuations in foreign exchange rates, volatility in raw material prices, changes in market conditions, supply-chain disruptions and other factors that may affect the cost of production and overall profitability.

One of the key risks faced by the Company arises from volatility in the exchange rate of the Indian Rupee against the US Dollar and other foreign currencies. As approximately **20% of the Company's raw material requirements are met through imports**, any significant depreciation of the Indian Rupee may result in an increase in the landed cost of imported raw materials and consequently impact the Company's operating margins.

The Company, however, also has export operations, which provide a natural hedge against a portion of its foreign currency exposure. Revenue generated from exports in foreign currencies helps partially offset the impact of adverse exchange rate movements on the cost of imported raw materials. The Company continuously monitors its foreign currency exposure and seeks to manage the associated risks through appropriate operational and commercial measures.

Apart from foreign exchange risk, the Company is also exposed to fluctuations in the prices and availability of key raw materials, energy costs, changes in customer demand and competitive pressures. The chemical industry is inherently subject to changes in global and domestic economic conditions, regulatory developments and supply-chain dynamics, which may have an impact on the Company's business and financial performance.

The management continuously monitors these risks and undertakes appropriate measures to mitigate their potential impact. Such measures include prudent procurement practices, efficient inventory management, diversification of suppliers and customers, improvement in operational efficiency, optimisation of raw material consumption and continuous evaluation of product pricing and product mix.

While the Company cannot eliminate all business risks, it remains focused on strengthening its risk management practices and maintaining adequate operational and financial flexibility to address potential challenges. The management believes that its diversified product portfolio, customer base, export presence and continued focus on operational efficiency will assist the Company in managing these risks and pursuing sustainable growth.

Internal Control Systems and their Adequacy

The Company has established an adequate internal control framework commensurate with the size, scale, nature and complexity of its business operations. The internal control systems are designed to provide reasonable assurance regarding the safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, reliability of financial reporting, compliance with applicable laws and regulations, and orderly and efficient conduct of business operations.

The Company has formulated, documented and implemented policies and procedures relating to **Internal Financial Controls (IFC)**. These controls are designed to ensure the proper authorisation, recording and reporting of transactions, protection of the Company's assets and timely identification and management of operational and financial risks. The internal control framework is reviewed periodically and modified or strengthened, wherever necessary, in line with changes in the business environment, operational requirements and applicable regulatory requirements.

The Internal Audit function of the Company is carried out by an independent firm of Chartered Accountants. The Internal Auditors conduct audits in accordance with an approved internal audit programme covering key operational, financial and compliance areas of the Company. The scope of internal audit is periodically reviewed to ensure that significant business processes, financial controls and areas of potential risk are adequately covered.

The findings and observations arising from the internal audit process are reviewed by the Management, and appropriate corrective and preventive actions are undertaken wherever required. The implementation and effectiveness of such actions are monitored on an ongoing basis.

The Internal Audit function is further supplemented by periodic reviews by the Management and oversight by the Audit Committee of the Board. The Audit Committee periodically reviews the adequacy and effectiveness of the Company's internal control systems, internal audit findings, significant observations and the status of corrective actions taken by the management.

The Board and the Audit Committee are of the view that the Company's existing internal control systems and internal financial controls are adequate and are operating effectively, considering the size, nature and complexity of the Company's business and operations.

Discussion on Financial Performance with respect to operational performance:

During the financial year **2025–26**, the Company demonstrated a significant improvement in its operational and financial performance. Revenue from operations increased to **₹4,578.03 Lakhs** during FY 2025–26 from **₹3,790.53 Lakhs** in FY 2024–25. Further, the Company's **Total Income**, including other income, increased to **₹4,640.63 Lakhs** as compared to **₹3,817.45 Lakhs** in the previous financial year. This reflects improved business activity and an increase in the overall scale of operations during the year.

Despite the increase in revenue, the Company continued to report a loss during the year under review. However, there was a substantial improvement in the financial performance, with the **Loss After Tax reducing to ₹163.77 Lakhs in FY 2025–26**, as compared to a loss of **₹926.53 Lakhs in FY 2024–25**, representing a reduction in losses of approximately **82.32%**. The basic and diluted loss per equity share also improved significantly to **₹1.28 per share**, as against **₹7.25 per share** in the previous financial year.
The improvement in the Company's financial performance was primarily supported by higher operating revenues, improved operational activity and the continued focus of the management on product development, better product mix, optimisation of manufacturing processes, improved capacity utilisation and stringent cost-control measures. During the year, the Company continued its efforts to optimise the consumption of raw materials, improve product yields and enhance productivity across its manufacturing operations.

The financial statements also reflect a significant change in the cost structure of the Company. During FY 2025–26, the Company did not incur expenditure towards **purchase of stock-in-trade**, compared to ₹1,024.37 Lakhs in the previous financial year. At the same time, the cost of materials consumed increased in line with the higher level of manufacturing activity and revenue. Employee benefit expenses reduced to ₹533.47 Lakhs from ₹571.84 Lakhs in the previous year, while the Company continued to maintain a focus on controlling its operating and administrative costs.

The Company also witnessed a substantial improvement in its operating cash generation. **Net cash generated** from operating activities during FY 2025–26 was **₹636.21 Lakhs**, compared with a **net cash outflow** from operating activities of **₹715.27 Lakhs** during FY 2024–25. The improvement was supported by positive working capital movements, including reductions in inventories and trade receivables during the year.

As at March 31, 2026, inventories stood at **₹793.93 Lakhs**, compared to ₹971.87 Lakhs in the previous year, while trade receivables stood at **₹811.24 Lakhs**, as against ₹826.37 Lakhs as at March 31, 2025. The reduction in these working capital balances, coupled with improved operating performance, contributed positively to the Company's cash flows during the year.

The Company continued to invest selectively in its manufacturing and operational infrastructure. During FY 2025–26, additions to Property, Plant and Equipment and other capital assets were made to support business operations and future growth requirements. The Company remains focused on improving manufacturing efficiency, product quality and operational capabilities.

Although the Company incurred a loss during FY 2025–26, the significant improvement in revenue, reduction in losses and positive operating cash flows indicate an improvement in the overall operational performance of the Company. The management continues to take steps towards strengthening the business through new product development, technology initiatives, improvement in product mix and optimisation of manufacturing and operating costs.

The Company has also secured sales orders for execution during the **first half of FY 2026–27**. The management expects that the execution of these orders, subject to timely production, supply and other business and market conditions, will contribute positively to the Company's revenue and operational performance during FY 2026–27.

In addition, the Company is actively working on the development and commercialisation of new products and technologies, with the objective of improving its product portfolio, increasing sales realisation and achieving better operating margins. The management believes that the contribution from these initiatives, together with the execution of the existing and new business opportunities, has the potential to support further improvement in the Company's financial and operational performance.

The Company will continue to focus on **increasing capacity utilisation, improving product mix, enhancing operational efficiency, strengthening working capital management, controlling costs and developing higher-value products**. While the future performance of the Company will remain subject to market conditions, raw material prices, availability of working capital and other external factors, the management remains focused on pursuing sustainable growth and improving profitability in the coming financial years.

<u>Human Resources</u>

Human Resources continue to be one of the most important and valuable assets of the Company. The Company recognises that its sustained growth, operational efficiency and long-term success are closely linked to the capabilities, commitment and performance of its employees. Accordingly, the Company remains focused on creating a work environment that encourages professional growth, continuous learning, innovation, teamwork and a strong sense of responsibility.

As on **March 31, 2026**, the Company had **83 permanent employees** across its factory and office operations. The Company continues to maintain an appropriate human resource structure to support its manufacturing activities, quality systems, business operations and future growth requirements.

The Company places significant emphasis on **employee training and skill development**. During the year, the Human Resources, Quality Control and Quality Assurance Departments organised various internal training programmes covering areas such as **Current Good Manufacturing Practices (CGMP), safety awareness, quality systems and other operational requirements**. Such training programmes are aimed at enhancing employees' technical knowledge, strengthening awareness of quality and safety requirements and improving overall operational effectiveness.

In addition to internal training initiatives, employees are encouraged and, wherever considered appropriate, deputed to attend external training programmes, seminars and other knowledge-enhancement programmes. These initiatives enable employees to upgrade their professional and technical skills and remain updated with developments relevant to their respective areas of responsibility.

The Company believes in investing in its people and continuously developing their capabilities. Efforts are made to create a positive and favourable work environment that promotes **performance, accountability, customer focus, innovation and continuous improvement**. The Company also encourages employees to contribute towards operational excellence and improvement in business processes.

VSCL's human resource strategies are based, inter alia, on the principles of **continuous learning, capability development and continuous improvement**. The management believes that a motivated, skilled and committed workforce will continue to play an important role in strengthening the Company's operational capabilities, maintaining quality standards and supporting its future growth objectives.

Key Financial Ratios

The following table sets out the key financial ratios of the Company for FY 2025–26 as compared to FY 2024–25, together with the changes and explanations for such variations:

Particulars	31.03.2026	31.03.2025	YoY Improvement / (Reduction)	Explanation for Change
Current Ratio	**0.7**	**0.9**	**(22.22%) Reduction**	The reduction was primarily due to changes in the composition of current assets and current liabilities during the year. The Company continues to focus on improving its working capital position and liquidity management.
Debt-Equity Ratio	**7.2**	**12.99**	**44.57% Improvement**	The ratio improved mainly due to reduction in total debt during the year.
Debt Service Coverage Ratio	**-0.01**	**-0.22**	**95.45% Improvement**	The significant improvement was primarily due to the substantial reduction in losses and finance costs as compared to the previous financial year.
Return on Equity Ratio	**-37.10%**	**-333.75%**	**88.88% Improvement**	The substantial improvement was mainly attributable to the significant reduction in losses during FY 2025–26 as compared to the previous financial year.

Inventory Turnover Ratio	**3.39**	**2.88**	**17.71% Improvement**	The improvement reflects higher operational activity and more efficient utilisation and movement of inventory during the year.
Trade Receivables Turnover Ratio	**5.98**	**5.19**	**15.22% Improvement**	The improvement reflects higher sales and better management of trade receivables and collections during the year.
Trade Payables Turnover Ratio	**5.06**	**5.95**	**14.96% Reduction**	The reduction was mainly attributable to changes in the level and timing of purchases and settlement of trade payables during the year.
Net Capital Turnover Ratio	**-6.25**	**-16.33**	**61.73% Improvement**	The ratio improved due to better utilisation of working capital and improvement in sales performance during the year.
Net Profit Ratio	**-3.58%**	**-24.44%**	**85.35% Improvement**	The significant improvement was due to substantial reduction in operational losses, higher revenue and continued focus on cost management.
Return on Capital Employed	**-0.02**	**-0.39**	**94.87% Improvement**	The improvement was mainly attributable to improvement in EBIT and better overall operational performance during the year.
Return on Investment	**-4.22%**	**-21.68%**	**80.54% Improvement**	The improvement was primarily due to the substantial reduction in net losses as compared to the previous financial year.

Overall, the key financial ratios of the Company reflect a significant improvement in its operational and financial performance during FY 2025–26. The improvement in Inventory Turnover Ratio and Trade Receivables Turnover Ratio indicates better utilisation of inventory and improved management of receivables. The Debt-Equity Ratio improved by 44.57%, while the Debt Service Coverage Ratio showed a significant improvement of 95.45%, primarily due to reduction in losses and finance costs.

