

Vadivarhe Speciality Chemicals Ltd

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Annual Report 2014–2015

## **C O N T E N T S**

Board of Directors, etc

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Notice and Explanatory Statements

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Directors' Report

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Annexure to Directors' Report

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Auditor's Report and Annexure to Auditor's Report

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Balance Sheet, Profit & Loss Account and Cash Flow Statement

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Significant Accounting Policies/Schedules/Notes to the financial statements/  
Additional Information

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## Board of Directors

Mr. Sunil H. Pophale  
Mrs. Meena S. Pophale  
Ms. Manasi S. Pophale  
Ms. Aditi S. Pophale  
Mr. Vasant P Jagtap  
Mr. Sujit S. Bopardikar  
Mr. Abhijit S. Bopardikar

### **Factory and Registered Office at:**

Gat No 204, Vadivarhe,  
Nashik-Mumbai Highway,  
Tal-Igatpuri  