The profitability-related ratios also witnessed substantial improvement during the year. The Net Profit Ratio improved by 85.35%, Return on Equity improved by 88.88%, Return on Capital Employed improved by 94.87% and Return on Investment improved by 80.54%, reflecting the significant reduction in the Company's losses and improvement in operational performance.

However, the Current Ratio declined by 22.22% from 0.90 as at March 31, 2025 to 0.70 as at March 31, 2026, indicating continued pressure on short-term liquidity and the need for efficient working capital management. The management remains focused on improving liquidity, strengthening working capital, increasing capacity utilisation, optimising costs and improving profitability through a better product mix and development of new products.

Return on Net Worth:

Return on Net Worth is not considered meaningful for the year under review due to the Company's negative net worth arising from accumulated losses.

Return on Capital Employed:

The Return on Capital Employed improved significantly to (0.02) as at March 31, 2026, as compared to (0.39) in the previous financial year, representing an improvement of approximately 94.87%. The improvement was primarily attributable to the significant reduction in losses, improvement in EBIT and better overall operational performance during the year.

Cautionary Statement

Statements made in the **Management Discussion and Analysis Report** describing the Company's objectives, expectations, estimates, projections, outlook, beliefs, opinions or predictions may constitute **"forward-looking statements"** within the meaning of applicable laws and regulations.

Such statements are based on the assumptions, expectations and information available to the management at the time of preparation of this Report. Actual results, performance or achievements of the Company may differ materially from those expressed or implied in such forward-looking statements due to various factors, including changes in economic conditions, market conditions, industry developments, government policies and regulations, fluctuations in the prices and availability of raw materials, foreign exchange fluctuations, competition, demand and supply conditions and other factors beyond the Company's control.

The Company's operations and future performance should, therefore, be evaluated in the context of the prevailing economic and business environment and the risks and uncertainties associated with the industry in which the Company operates.
The Company undertakes no obligation to publicly update, revise or modify any forward-looking statements on the basis of subsequent events, developments or new information, except as may be required under applicable law.

For and on behalf of the Board
Vadivarhe Speciality Chemicals Limited

SD/-	**SD/-**
Sunil Haripant Pophale	**Meena Sunil Pophale**
Director	**Whole-time Director**
DIN: 00064412	**DIN:** 00834085
Date: 03.09.2026	
Place: Mumbai	

ANNEXURE IV- SECRETARIAL AUDIT REPORT

Prajot Vaidya & Co.

Office No. 602, Rajhans Annex, Opp. to Gaondevi Bus-Stand, Thane West-400602
Email id: csprajotvaidya@gmail.com M: 9029872189

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended 31st March, 2026
[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, 2026 **('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, 2026 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;

(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 that there was delay in filing of intimation of closure of trading window with stock exchange for the half year ended 30th September, 2025.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings 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 & Air (Prevention & Control of Pollution) Act, 1981.

As informed by the company the Industry specific laws/ general laws as applicable to the company has been complied with. The management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines as are specifically applicable to the Company relating to Industry/Labour etc., have been complied with.

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: 7071/2025
UDIN: A038969H001348453
Place: Thane
Date: 2nd September, 2026

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.

‘Annexure – A’

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. 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 has been noticed in compliance with the applicable provisions of the Securities and Exchange Board of India Act, 1992 and the rules, regulations and circulars made thereunder
6. 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.
7. 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: 7071/2025
UDIN: A038969H001348453
Place: Thane
Date: 2nd September, 2026

ANNEXURE V

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 2025-26, 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**	**signation**	Remuneration for F.Y. 2025-26 (in Rs.)	% Increase in remuneration for financial year 2024-25	**Ratio of remuneration of Director to median remuneration of employees**
1.	Mrs. Meena Pophale	Whole-time Director	11,00,000	-	1.75
2.	Mr. Sunil H. Pophale	Executive Director	5,50,000	-	0.88
5.	Mr. Manoj Kumar *	Company Secretary & Compliance Officer	17,31,000	38.43%	2.76
7	Mr. Madhukar Suvarna *	Chief Financial Officer	15,41,000	-	2.45

*** Mr. Madhukar Suvarna was appointed as Chief Financial Officer with effect from 27th August 2025.**

*** Mr. Manoj Kumar, Company Secretary and Compliance Officer, has tendered his resignation and will cease to hold office with effect from August 31, 2026.**

II. The median remuneration of employees during the financial year was Rs. 6,28,166/- p.a. (For calculating the median remuneration of employees, only the remuneration paid to employees who have served throughout the financial year 2025-26 has been considered.

III. There were 83 permanent employees on the roles of the Company as on March 31, 2026.

IV. In the financial year there was an increase of 9% in the median remuneration, largely contributed by annual increment.

V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2025-26 was 12% and average increase in the managerial remuneration w.r.t the managerial personnel for the financial year 2025-26 was 9%

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.

	Name of the Employee	Designation	Remuneration	Nature of Employment	Date of commencement of employment	Age of employee	Last employment held by such employee	Qualification	If the employee is a relative of Director
	Mr. Madhukar Sitaram Suvarna	Chief Financial Officer	30,00,000	KMP	01-09-2025	65	S.K WHEELS	MBA (Finance), LL.B	No
	Mr. Dinesh N. Malpe	Sr. Manager-Production	24,02,017	Employee	07-09-2021	44	Kasyap Sweetners Ltd	BE Chemicals	No
	Mr. Shekhar Ganesh Shetty	General Manager	23,00,000	Employee	01-04-2025	52	V V L Pharma Pvt Ltd	Msc (Organic Chemistry) & ADIS	No
	Mr. Sambhaji S. Powar	Manager-ADL	20,01,725	Employee	08-03-2018	42	Macleods Pharmaceuticals Ltd	Msc Analytical Chemistry	No
	Mr. Satish P. Paithankar	Manager-Stores & Excise	16,08,069	Employee	01-07-2012	52	Dabur India Ltd	BA	No
	Mr. Manoj Kumar	Company Secretary	17,31,000	KMP	27-05-2024	32	Leo Da Vinci Exports Limited	Company Secretary & LL.B	No
	Mr. Sharad Bhausaheb Khairnar	ASST. MANAGER	13,10,000	Employee	01-03-2024	40	Unichem Laboratories Limited	Msc Analytical Chemistry	No
	Mr. Krishnarao L. Patil	Manager-Production	12,03,891	Employee	03-07-2009	54	Fem Care Pharma Ltd	BSc	No
	Mr. Udayraj Uttam Ransing	Manager	11,00,000	Employee	15-06-2025	51	Self	VOC DIP MECH MAINT	No
	Mr. Chandrakant B. Patil	Manager-QC	10,97,000	Employee	23-10-2018	43	Lupin Ltd	Msc Organic	No

For and on behalf of the Board
Vadivarhe Speciality Chemicals Limited

SD/-	**SD/-**
Sunil Haripant Pophale	**Meena Sunil Pophale**
Director	**Whole-time Director**
DIN: 00064412	**DIN:** 00834085

Date: 03.09.2026
Place: Mumbai

STANDALONE AUDITED FINANCIAL STATEMENT FOR FY 2025-26

INDEPENDENT AUDITOR'S REPORT

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** ("the company") which comprise the Balance Sheet as at March 31, 2026 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 2026 and **loss** and cash flows for the year then ended.

Basis for Opinion

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

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

Revenue recognition (refer note 3 Significant Accounting Policies)

The Key Audit Matter	How the matter is addressed in our audit
Revenue is recognized when the control over the underlying products has been transferred to the customer.	Our audit procedures included: - Focusing on the Company's revenue recognition for compliance with AS 9. - 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.

Emphasis of Matter

Note No 3 of the Balance Sheet indicates that the company has accumulated losses and its net worth has been fully eroded, and the company’s current liability exceeds its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company’s ability to continue as a going concern. However, the management of the company has represented that there are confirmed orders in hand that are expected to generate substantial cash flows and improve the financial position in the coming periods. Accordingly, the financial statements of the company have been prepared on a going concern basis.

We invite attention to the following matter in the Notes to the financial statements:

a) Notes 9 & 19 to the financial statements, which state that Trade Payables and Trade Receivables balances are subject to confirmations.
b) Provision for Gratuity and that for Leave Encashment as per Note 32.6 is being based on Draft Actuarial Report instead of final signed actuarial report.

Our opinion is not modified in respect of these matter.

Other Matter

We draw attention to the following points-

a. The turnover for the year ending 31/03/2026 is increased by 17% as compared to the previous year’s turnover, amounting to Rs. 45,78,03,200/- (In Rupees (Nearest Hundred)).
b. It is observed that there is an positive operating cash flow of Rs. 6,36,21,000/- (In Rupees (Nearest Hundred)) at the year ending as on 31/03/2026, as against a negative operating cash flow at the financial year ending on 31/03/2025 Rs. 7,15,27,000/- (In Rupees (Nearest Hundred)).

Information Other Than the Financial Statements and Auditors' Report Thereon

The company's board of directors is 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.

Management's and Board of Directors Responsibility for the Financial Statements

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

The Board of Directors 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

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss and the 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 on 31 March 2026 taken on record by the Board of Directors none of the directors is disqualified as on 31 March 2026 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" to this report.

g) 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 2026 on its financial position in its financial statements, details of pending legal cases which are filed by the Company are mentioned in

Note 32-5 of Notes attached to and forming part of Financial Statements for the year ended 31st March 2026 ;

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, there are no 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 Financial Year 2025-26.

3. 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.

4.

a) Based on our examination, the company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility.

b) The payroll records maintained by the company through Payroll software did not have audit trail feature throughout the year.

c) Further during the course of our audit we did not come across any instance of an audit trail feature (wherever we were able to access) being tampered with.

d) The audit trail has been preserved by the company as per the statutory requirements for record retention.

For **S.R.Rahalkar and Associates**
Chartered Accountants
Firm Registration No. 108283W

SD/-
S.R. Rahalkar
Partner
Membership No. 014509
UDIN: 26014509HRUDGZ1757

Place: Nashik
Date: 28/05/2026

Annexure A to the Independent Auditor's Report 31st March, 2026

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 31st March, 2026, we report the following:

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) (a) A. The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

B. The company has maintained proper records showing full particulars, of intangible 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. However, during the year, the company has not physically verified the property, plant and equipment.

(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 12, 13 & 14 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 2026 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the monthly returns or statements filed by the Company with such banks or financial institutions are not in agreement with the books of account of the Company. The differences on quarterly basis are as follows:

Amounts in Rs (Nearest to Hundreds)

Inventories				
Month	**As per stock statement submitted to Bank**	**As per Books**	**Difference**	**Reason for Difference**
June	12,52,76,100	12,52,76,100	0.00	Nil
September	10,86,08,800	10,86,08,800	0.00	Nil
December	12,17,80,500	12,17,80,500	0.00	Nil
March	7,93,47,800	7,93,92,700	-44,900	Stock Transfer pending for 0.44 Lakh

Amounts in Rs (Nearest to Hundreds)

Trade Receivables				
Month	**As per statement submitted to Bank**	**As per Books**	**Difference**	**Reason for Difference**
June	5,55,59,200	5,41,61,000	13,98,200	IGST on export Journal passed after submission of Stock statement to bank
September	6,47,28,100	4,73,55,300	1,73,72,800	Advance of Rs.1.74 Cr reduced from Debtors receivable while submission of Stock statement
December	5,32,38,700	5,19,47,200	12,91,500	IGST on export Journal passed after submission of Stock statement to bank
March	9,29,75,700	8,90,24,800	39,50,900	IGST on export Journal passed after submission of Stock statement to bank

(iii) 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. Therefore reporting under clause 3(iii)(a), (b), (c), (d), (e) and (f) of the Order is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The company has not accepted any deposits or amounts covered under sections 73 to 76 of the Companies Act, 2013 or rules made thereunder. Hence, reporting under clause 3 (v) of the Order is not applicable.

(vi) The company does not fulfill the conditions pursuant to the companies (Cost Accounting Record) Rules 2011 prescribed by the central Government, under sub-section (1) of section 148 of the Companies Act, 2013 for maintenance of the prescribed cost records and therefore such cost records are not maintained by the company. Hence, reporting under clause 3 (vi) of the Order is not applicable.

(vii) In respect of statutory dues,

(a) 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 2026 for a period of more than six months from the date they became payable.

(b) There are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax as at March 31, 2026, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, reporting under clause 3(viii) is not applicable

(ix) (a) The Company has not defaulted in repayment of loans or borrowings to banks and financial institutions.

(b) The company has not been declared as a willful defaulter by any bank or financial institution or other lender or government or any government authority.

(c) The Company has been regular in repayment of the Term Loans.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the company.

(e) The company has no subsidiaries, associates or joint ventures. Hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable

(x) (a) The company has not raised by way of initial public offer or further public offer (including debt instruments) during the Financial Year 2025-2026 and hence reporting under clause 3(x) (a) of the Order is not applicable.

(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. Hence reporting under clause 3(x) (b) of the Order is not applicable.

(xi) (a) No material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.

(b) No report under sub-Section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government, during the year and up to the date of this report.

(c) 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 3(xii) (a), (b) and (c) of the Order is not applicable.

(xiii) The Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) 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) The company has not entered into non-cash transactions with directors or persons connected with the director during the year and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 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 incurred no cash loss during Financial Year 2025-26 but had incurred cash loss of Rs 7,15,27,000/- (In Rupees (Nearest Hundred)) in the immediately preceding financial year i.e. Financial Year 2024-25.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) 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 provisions of Section 135 of The Companies Act, 2013 are not applicable to the Company for Financial Year 2025-25. Hence, reporting under clause 3(xx) (a) and (b) of the Order is not applicable.

(xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **S.R.Rahalkar and Associates**
Chartered Accountants
FRN – 108283W

SD/-
S.R. Rahalkar
Partner
Membership Number – 014509
UDIN: 26014509HRUDGZ1757
Date : 28/05/2026
Place: Nashik

Annexure - B to the Auditors' Report

Refer to Para (2)(f) under Heading 'Report on Other Legal and Regulatory Requirements" 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 2026

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 **Vadivarhe Speciality Chemicals Limited** as of 31 March 2026 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 internal financial control systems of the company needs an improvement, and such internal financial controls over financial reporting were operating effectively subject to following instances as mentioned below as at 31st March 2026, 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.

Instances where Internal Financial Controls System needs improvements:-

The cost of material consumed and the cost of goods sold entries flow in the SAP system needs to be analysed and care should be taken so that the entries are sparingly recorded in Material offset ledger, clearing ledgers and in inventory variance ledgers.

For **S.R.Rahalkar and Associates**
Chartered Accountants
Firm Registration Number – 108283W

SD/-
S.R. Rahalkar
Partner
Membership Number – 014509
UDIN: 26014509HRUDGZ1757

Date : 28/05/2026
Place: Nashik

Reg. Vadivarhe Speciality Chemicals Limited

Note No 1 - Notes forming part of Financial Statments for the year ended 31st March 2026

A) Corporate Information

Vadivarhe Speciality Chemicals Limited (the company) is an entity incorporated in India. The registered office of the company is at Gat No. 204, Vadivarhe, Igatpuri-422403.

The company is engaged in manufacturing of Organic Chemicals with a core focus on Intermediates, Personal Care Products, and Speciality Chemicals.

B) Significant Accounting Policies

1. Basis of preparation of Financial Statements & Accounts

The financial statements & accounts are prepared under historical cost convention in accordance with the mandatory Accounting Standards as specified under section 133 of the Companies Act 2013, read

with Rule 3 of the Companies (Accounting Standards) Rules, 2021 and the relevant provisions of the Companies Act, 2013.
The Company has adopted accrual basis of accounting.
Accounting policies except specifically referred to, are consistent and in consonance with generally accepted accounting policies.

2. Use of Estimates

The preparation and presentation of financial statements in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities, revenues and expenditures and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as on the date of financial statements. Difference between the actual results and estimates are recognized in the period in which results materialize/ are known. Future results could differ from these estimates.

3. Revenue Recognition

i. Revenue is recognized at the time of dispatch of goods to the customer along with sales invoice and e-way bill (wherever applicable) to that extent AS 9 has not been complied.
ii. Sale of services are recognized when services are delivered to the customer and are recorded net of Duties, Taxes and Trade Discounts & Rebates.
iii. Interest Income is recognized on a time proportion basis
iv. Dividend Income is recognized on receipt basis.
v. Subsidies, Duty Drawback Incentive are recognized on receipt basis.

4. Property Plant And Equipment

Tangible Assets

Tangible assets, capital work in progress are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes (except taxes of which input credit is been claimed), freight, and installation and allocated incidental expenditure during the construction/ acquisition.
When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (Major Components) of property, plant and equipment. Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a WDV basis commencing from the date the asset is available to the Company for its use.
During the financial year, intangible assets have been totally amortized.

5. Depreciation and Amortization

Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on Straight Line Method (SLM) Method. Depreciation is provided based on useful life of assets as prescribed in Schedule II to the Companies Act, 2013.
Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/ discard from tangible assets is provided for up to the date of sale, deduction or discard of tangible assets as the case may be.

6. Inventories

Inventories are valued at cost and no net realizable value is calculated. Cost of Inventories comprises of purchase costs, and other cost incurred in bringing the inventories to their present location and condition. The cost is determined as under.

i. Raw materials on FIFO Basis
ii. Finished Products - at raw material plus conversion cost
iii. Work-in-Progress at raw material cost plus proportionate conversion cost

7. Cash flow statement

Cash flows are reported using the indirect method as specified under Accounting Standard - 3, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

8. Government grants

Grants and subsidies or incentives from the government are being recognized on receipt basis.

During the year, the company has received DIC PSI-2013 Incentive of Rs 32,21,500/- for F.Y.2023-24 (In Rupees (Nearest Hundred)) which has been showed as exceptional item.

9. Investments

Investments are valued at cost except where there is a permanent decline in the value of investments. Non-current investment includes Bank Shares

10. Taxes on Income

Income Tax for the period is provided as per the provisions of the Income Tax Act, 1961 after considering various deductions available under the Act. However, due to loss for the year, there is no current tax liability.

Deferred Tax Expense/Income is recognized for "timing differences" between the accounting income and the taxable income using the tax rates and laws that are enacted or substantially enacted as on the Balance Sheet date. The Deferred Tax Assets is recognized and carried forward only to the extent there is a reasonable certainty that the asset will be realized in future.
During the year, deferred tax has not recognized since there is no virtual certainty for set off of losses.

11. Employee Benefits

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

12. Defined Contribution Plan

The company is having defined contribution plan for post-employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the company contributes to a Government administered Provident Fund on behalf of employees. The company has no further obligation beyond making the Contribution.

13. Defined Benefit Plan

The company has made provision for payment of Gratuity and Leave Encashment to its employees. The cost of providing gratuity and leave encashment under this plan is determined on the basis of actuarial valuation at year end.

14. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing.
Borrowing costs that are directly attributable to the acquisition, construction or production of an asset

that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognized as expenditure in the period in which they are incurred.

15. Impairment of Assets

In accordance with AS-28, in the opinion of management, there is no impairment loss to the company.

16. Provisions and Contingent Liabilities

Provisions involving judgments and estimation in measurement of expenses are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources.

17. Foreign Exchange Transactions

i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) Monetary items in the form of Current Assets and Current Liabilities in Foreign Currency , outstanding at the close of the year , are converted in Indian currency the appropriate rates of exchange prevailing on the date of the Balance Sheet , resultant gain or loss is accounted in the statement of Profit and loss during the year.

iii) All other incomes or expenditure in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

18. Earning Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period for all periods presented is adjusted for events, such as bonus shares, that have changed the number of equity shares outstanding, without corresponding change in the resources.

Vadivarhe Speciality Chemicals Limited

CIN: L24100MH2009PLC190516

Balance Sheet as at 31st March, 2026

In Rupees (Nearest Hundred)

Particulars	Note No	Figures As at 31st March, 2026	Figures As at 31st March, 2025
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	**2**	**12,78,27,500**	12,78,27,500
(b) Reserves and Surplus	**3**	**(17,19,65,400)**	(15,55,88,600)
(2) Non-Current Liabilities			
(a) Long-term borrowings	**4**	**18,18,91,900**	22,82,33,500
(b) Deferred tax liabilities (Net)	**5**	**-**	-
(c) Other Long term Liabilities	**6**	**-**	-
(d) Long Term Provisions	**7**	**49,60,400**	46,76,700
(3) Current Liabilities			

(a) Short-term borrowings	8	**13,57,92,100**	13,20,86,800
(b) Trade payables	9	**8,31,42,100**	7,49,93,400
(c) Other current liabilities	10	**1,38,49,300**	18,52,800
(d) Short-term provisions	11	**1,21,67,300**	1,32,49,300
Total		**38,76,65,200**	**42,73,31,400**
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipments and Intangible Assets			
(i) Property, Plant & Equipments	12	**21,05,48,100**	22,43,14,000
(ii) Intangible assets	13	**98,300**	-
(iii) Capital work-in-progress	14	**19,35,700**	7,84,600
(iv) Intangible assets under development		**-**	-
(b) Non-current investments	15	**5,00,000**	5,00,000
(c) Deferred tax assets (net)		**-**	-
(d) Long term loans and advances	16	**2,09,400**	2,10,700
(e) Other non-current assets	17	**26,82,600**	25,58,700
(2) Current Assets			
(a) Current investments		**-**	-
(b) Inventories	18	**7,93,92,900**	9,71,87,100
(c) Trade receivables	19	**8,11,24,200**	8,26,36,700
(d) Cash and cash equivalents	20	**68,91,300**	56,86,800
(e) Short-term loans and advances	21	**41,53,800**	1,33,47,600
(f) Other current assets	22	**1,28,900**	1,05,200
Total		**38,76,65,200**	**42,73,31,400**

The accompanying notes are an integral part of these financial statements
As per our Report attached of even date.

For **S R Rahalkar & Associates**
Chartered Accountants
Firm Registration No.108283W

SD/-
S R Rahalkar

Partner
Mem No.014509
UDIN: 26014509HRUDGZ1757

Place : Nashik
Date : May 28, 2026

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

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

SD/-

Madhukar Suvarna
Chief Financial Officer

SD/-
Manoj Kumar
Company Secretary
Mem. No. A56992

Place : Mumbai
Date : May 28, 2026

The accompanying notes are an integral part of these financial statements
As per our Report attached of even Date.

Vadivarhe Speciality Chemicals Limited

Statement of Profit and Loss for the year ended 31st March, 2026

In Rupees (Nearest Hundred)

Particulars	**Note No**	**Year ended 31st March, 2026**	**for Year ended 31st March, 2025**
I. Revenue from operations	23	**45,78,03,200**	37,90,53,100
II. Other Income	24	**62,59,500**	26,92,300
III. Total Income (I +II)		**46,40,62,700**	**38,17,45,400**
IV. Expenses:			
Cost of materials consumed	25	**25,39,60,900**	18,51,09,100
Purchase of Stock-in-Trade	26	**-**	10,24,36,800
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	**1,49,25,500**	(80,40,300)
Employee benefit expense	28	**5,33,47,200**	5,71,83,500
Financial costs	29	**1,34,33,700**	1,32,70,900
Depreciation and amortization expense	30	**1,84,85,500**	1,84,76,300
Other Expenses	31	**12,95,08,200**	10,65,36,800
IV. Total Expenses		**48,36,61,000**	**47,49,73,100**
V. Profit before exceptional and extraordinary items and tax	(III - IV)	**(1,95,98,300)**	(9,32,27,700)
VI. Exceptional Items - DIC PSI-2013 Incentive		**32,21,500**	5,74,500
- Prior Period Expenses			-
VII. Profit before extraordinary items and tax (V - VI)		**(1,63,76,800)**	**(9,26,53,200)**
VIII. Extraordinary Items		**-**	-
IX. Profit before tax (VII - VIII)		**(1,63,76,800)**	(9,26,53,200)
X. Tax expense:			
(1) Current tax		**-**	-
(2) Income Tax of earlier years		**-**	-
(3) Deferred tax		**-**	-
(4) MAT Credit entitlement		**-**	-
(5) MAT Credit Reversed		**-**	-
XI. Profit/(Loss) for the period (IX - X)		**(1,63,76,800)**	(9,26,53,200)
No. of Shares O/S at the end of the period		**1,27,82,750**	1,27,82,750
XII. Earning per equity share:			

(1) Basic		**-1.28**	**-7.25**
(2) Diluted		**-1.28**	**-7.25**

For **S R Rahalkar & Associates**
Chartered Accountants
Firm Registration No.108283W

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

SD/-
S R Rahalkar

Partner
Mem No.014509
UDIN: 26014509HRUDGZ1757

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

SD/-
Madhukar Suvarna
Chief Financial Officer

SD/-
Manoj Kumar
Company Secretary
Mem. No. A56992

Place : Nashik
Date : May 28, 2026

Place : Mumbai
Date : May 28, 2026

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

Cash Flow statement for the Year ended 31st March,2026

In Rupees (Nearest Hundred)

Particulars	**Year ended 31st March,2026**	**Year ended 31st March, 2025**
Cash flows from operating activities		
Profit before taxation	(1,63,76,800)	(9,26,53,200)
Adjustments for:		
Depreciation	1,84,85,500	1,84,76,300
Dividend Income	(35,000)	(35,000)
Interest Received	(2,80,600)	(2,34,800)
Interest expense	1,34,33,700	1,32,70,900
(Profit) / Loss on the sale of property, plant & equipment	6,93,100	14,20,800
Operating Profits before Working Capital Changes	**1,59,19,900**	**(5,97,55,000)**
Working capital changes:		
(Increase) / Decrease in trade receivables	15,12,500	(3,32,30,600)
(Increase) / Decrease in inventories	1,77,94,200	(1,13,96,600)
(Increase) / Decrease in Other receivables	90,46,200	2,63,28,100
(Increase) / Decrease in Long term Loans and advances*	1,300	12,16,800
Increase / (Decrease) in trade payables	81,48,700	35,22,900
Increase / (Decrease) in other payables	1,11,98,200	17,87,400
Cash generated from operations	**6,36,21,000**	**(7,15,27,000)**
Net cash from operating activities (A)	**6,36,21,000**	**(7,15,27,000)**
Cash flows from investing activities		
Purchase of Fixed Assets	(71,79,500)	(1,39,96,000)
Proceeds from sale of equipment	5,17,700	5,13,100
Investments write off		10,000
Adjusted against accumulated balances write off	-	-
Dividend income	35,000	35,000
Interest Received	2,80,600	2,34,800
Net cash used in investing activities(B)	**(63,46,200)**	**(1,32,03,100)**
TOTAL (A+B)	**5,72,74,800**	**(8,47,30,100)**
Cash flows from financing activities		
Increase / (Decrease) in Short term Borrowings - Cash credit facility, Packing Credit, Current maturity of Long Term Borrowings	37,05,300	5,90,00,600
Proceeds from issue of share capital	-	-
Proceeds from Term loan	(1,30,46,200)	1,39,30,300
Interest on Loan	(1,34,33,700)	(1,32,70,900)
Proceed from unsecured loan from Director	(3,32,95,400)	2,56,04,200
Net cash used in financing activities [C]	**(5,60,69,800)**	**8,52,64,200**
Net increase in cash and cash equivalents (A+B+C)	**12,04,500**	**5,33,900**
Cash and cash equivalents at beginning of period	56,86,800	51,52,900
Cash and cash equivalents at end of period	**68,91,300**	**56,86,800**
Components of Cash and cash equivalents		
Cash in hand	58,800	93,400
Balances with Scheduled banks :		
in current accounts	58,68,500	6,35,400
in deposits accounts	9,64,000	49,58,000
Cash and cash equivalents in Cash Flow Statement	**68,91,300**	**56,86,800**

Notes:

1 The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3, "Cash Flow Statement" notified under section 133 of the Companies Act, 2013,

2 Notes to the financial statements are an integral part of the cash flow statement.

As per our Report attached of even date.

For S R Rahalkar and Associates
Chartered Accountants
Firm Registration No.108283W

SD/-

S R Rahalkar
Partner
Membership No.014509

Place : Nashik
Date : May 28, 2026

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

SD/-

Sunil H Pophale
Chairman and Executive Director
DIN -00064412

SD/-

Madhukar Suvarna
Chief Financial Officer

SD/-

Manoj Kumar
Company Secretory

Place : Mumbai
Date : May 28, 2026

Amounts in Rs (Nearest to Hundreds)

	March 31,2026 Amount	March 31,2025 Amount
Note 2 : 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)	**15,00,00,000**	15,00,00,000
Issued, Subscribed and Paid-up:		
1,27,82,750 Equity Shares of Rs.10 each fully paid up, (Previous Year: 1,27,82,750 Equity Shares of Rs.10 each fully paid up)	**12,78,27,500**	12,78,27,500
Total	**12,78,27,500**	12,78,27,500

Terms / rights attatched to equity shares

The company has single class of equity shares having face value of Rs.10 per share. The voting rights of shareholders in proportion to its share of paid up equity capital of the company. The Equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Disclosure related to Outstanding share detail

Particulars	March 31,2026 Equity Shares		March 31,2025 Equity Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the begining of the year	1,27,82,750	12,78,27,500	1,27,82,750	12,78,27,500
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,27,82,750	12,78,27,500	1,27,82,750	12,78,27,500

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	7.83%	10,01,000	7.83%	10,01,000
Ms. Aditi S Pophale	11.73%	15,00,000	11.73%	15,00,000
Mrs. Meena S Pophale	47.24%	60,38,000	47.24%	60,38,000
TOTAL		**85,39,000**		**85,39,000**

Shares held by Promoters at end of the year

Promoter Name	No of Shares		% of total Shares		% Change during the year
	FY 25-26	FY 24-25	FY 25-26	FY 24-25	
Mr. Sunil H Pophale	10,01,000	10,01,000	7.83%	7.83%	0.00%
Ms. Aditi S Pophale	15,00,000	15,00,000	11.73%	11.73%	0.00%
Mrs. Meena Sunil Pophale	60,38,000	60,38,000	47.24%	47.24%	0.00%
Ms. Manasi Sunil Pophale	250	250	0.00%	0.00%	0.00%

Note 3 : Reserves and Surplus

	March 31,2026	March 31,2025
Securities Premium Account		
Opening Balance	5,95,79,900	5,95,79,900
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	**5,95,79,900**	5,95,79,900

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

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

	March 31,2026	March 31,2025
Surplus / (Loss) in the statement of Profit & Loss		
Opening Balance	**(21,51,68,500)**	(12,25,15,300)
Profit / (Loss) of the current year	**(1,63,76,800)**	(9,26,53,200)
Closing balance	**(23,15,45,300)**	(21,51,68,500)
Total	**(17,19,65,400)**	(15,55,88,600)

	March 31,2026 Amount	March 31,2025 Amount
Note 4: Long-term borrowings		
(a) **Secured Loan**		
1) **Term Loans**		
From Bank of Maharashtra	**36,59,600**	61,00,200
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan will be settled as on 13/08/2028 Balance Sheet date 31/03/2029) Number of Installment due 28 of Rs.2,09,000/- & 1 of Rs. 1,79,000/-)		
From Bank of Maharashtra	**1,63,65,800**	2,49,89,500
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan will be settled as on 01/09/2028 Balance Sheet date 31/03/2029) Number of Installment due 29 of Rs.8,33,334/- & 1 of Rs. 8,03,644/-		
From Bank of Maharashtra	-	25,54,100
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan will be settled as on 01/09/2026 Balance Sheet date 31/03/2027) Number of Installment due 5 of Rs.4,17,000/- & 1 of Rs. 4,08,911/-		
From Bank of Maharashtra	**1,94,77,300**	1,82,58,800
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan will be settled as on 01/08/2031 Balance Sheet date 31/03/2032) 12 Months Moratorium, Then Number of Installment due 60 Rs.4,86,112/-		
2) **Car & Bus Loans**		
From Bank of India (Secured by Car) (Above term loan will be settled as on 02/05/2029 Balance Sheet date 31/03/2030) Number of Installment due 31 Rs.9,608/- (Inclusive of Finance Charges)	**3,43,900**	4,29,500
From Bank of India (Secured by Bus & by CGMST) (Above term loan will be settled as on 30/05/2029 Balance Sheet date 31/03/2030) Number of Installment due 31 Rs.63,006/- (Inclusive of Finance Charges)	**12,32,500**	17,93,200
(b) **Unsecured Loans**		
Loan from Promotor Director Mr.Sunil H Pophale	**13,07,68,000**	16,40,63,400
Loan from Director Mrs. Meena S Pophale	**1,00,44,800**	1,00,44,800
	18,18,91,900	22,82,33,500

Note 5 : 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	**(2,29,66,601)**	(2,64,06,500)
Gross Deferred Tax Liability	**(2,29,66,601)**	(2,64,06,500)
Deferred Tax Assets		
Change in method of valuation of stock pursuant to Sec 145A	**35,96,680**	44,02,800
Unabsorbed Depreciation and Busniness Loss	**5,20,82,100**	5,20,82,100
Provision for Bonus	**3,18,140**	2,71,000
Provision for Leave Encashment	**2,52,996**	4,63,300
Provision for Gratuity and LTA	**10,51,232**	9,15,300
Gross Deferred Tax Assets	**5,73,01,149**	5,81,34,500
Less : Not recognised since no virtual certainty for set off of losses	**3,43,34,548**	3,17,28,000
Net Deferred tax liability	-	-

Note 6: Other Long term Liabilities		
Trade Payables	-	-
Payables on purchase of fixed assets	-	-
	-	-

Note 7: Long Term Provisions		
Provision for Employee Benefits :		
Provision for Gratuity	39,92,900	31,76,800
Provision for Leave Encashment	9,67,500	14,99,900
	49,60,400	46,76,700

Amounts in Rs (Nearest to Hundreds)

	March 31,2026 Amount	March 31,2025 Amount
Note 8: Short-term borrowings		
Secured Loan		
Cash Credit Facility		
From Bank of Maharashtra (Secured by an exclusive charge by way of hypothecation of Stock & Book Debts)	**5,86,48,800**	**6,08,36,200**
Packing Credit	**-**	-
From Bank of Maharashtra (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)	**5,13,41,400**	4,94,56,500
Current maturities of long-term debt		
Term Loans		
From Bank of Maharashtra (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 13/08/2028 Balance Sheet date 31/03/2029) Number of Installment due 28 of Rs.2,09,000/- & 1 of Rs. 1,79,000/-)	**25,08,000**	25,08,000
From Bank of Maharashtra (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 01/09/2028 Balance Sheet date 31/03/2029) Number of Installment due 29 of Rs.8,33,334/- & 1 of Rs. 8,03,644/-	**1,00,08,000**	1,00,08,000
From Bank of Maharashtra (Secured by Plant & Machinery and charge on the assets and personal guarantee of (Above term loan will be settled as on 01/09/2026 Balance Sheet date 31/03/2027) Number of Installment due 5 of Rs.4,17,000/- & 1 of Rs. 4,08,911/-	**25,57,200**	50,04,000
From Bank of Maharashtra (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 01/08/2031 Balance Sheet date 31/03/2032) 12 Months Moratorium, Then Number of Installment due 66 Rs.4,86,112/-	**58,32,000**	34,02,800
From Bank of Maharashtra (RBI Trade Relief-Mic-Sml) (Above term loan will be settled as on 25/09/2026 Balance Sheet date 31/03/2027) 3 Months Moratorium, Then Number of Installment due 6 Rs.6,62,150/-	**40,25,400**	-
2) **Car & Bus Loans**		
From Bank of India (Secured by Car) (Above term loan will be settled as on 02/05/2029 Balance Sheet date 31/03/2030) Number of Installment due 31 Rs.9,608/- (Inclusive of Finance Charges)	**1,15,300**	1,15,300
From Bank of India (Secured by Bus & by CGMST) (Above term loan will be settled as on 30/05/2029 Balance Sheet date 31/03/2030) Number of Installment due 31 Rs.63,006/- (Inclusive of Finance Charges)	**7,56,000**	7,56,000
	13,57,92,100	13,20,86,800

Note 9: Trade Payable		
Creditors for Goods	**5,61,19,279**	6,19,57,200
Other Creditors	**2,68,79,721**	1,07,73,600
Payables on purchase of fixed assets	**1,43,100**	22,62,600
	8,31,42,100	7,49,93,400

(Please refer Notes to Accounts, Note No 32.10 for Due to micro and small enterprises)

Amounts in Rs (Nearest to Hundreds)

Note 8: Short-term borrowings

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	41,200	-	-	-	41,200
Previous Year	2,64,000	-	-	-	2,64,000
(ii)Others	7,45,98,900	85,02,000	-		8,31,00,900
Previous Year	7,47,29,400	-	-		7,47,29,400
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Balances with trade payables are subject to confirmations.

Note 10: Other Current Liabilities

	March 31,2026 Amount	March 31,2025 Amount
Other Payables		
Advance from Customers	**1,26,34,200**	2,93,700
Statutory Dues	**8,90,600**	12,34,600
Interest Accrued and due	**3,24,500**	3,24,500
	1,38,49,300	18,52,800

Note 11: Short Term Provisions

	March 31,2026 Amount	March 31,2025 Amount
Provision for Employees Benefit		
Provision for L.T.A.	-	-
Provision for Bonus	**12,64,200**	10,76,900
Provision for Gratuity	**1,83,900**	4,59,900
Provision for Leave Encashment	**37,700**	3,40,900
Salary and Other Payables (including director remuneration payable)	**35,18,000**	56,23,400
Provision Others		
Provision for Tax	-	-
Provision for Tax for earlier years		
Provision for Expences	**71,63,500**	57,48,200
Others	-	-
	1,21,67,300	1,32,49,300

Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Financials

Notes 12, 13, 14 : Property, Plant & Equipments and Intangible Assets

Amounts in Rs (Nearest to Hundreds)

Description	Gross block				Depreciation / Amortization				Net block	
	As at April 1, 2025	Additions	Deletions / Adjustments	As at March 31, 2026	As at April 1, 2025	For the Year	Deletions / Adjustments	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Note 12 :Property, Plants & Equipments										
Freehold land	1,28,02,300	-	-	**1,28,02,300**	-	-	-	**-**	**1,28,02,300**	1,28,02,300
Buildings	8,80,02,300	-	-	**8,80,02,300**	3,63,94,500	27,42,200	-	**3,91,36,700**	**4,88,65,600**	5,16,07,800
Air Conditioners	22,22,300	-	-	**22,22,300**	15,19,700	1,58,300	-	**16,78,000**	**5,44,300**	7,02,600
Office Equipments	49,12,100	3,54,300	-	**52,66,400**	43,36,400	1,14,900	-	**44,51,300**	**8,15,100**	5,75,700
Plant and machinery	13,51,95,000	19,97,400	(27,17,400)	**13,44,75,000**	6,45,87,300	57,61,100	(15,70,900)	**6,87,77,500**	**6,56,97,500**	7,06,07,700
Solar Power & Water Heater Plant	2,99,72,400	-	-	**2,99,72,400**	1,60,65,000	19,13,400	-	**1,79,78,400**	**1,19,94,000**	1,39,07,400
R & D Lab & Equipments	51,67,100	3,09,500	-	**54,76,600**	19,54,600	2,48,600	-	**22,03,200**	**32,73,400**	32,12,500
Q.C. Equipments	3,89,58,800	4,17,900	-	**3,93,76,700**	1,85,08,900	17,34,500	-	**2,02,43,400**	**1,91,33,300**	2,04,49,900
ETP	2,46,88,200	-	-	**2,46,88,200**	74,41,800	11,98,800	-	**86,40,600**	**1,60,47,600**	1,72,46,400
Utility	3,57,90,500	3,25,000	-	**3,61,15,500**	1,78,74,900	15,15,100	-	**1,93,90,000**	**1,67,25,500**	1,79,15,600
Electrical installation	1,69,76,600	-	-	**1,69,76,600**	1,23,10,700	5,36,100	-	**1,28,46,800**	**41,29,800**	46,65,900
Computers	42,42,400	-	-	**42,42,400**	39,02,000	60,300	-	**39,62,300**	**2,80,100**	3,40,400
Furniture and fixtures	1,76,99,900	2,84,300	-	**1,79,84,200**	1,17,24,100	14,88,300	-	**1,32,12,400**	**47,71,800**	59,75,800
Vehicles	1,35,74,600	22,40,000	(12,84,300)	**1,45,30,300**	92,70,600	10,11,900	(12,20,000)	**90,62,500**	**54,67,800**	43,04,000
Total	**43,02,04,500**	**59,28,400**	**(40,01,700)**	**43,21,31,200**	**20,58,90,500**	**1,84,83,500**	**(27,90,900)**	**22,15,83,100**	**21,05,48,100**	**22,43,14,000**
Note 13 :Intangible Assets										
Computer Softwares	33,01,400	1,00,000	-	**34,01,400**	33,01,400	1,700	-	**33,03,100**	**98,300**	-
ERP Software	7,39,400	-	-	**7,39,400**	7,39,400	-	-	**7,39,400**	**-**	-
Total	**40,40,800**	**1,00,000**	**-**	**41,40,800**	**40,40,800**	**1,700**	**-**	**40,42,500**	**98,300**	**-**
Note 14 :Capital Work-in-Progress										
Capital Work-In Progress	2,89,600	1,66,600	-	**4,56,200**	-	-		**-**	**4,56,200**	2,89,600
Capital Advances	4,95,000	9,84,500	-	**14,79,500**	-	-		**-**	**14,79,500**	4,95,000
Total	**7,84,600**	**11,51,100**	**-**	**19,35,700**	**-**	**-**	**-**	**-**	**19,35,700**	**7,84,600**
Grand Total	**43,50,29,900**	**71,79,500**	**(40,01,700)**	**43,82,07,700**	**20,99,31,300**	**1,84,85,200**	**(27,90,900)**	**22,56,25,600**	**21,25,82,100**	**22,50,98,600**

Note : Title deeds of the above mentioned immovable properties are held in the name of Company 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	1,66,600		2,89,600	-	4,56,200
Projects temporarily suspended	-	-	-	-	-

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

Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Financials

Amounts in Rs (Nearest to Hundreds)

	March 31,2026 Amount	March 31,2025 Amount
Note 15: Non-Current Investments		
Unquoted Investments		
Investment in equity instruments (unqouted)		
Equity Shares of NKGSB Co-Op Bank Ltd	**5,00,000**	5,00,000
	5,00,000	5,00,000

As on 31.03.2026

Name of the body corporate	No. of shares	Quoted/ Unquoted	Partly paid/ Fully paid	Extent of Holding (%)	Amount (in Rs.)	Whether stated at cost or not Yes/No
1	2	3	4	5	6	7
NKGSB Co-op Bank Ltd	50000	Unquoted	Fully paid of Rs 10/- each	NA	5,00,000	Yes

	March 31,2026 Amount	March 31,2025 Amount
Note 16: Long-term loans and advances		
TDS/TCS Deducted by Customers, Banks - FY 24-25	**1,23,600**	2,10,700
TDS/TCS Deducted by Customers, Banks - FY 25-26	**85,800**	-
	2,09,400	2,10,700
Note 17: Other non-current assets		
Deposit - Bharat Commercial Corporation	**1,07,500**	1,07,500
Deposit - MSEB	**22,70,800**	21,46,900
Deposit - MEPL Aurangabad	**2,60,000**	2,60,000
Deposit - G. J. Mullti Gases P Ltd	**40,000**	40,000
Deposit - NMRDA For Gat No 207/2	**4,300**	4,300
	26,82,600	25,58,700
Note 18 : Inventories (at lower of cost and net realisable value)		
Raw Materials	**3,11,66,400**	3,41,20,700
Packing Materials	**4,50,400**	3,64,800
Works In Progress	**69,12,100**	2,99,30,100
Finished Goods	**3,15,68,900**	1,39,15,400
Trading Goods	**92,95,100**	1,88,56,100
Total	**7,93,92,900**	9,71,87,100

Amounts in Rs (Nearest to Hundreds)

Note 19 : Trade receivables

	March 31,2026 Amount	March 31,2025 Amount
(a) Trade Receivables considered good - Secured		
(i) Related parties	-	-
(ii)Other than related parties	-	-
(b) Trade Receivables considered good - Unsecured		
(i) Related parties	**1,54,44,000**	53,17,000
(ii)Other than related parties	**6,56,80,200**	7,73,19,700
(c) Doubtful		
(i) Related parties	-	-
(ii)Other than related parties	**79,88,700**	**79,88,700**
Less: Provision for doubtful debts	**79,88,700**	79,88,700
Total	**8,11,24,200**	8,26,36,700

Trade Receivable Ageing Schedule

Particulars	Outstading for following periods from due date of payments					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivable-Considered Good	7,04,26,250	-	27,09,250	79,88,700	-	**8,11,24,200**
Previous Year	7,46,48,000	-	79,88,700	-	-	8,26,36,700
(ii) Undisputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
iii) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Consider Doubtful	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-

Balances with trade receivables are subject to confirmations.

Note 20 : Cash and cash equivalents

	March 31,2026 Amount	March 31,2025 Amount
Cash on hand	**58,800**	**93,400**
Balances with Scheduled banks :		
in current accounts	**58,68,500**	**6,35,400**
in deposits accounts (Fixed deposits with maturity more than three months	**9,64,000**	**49,58,000**
Total	**68,91,300**	56,86,800

Note 21 : Short-term loans and advances

	March 31,2026 Amount	March 31,2025 Amount
(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 32.2)	-	-
Advances to suppliers	**14,25,100**	10,11,500
Loans and Advances to Staff	**2,14,600**	92,600
(Secured to the extent of Rs. Nil (Previous Year: Rs. Nil)		
Balances with Customs, Port Trust, Excise etc. GST Receivables	**13,26,700**	1,04,47,000
Deposit others	-	-
Prepaid Expenses	**11,87,400**	17,96,500
Total	**41,53,800**	1,33,47,600

Note 22 : Other Current Assets

	March 31,2026 Amount	March 31,2025 Amount
Interest accrued but not received on NSC, FD and Others	**66,900**	43,200
Others	**62,000**	62,000
Total	**1,28,900**	1,05,200

Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Financials

Amounts in Rs (Nearest to Hundreds)

Note 23 : Revenue from operations

	March 31,2026 Amount	March 31,2025 Amount
Sales of Goods (Gross)	**45,70,15,900**	37,83,79,200
Less - Excise Duty	-	-
	45,70,15,900	37,83,79,200
Service Income	**7,87,300**	6,73,900
	45,78,03,200	37,90,53,100

Note 24 : Other income

	March 31,2026 Amount	March 31,2025 Amount
Interest on		
- NSC, FD and Others	**2,80,600**	2,34,800
- Income Tax, Sales Tax and Others	-	-
Dividend Received	**35,000**	35,000
Discount Received	**2,42,700**	1,600
Exchange Diference (Gain)	-	-
Export- Rebate (MEIS) & Duty Drawback Incentive	**57,01,200**	24,20,900
Miscellaneous Income	-	-
Total	**62,59,500**	26,92,300

Note 25 : Cost of Materials consumed

	March 31,2026 Amount	March 31,2025 Amount
Raw Materials		
Opening stock	**3,41,20,700**	3,06,75,900
Purchases during the year	**25,10,11,300**	18,70,04,000
Inventory Gain/(Loss)/Others	**(46,17,200)**	(9,80,200)
Closing stock	**3,11,66,400**	3,41,20,700
Raw material consumed	**24,93,48,400**	18,25,79,000
Packing Materials		
Opening stock	**3,64,800**	4,53,300
Purchases during the year	**22,65,200**	9,91,600
Closing stock	**4,50,400**	3,64,800
Packing material consumed	**21,79,600**	10,80,100
R&D and other Material Consumed	**24,32,900**	14,50,000
Total	**25,39,60,900**	18,51,09,100

Note 26 : Purchase of Stock-in-Trade

	March 31,2026 Amount	March 31,2025 Amount
Trading goods purchased	-	10,24,36,800
	-	10,24,36,800

Note 27 : Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade

	March 31,2026 Amount	March 31,2025 Amount
Work-In-Progress		
Opening Stock	**2,99,30,100**	1,10,13,800
Less: Closing Stock	**69,12,100**	2,99,30,100
	2,30,18,000	(1,89,16,300)
Finished Goods		
Opening Stock	**1,39,15,400**	4,36,47,500
Less: Closing Stock	**3,15,68,900**	1,39,15,400
	(1,76,53,500)	2,97,32,100
Stock-in-Trade		
Opening Stock	**1,88,56,100**	-
Less: Closing Stock	**92,95,100**	1,88,56,100
	95,61,000	(1,88,56,100)
	1,49,25,500	(80,40,300)

Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Financials

Amounts in Rs (Nearest to Hundreds)

Note 28 : Employee Benefit Expense

	March 31,2026 Amount	March 31,2025 Amount
Salaries, Wages and Bonus (Including Directors Remuneration, Refer Note 32 [11.7])	**4,61,58,600**	5,01,60,800
Contribution to Provident and other funds	**33,63,800**	32,63,700
Gratuity Expenses (Refer Note 32[05])	**14,90,200**	14,56,800
Workmen and Staff Welfare Expenses	**23,34,600**	23,02,200
Total	**5,33,47,200**	5,71,83,500

Note 29 : Financial Expenses

	March 31,2026 Amount	March 31,2025 Amount
Interest		
- On Term Loan	**57,95,800**	66,41,500
- On Bank Cash credit and Packing credit facility	**73,98,300**	63,37,200
- On Vehicle Loan	**2,39,600**	2,92,200
Total	**1,34,33,700**	**1,32,70,900**

Note 30 : Depreciation and Amortization Expenses

	March 31,2026 Amount	March 31,2025 Amount
Depreciation on Tangible Assets	**1,84,83,800**	1,84,74,700
Depreciation on Intangible Assets	**1,700**	1,600
Total	**1,84,85,500**	1,84,76,300

Note 31 : Manufacturing, Operation, Admin and Other Expenses

	March 31,2026 Amount	March 31,2025 Amount
Manufacturing Expenses		
Consumption of Consumables, Stores and Spares	**38,81,100**	26,88,000
Labour Charges	**3,22,77,200**	2,01,87,000
Job Work Charges	**15,83,100**	3,00,400
Power and Fuel	**3,08,59,100**	2,03,84,600
Rates and Taxes	**32,04,700**	16,73,200
Repairs and Maintenance of Plant and Machinery	**1,88,10,300**	1,11,02,200
	9,06,15,500	5,63,35,400
Selling and Distribution Expenses		
Insurance	**19,09,500**	14,21,500
Freight and Forwarding Charges	**73,42,200**	26,19,200
Advertisement and Sales Promotion	**55,300**	3,78,400
Commission	**5,15,100**	65,200
	98,22,100	44,84,300
Admin and Other Expenses		
Repairs and Maintenance of Building	**8,70,900**	2,84,500
Repairs and Maintenance of General and Others	**16,19,500**	9,91,200
Exchange Difference - Loss	**(6,23,600)**	(8,13,700)
Printing and Stationery	**4,05,800**	4,44,200
Communication Costs	**5,71,100**	4,62,300
Travelling and Conveyance	**32,16,500**	40,66,500
Legal and Professional Charges	**1,40,02,600**	90,73,600
Bank Charges	**13,94,600**	36,07,000
Interest /Penalties	**1,03,100**	3,31,900
Auditors' Remuneration (Refer Note 32 [11.8])	**1,20,000**	1,20,000
Security Charges	**35,07,500**	29,82,700
Loss on Sale of Asset	**6,93,100**	14,20,800
Corporate Social and Environmental Responsibility Expenses (CSR & CER)	**30,400**	7,51,600
Others Written off (Net)	**76,700**	1,09,08,700
Doubtful Debts	-	79,88,700
Testing, sampling EHS safety Expes	**12,42,100**	19,35,200
Administration Expenses	**18,40,300**	11,61,900
	2,90,70,600	4,57,17,100
Total	**12,95,08,200**	10,65,36,800

Vadivarhe Speciality Chemicals Limited

Notes attached to and forming part of Financial Statements for the year ended 31st March, 2026

Note 32

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.

Amounts in Rs (Nearest to Hundreds)

Particulars	March 31, 2026 Amount	March 31, 2025 Amount
Sales Revenue by Geographical Market (including Service Income)		
India	**15,11,90,200**	27,91,32,300
Outside India	**30,66,13,000**	9,99,20,800
Total	**45,78,03,200**	37,90,53,100

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:

Amounts in Rs (Nearest to Hundreds)

Particulars	March 31, 2026 Amount	March 31, 2025 Amount
Carrying amount of Segment Assets and Intangible Assets		
India	**21,06,46,400**	22,43,14,000
Outside India	**-**	-
Total	**21,06,46,400**	22,43,14,000
Additions to Fixed Assets including Capital Work In Progress		
India	**71,79,500**	2,87,99,900
Outside India	**-**	-
Total	**71,79,500**	2,87,99,900

Vadivarhe Speciality Chemicals Limited

Notes attached to and forming part of Financial Statements for the year ended 31st March, 2026

Note 32

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	
	CFO	Mr. Madhukar Suvrna	
	CFO	Mr Laxmikant Poddar (Ex)	upto 31-05-2025
	CS	Mr. Manoj Kumar	
	CEO -	Mr. Susheel J Koul (Ex)	upto 29-04-2025
	Independent Director	Mr. Prasanna P Rege	
	Independent Director	Mrs. Uttara A Kher	
	Independent Director	Mr. Ravindra K Paranjpe	

Enterprises over which key management personnel exercise significant influence

1 Zenvision Pharma LLP
2 ReecordCure Enterprises
3 Reelabs Pvt Ltd
4 Starkut Media & Entertaiment pvt Ltd
5 Respects Lab LLP
6 CAVITR Ltd

a) Related party transactions: **Amounts in Rs (Nearest to Hundreds)**

Particulars	**Key Management Personnel**		**Enterprises owned or significantly influenced by key management personnel or their relatives**		**Total**	
	March 31, 2026	March 31, 2025	**March 31, 2026**	March 31, 2025	**March 31, 2026**	March 31, 2025
Purchase of goods	**-**	-	**9,76,300**	1,09,54,200	**9,76,300**	1,09,54,200
Sale of goods	**-**	-	**95,37,000**	11,10,58,400	**95,37,000**	11,10,58,400
Services Provided	**-**	-	-	-	**-**	-
Services Taken	**-**	-	**-**	-	**-**	-
Security Deposit Given	**-**	-	**-**	-	**-**	-
Security Deposit Returned	**-**	-	**-**	-	**-**	-
Purchase of fixed assets	**-**	-	**-**	-	**-**	-
Interest received	**-**	-	**-**	**-**	**-**	-
Loan taken	**16,39,200**	3,30,49,800	-	-	**16,39,200**	3,30,49,800
Loan given	**-**	-	-	-	**-**	-
Loan repaid to	**3,49,34,600**	74,45,700	-	-	**3,49,34,600**	74,45,700
Loan repaid by	**-**	-	-	-	**-**	-
Dividend paid	**-**	-	-	-	**-**	-
Managerial remuneration *	**71,94,200**	1,47,02,400	-	-	**71,94,200**	1,47,02,400
Sitting fees to Independent Directors	**1,40,000**	1,40,000	-	-	**1,40,000**	1,40,000
Closing Outstanding Balances:						
Receivables	**-**	-	**1,54,44,060**	53,17,000	**1,54,44,060**	53,17,000
Payables	**14,14,73,500**	17,61,15,400	**83,29,000**	81,80,000	**14,98,02,500**	18,42,95,400

* 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.

Vadivarhe Speciality Chemicals Limited

Notes attached to and forming part of Financial Statements for the year ended 31st March, 2026

Note 32

02 Related Parties

Related party disclosures:

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

b) Details of transactions with related parties.

Amounts in Rs (Nearest to Hundreds)

Particulars	Key Management Personnel	
	March 31, 2026	March 31, 2025
Managerial remuneration:		
Director -Mrs. Meena S Pophale	**11,00,000**	-
Director -Mr.Sunil H Pophale	**5,50,000**	-
Director -Mr.Anil G Suryawanshi (Ex)	**12,00,600**	48,02,400
CEO - Mr. Susheel J Koul (Ex)	**7,97,300**	99,00,000
Total	**36,47,900**	1,47,02,400
KMP's Remuneration		
CFO- Mr. Madhukar Suvrna	**15,41,000**	
CS- Mr. Manoj Kumar	**17,31,000**	
CFO - Mr Laxmikant Poddar (Ex)	**2,74,300**	
Total	**35,46,300**	-
Sitting fees paid to Independent Directors:		
Mr. Prasanna P Rege	**40,000**	50,000
Mrs. Uttara A Kher	**50,000**	50,000
Mr. Ravindra K Paranjpe	**50,000**	40,000
Total	**1,40,000**	1,40,000
Loan taken :		
Director -Mr.Sunil H Pophale	**16,39,200**	2,20,05,000
W T Director -Mrs.Meena S Pophale	**-**	1,10,44,800
Total	**16,39,200**	3,30,49,800
Loan repaid to :		
Director -Mr.Sunil H Pophale	**3,49,34,600**	64,45,700
W T Director -Mrs.Meena S Pophale	**-**	10,00,000
Total	**3,49,34,600**	74,45,700
Goods purchased from:		
Zenvision Pharma LLP	**8,50,000**	-
Respect Labs LLP	**1,26,300**	1,09,54,200
ReeLabs Pvt Ltd	**-**	-
Total	**9,76,300**	1,09,54,200
Goods sold to::		
Zenvision Pharma LLP	**95,37,000**	62,15,000
Respect Labs LLP	**-**	10,48,43,400
ReeLabs Pvt Ltd	**-**	-
Total	**95,37,000**	11,10,58,400
Outstanding balance :		
Directors remuneration -		
W T Director -Mrs.Meena S Pophale	**99,800**	-
Director -Mr.Sunil H Pophale	**45,000**	-
Director -Mr.Anil G Suryawanshi	**-**	4,76,000
CEO - Mr. Susheel J Koul	**-**	14,05,200
Total	**1,44,800**	18,81,200
KMP's Remuneration		
CFO- Mr. Madhukar Suvrna	**2,71,700**	
CS- Mr. Manoj Kumar	**1,18,200**	
Total	**3,89,900**	-
Sitting fees to Independent Directors:		
Mr. Prasanna P Rege	**36,000**	45,000
Mrs. Uttara A Kher	**45,000**	45,000
Mr. Ravindra K Paranjpe	**45,000**	36,000
Total	**1,26,000**	1,26,000
Loan from Directors-		
Director -Mr.Sunil H Pophale	**13,07,68,000**	16,40,63,400
W T Director -Mrs.Meena S Pophale	**1,00,44,800**	1,00,44,800
Total	**14,08,12,800**	17,41,08,200
Enterprise- Receivable		
Respect Labs LLP	**(1,23,600)**	-
Zenvision Pharma LLP	**1,55,67,660**	53,17,000
Total	**1,54,44,060**	53,17,000
Enterprise- Payable		
Zenvision Pharma LLP		
Respect Labs LLP	**83,29,000**	81,80,000
Total	**83,29,000**	81,80,000

Note 32

		Amounts in Rs (Nearest to Hundreds)	
		March 31, 2026	March 31, 2025
		Amount	Amount
03	**Capital Commitments**		
	Estimated amount of contracts remaining to be executed	-	-

04 Provisions and Contingencies

Bank Guarantee provided to Maharashtra Pollution Control Board of Rs 4,00,000/-

05 Legal Claims

Following are the details of pending legal cases which are filed by the Company –

Sr. No.	Defendant (Against whom case filed)	Case No.	Nature	Forum where dispute is pending
1	Oriental Insurance Company Limited	Complaint No 368/2017 dated 24/03/2017	The company has exported goods and goods were damaged in transit. The company lodged the complaint to claim the damages against Export Marine Policy. Oriental Insurance Company Limited rejected the said claim amounting to Rs 19,63,602/-	Court of Hon'ble State Consumer Dispute Redressal Commission Mumbai, at Nashik
2	CMS Enterprises	Filling No 68/2021 dated 21/06/2021 Registration No 51/2021 dated 21/06/2021	The company has made an advance payment of Rs 2,18,300/- for purchase of Machine. After then, CMS Enterprises has neither supplied Machine nor returned advance.	Civil Suit in Hon'ble Court, Igatpuri
3	Shriji International (Proprietor, Mr. Sanjay Coreneliys Suren)	Filling No 389/2023 dated 13/03/2023 Registration No 20/2023 dated 13/03/2023	The company sold goods to Shriji International, Ahmedabad against PDC's. All PDC's were dishonored, amount receivable was Rs 79,88,700	Criminal Case in Hon'ble Court, Igatpuri
4	Acura Labs	Filling No 9342/2024 dated 13/12/2024 Registration No 5356/2024 dated 17/12/2024	The company sold goods to Acura Labs Pvt Ltd, Telangana against PDC's. All PDC's were dishonored amounts to Rs 30,81,750/-	Criminal Case in Hon'ble Court, Nashik

Vadivarhe Speciality Chemicals Limited

Notes attached to and forming part of Financial Statements for the year ended 31st March, 2026

Note 32

06 Gratuity and other post-employment benefit plans

Amounts in Rs (Nearest to Hundreds)

(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, 2026 Amount	March 31, 2025 Amount
Profit and Loss Account		
Net employee benefit expense (recognized in Employee Cost)		
Current service cost	**9,83,000**	**11,86,400**
Interest cost on benefit obligation	**4,08,000**	**3,87,700**
Expected Return on plan assets	**(1,96,200)**	**(2,15,400)**
Net Actuarial (gain)/ loss recognized in the year	**2,26,700**	**29,900**
Net benefit expense	**14,21,500**	13,88,600
Actual return on plan assets	**1,96,200**	2,15,400
Balance Sheet		
Net liability recognised in the balance sheet		
Defined benefit obligation	**68,17,800**	75,32,300
Fair value of plan assets	**26,41,000**	38,95,700
Plan (Liability)	**(41,76,800)**	(36,36,600)
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligations	**66,24,300**	59,14,300
Interest cost	**4,08,000**	3,87,700
Current service cost	**9,83,000**	11,86,400
Benefits paid	**14,06,000**	9,08,000
Actuarial (gain)/Loss on obligations	**2,08,500**	43,900
Closing defined benefit obligations	**68,17,800**	66,24,300
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	**29,87,700**	31,34,500
Expected return on plan assets	**1,96,200**	2,15,400
Contributions by employer	**8,81,300**	5,31,800
Benefits paid	**14,06,000**	9,08,000
Actuarial (gain)/Loss on Plan Assets	**(18,200)**	14,000
Closing fair value of plan assets	**26,41,000**	29,87,700

Note 32

06 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, 2026 %	March 31, 2025 %
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	**7.20%**	6.89%
Expected rate of return on assets	**6.89%**	7.31%
Withdrawal rate	**1% to 3%**	1% to 3%
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. 33,63,800/- (Previous Year: Rs. 32,63,700/-) is recognized as an expense and included in Note 6 - "Contribution to Provident and other funds" in the Profit and Loss account.

07 Derivative Instruments and Un-hedged Foreign Currency Expsoure

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

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

		March 31, 2026		March 31, 2025	
Particulars	**Currency**	**Foreign Currency**	**Amount in Rs**	Foreign Currency	Amount in Rs
Export Debtors	USD	**1,44,200**	**1,35,34,612**	4,96,720	4,24,49,691
Export Debtors	GBP	**-**	**-**	-	-
Advance from Customers	USD	**-**	**-**	-	-
Import Crediors	USD	**22,580**	**21,19,359**	1,27,638	1,09,07,901
Advance to Import Crediors	USD	**2,150**	**2,01,799**	-	-
FCTL from Banks	USD	**-**	**-**	-	-
PCFC from Banks/Drip Capital	USD	**-**	**-**	-	-
EEFC account in Bank	USD	**-**	**-**	-	-

Vadivarhe Speciality Chemicals Limited

Notes attached to and forming part of Financial Statements for the year ended 31st March, 2026

Note 32

08

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.

09 Earning Per Share (EPS)

Particulars	**March 31, 2026 Amount**	March 31, 2025 Amount
Basic and Diluted earning per share		
Profit after tax attributable to equity shareholders (in Rs.(Nearest to Hundreds))	**(1,63,76,800)**	(9,26,53,200)
Calculation of Weighted Average number of Equity Shares		
Number of equity shares at the beginning of the year	**1,27,82,750**	1,27,82,750
Number of shares issued during the year	**-**	-
Number of equity shares outstanding at the end of the year	**1,27,82,750**	1,27,82,750
Weighted average number of equity shares outstanding during the year	**1,27,82,750**	1,27,82,750
Basic and diluted earnings per share (in Rs.)	**(1.28)**	(7.25)
Face Value per share (in Rs.)	**10**	10

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

Amounts in Rs (Nearest to Hundreds)

	Particulers	**March 31, 2026 Amount**	March 31, 2025 Amount
1	a) The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year	**41,200**	2,64,000
2	b) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Devevlopement Act 2006 (27 of 2006), along with the amount of the payment beyond the appionted day during the year	-	-
3	c) The amount of interest due and payable for the period of delays in making the payment	-	-
4	d) The amount of interest accured and remaining unpaid at the end of year	-	-
5	e) The amount of further interest remaining due and payable in the succeeding years.	-	-
	Total	**41,200**	**2,64,000**

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.

The company has made the payment to the MSME of Rs1,57,540 after the 45 days agreed terms , however no interest has been provided since it is explained that the invoices were received late.

Vadivarhe Speciality Chemicals Limited

Notes attached to and forming part of Financial Statements for the year ended 31st March, 2026

Note 32

11 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.

11.1 Licensed capacity, Installed Capacity and Actual Production

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

Particulars	Units	Installed Capacity *		Actual Production * *	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Quantity	Quantity	Quantity	Quantity
Chemicals	Tons	**150**	150	**71**	59

* As certified by the Management and relied upon by the Auditors being technical matter
** Including Jobwork Manufactured Quantity

11.2 Details of Finished Goods **Amounts in Rs (Nearest to Hundreds)**

Opening stocks (including inventory acquired):

Particulars	Units	March 31, 2026		March 31, 2025	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	**5.40**	**3,27,71,500**	6.28	4,36,47,500
		5.40	**3,27,71,500**	6.28	4,36,47,500

Closing Stocks:

Particulars	Units	March 31, 2026		March 31, 2025	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	**4.76**	**4,08,64,000**	5.40	3,27,71,500
		4.76	**4,08,64,000**	5.40	3,27,71,500

11.3 Sales

Particulars	Units	March 31, 2026		March 31, 2025	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	**71.29**	**45,70,15,900**	70.00	37,83,79,200
		71.29	**45,70,15,900**	70.00	37,83,79,200

Vadivarhe Speciality Chemicals Limited

Notes attached to and forming part of Financial Statements for the year ended 31st March, 2026

Note 32

11 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.

11.4 Consumption of Raw Materials — **Amounts in Rs (Nearest to Hundreds)**

Particulars	Units	March 31, 2026		March 31, 2025	
		Quantity	Amount	Quantity	Amount
(S)-2-(3-benzoylphenyl) propanoic acid	Tons	**3.70**	**5,35,99,251**	-	-
3-Amino-6-dimethylamino-2-methyl pyridine	Tons	**6.61**	**2,33,62,598**	-	-
6-(E)-2-(4-(4-FLUOROPHENYL)-6 -ISOPROPYI	Tons	**1.89**	**1,60,19,490**	-	-
ETHYL ACETATE	Tons	**204.88**	**1,51,21,552**	72.73	56,11,600
METHANOL	Tons	**406.42**	**1,33,75,319**	225.59	71,72,100
3-(1-cyanoethyl)benzoic acid 98.5%	Tons	**5.02**	**1,25,50,275**	-	-
1-Nitroanthraquinone	Tons	**15.90**	**1,04,94,000**	10.50	69,91,700
{S,S} -2,8-DIAZABICYCLO-{4,3,0} NONANE	Tons	**0.49**	**88,29,397**	-	-
m-Toluidine	Tons	**48.35**	**78,34,401**	24.15	41,92,700
NONANE DIOIC ACID –TECH	Tons	**4.98**	**59,70,000**	-	-
TOLUENE	Tons	**66.68**	**58,24,216**	-	-
2-AMINO-6-METHYLPYRIDINE	Tons	**5.68**	**52,37,275**	-	-
M-toluoyl Chloride	Tons	**10.99**	**49,49,558**	-	-
Thiocarbonyl dihyrazide	Tons	**8.34**	**44,10,601**	-	-
1-CYCLO PROPYL-6,7 DI FLUORO-1,4 DIHYD	Tons	**1.30**	**38,70,911**	2.67	79,93,900
Palladium Acetate	Tons	**-**	**-**	0.00	52,43,100
(S,S) -2,8-Diazabicyclo-{4,3,0} Nonane	Tons	**-**	**-**	1.13	1,98,69,400
2 Chloro Ethane Sulfonyl Chloride	Tons	**-**	**-**	0.32	23,98,000
Others	-	**532.79**	**5,78,99,557**	343.68	12,31,06,500
Total			**24,93,48,400**		18,25,79,000

11.5 Value of imports calculated on CIF basis — **Amounts in Rs (Nearest to Hundreds)**

Particulars	March 31, 2026 Amount	March 31, 2025 Amount
Raw Material	**3,40,29,200**	1,64,68,200
Capital Goods	**-**	-
Total	**3,40,29,200**	1,64,68,200

11.6 Imported and indigenous raw materials consumed — **Amounts in Rs (Nearest to Hundreds)**

Particulars	March 31, 2026		March 31, 2025	
	Amount	%	Amount	%
a) Imported	**3,89,42,800**	**15.62**	97,91,200	5.36
b) Indigenously obtained	**21,04,05,600**	**84.38**	17,27,87,800	94.64
Total	**24,93,48,400**	**100.00**	18,25,79,000	100.00

Vadivarhe Speciality Chemicals Limited

Notes attached to and forming part of Financial Statements for the year ended 31st March, 2026

Amounts in Rs (Nearest to Hundreds)

Note 32

11.7 Directors' Remuneration

	March 31, 2026 Amount	March 31, 2025 Amount
To Executive Directors:		
Salaries	**28,67,842**	44,69,000
Perquisites	**-**	-
Contribution to Provident and Other funds	**83,358**	3,33,400
Other allowances including Commission	**1,40,000**	1,40,000
(includes directors' sitting fees of Nil (Previous Year: Rs. Nil))		
	30,91,200	49,42,400

11.8 Auditors' Remuneration

	March 31, 2026 Amount	March 31, 2025 Amount
Statutory audit fees (Exclusive GST)	**1,20,000**	1,20,000
Tax Audit Fees	**15,000**	15,000
GST Audit Fees	**-**	-
Out of pocket expenses	**-**	-
	1,35,000	1,35,000

11.9 Expenditure in foreign currency (on Cash basis)

	March 31, 2026 Amount	March 31, 2025 Amount
Travelling expenses	**-**	4,96,200
Commission, Business Promotion, Exhibition Expenses (Including Advance/Prepaid)	**5,15,100**	43,200
Repaires & Maintenance of QC Equipment	**-**	2,98,700
R&D, Testing Expenses	**-**	1,19,200
Legal & Professional Expenses (Including Capitalised)	**-**	-
	5,15,100	9,57,300

11.10 Earnings in foreign currency (on Cash basis)

	March 31, 2026 Amount	March 31, 2025 Amount
FOB value of exports	**30,66,13,000**	9,99,20,800
	30,66,13,000	9,99,20,800

12 Details of Revenue Expenditure directly related to R&D

Raw material consumed	**11,02,900**	6,42,300
Packing Material	**-**	-
	11,02,900	6,42,300

13 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.

Vadivarhe Speciality Chemicals Limited

Notes attached to and forming part of Financial Statements for the year ended 31st March, 2026

Note 32

14) Additional Regulatory Information

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

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

ii) There is No revaluation of company's Property, Plant and Equipment as on 31.03.2026 and 31.03.2025 .

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 31.03.2026 and 31.03.2025 are disclosed in Schedule KLM

v) There is no Intangible assets under development as on 31.03.2026 and 31.03.2025 .

vi) There is no benami property held by Company as on 31.03.2026 and 31.03.2025 .

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 2026 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	Charge Id
Immovable property or any interest therein; Movable property (not being pledge); PG of Directors - Bank of Maharashtra, Cuffe Parade Branch, Mumbai	**23,85,00,000**	**09-03-2026**	**100972938**
Movable property- Motor car (not being pledge) - Bank of India , Main Branch, Nashik	**6,00,000**	**02-04-2024**	**100896391**
Movable property- 42 Seater Bus (not being pledge) - Bank of India , Main Branch, Nashik	**30,00,000**	**29-04-2024**	**100911264**
	24,21,00,000		

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, 2026

Vadivarhe Speciality Chemicals Limited

Notes attached to and forming part of Financial Statements for the year ended 31st March, 2026

Note 32

14) Additional Regulatory Information

The Company also has following Secured Loans as at 31st March, 2026:

Particulars	Sanctioned Limit	Outstanding Amount as on 31/03/2026
Cash Credit Facility (with sub-limit of packing credit of Rs. 2,00,00,000) with Bank of Maharashtra, Mumbai	8,15,00,000	5,86,48,800
Packing Credit from Bank of Maharashtra, Mumbai	3,00,00,000	-
Term Loan from Bank of Maharashtra, Mumbai	9,50,00,000	6,44,33,300
Bank Guarantee Limit with Bank of Maharashtra, Mumbai	2,70,00,000	2,30,82,000
Term Loan from Bank of Maharashtra, Nashik		24,47,700
TOTAL	**23,35,00,000**	**14,86,11,800**

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

	Closing Stock			
Month	**Closing Stock as per books of accounts**	**Closing Stock as per stock statement submitted to bank**	**Difference**	**Reasons For Material Discrepancies**
Jun-25	12,52,76,085	12,52,76,085	-	NIL
Sep-25	10,86,08,789	10,86,08,789	-	
Dec-25	12,17,80,506	12,17,80,506	-	
Mar-26	7,93,92,708	7,93,47,832	44,876	sales reversal entry passed after submission of stock statement to bank

	Sundry Debtors			
Month	**Debtors as per books of accounts**	**Debtors as per stock statement submitted to bank**	**Difference**	**Reasons For Material Discrepancies**
Jun-25	5,41,60,966	5,55,59,200	(13,98,233)	IGST on export Journal passed after submission of Stock statement to bank
Sep-25	4,73,55,339	6,47,28,050	(1,73,72,711)	Advance of Rs.1.74 Cr reduced from Debtors receivable while submission of Stock statement
Dec-25	5,19,47,235	5,32,38,700	(12,91,465)	IGST on export Journal passed after submission of Stock statement to bank
Mar-26	8,90,24,802	9,29,75,713	(39,50,912)	IGST on export Journal passed after submission of Stock statement to bank

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 curreny or virtual currency during the F.Y. 2025-26.

Vadivarhe Speciality Chemicals Limited

Notes attached to and forming part of Financial Statements for the year ended 31st March, 2026

Note 32

15 Disclosure of significant Ratios :-

Particulars	**Numerator**	**Denominator**	**March 31, 2026**	**March 31, 2025**	**% Change**	**Reason for change in % where the deviation is more then 25%**
Current Ratio	Current Assets	Current Liabilities	0.70	0.90	22.22%	
Debt-Equity Ratio	Total Debt	Shareholder’s Equity	7.20	12.99	44.57%	The ratio improved mainly due to reduction in total debt and improvement in shareholders’ equity during the year.
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	-0.01	-0.22	95.45%	Significant improvement in DSCR was due to reduction in losses and finance cost as compared to the previous year.
Return on Equity Ratio	Net Profit After Taxes-Preference Dividend	Average Shareholder’s Equity	-37.10%	-333.75%	88.88%	The variation is mainly due to improvement in net profitability during the year compared to the previous year’s substantial losses.
Inventory turnover ratio	Cost of Goods Sold	Average Inventory	3.39	2.88	-17.71%	
Trade Receivables turnover ratio	Net Credit Sales=Gross Credit sales-Sales Return	Average Trade Receivable	5.98	5.19	-15.22%	
Trade payables turnover ratio	Net Credit purchases=Gross credit purchases-Purchase Return	Average Trade Payables	5.06	5.95	14.96%	
Net capital turnover ratio	Net Sales=Total Sales-Sales Return	Working capital = Current assets –Current liabilities	-6.25	-16.33	61.73%	The ratio improved due to better utilization of working capital and improvement in sales performance during the year.
Net profit ratio	Net Profit	Net sales = Total sales - Exp	-3.58%	-24.44%	85.35%	Significant improvement was due to reduction in operational losses and better cost management as compared to the previous year.
Return on Capital employed	Earnings Before interest & Taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liablity	-0.02	-0.39	94.87%	The ratio improved mainly because of improvement in EBIT and better operational performance during the year.
Return on investment	Net Profit After Taxes	Total Assets	-4.22%	-21.68%	80.54%	Improvement in ROI was due to lower net losses as compared to the previous financial year.

16 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. 2025-26.

17 Previous year comparatives

Previous year’s figures have been regrouped/restated where necessary to confirm to the current year’s classification.

Signatures to Note No 1 to Note No 32-17 forming part of the financial statements

As per our Report attached of even date.

For S R Rahalkar and Associates
Chartered Accountants
Firm Registration No.108283W

SD/-

S R Rahalkar
Partner
Membership No.014509

Place : Nashik
Date : May 28, 2026

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

SD/-

Sunil H Pophale
Chairman and Executive Director
DIN -00064412

SD/-

Madhukar Suvarna
Chief Financial Officer

SD/-

Manoj Kumar
Company Secretory

Place : Mumbai
Date : May 28, 2026

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

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

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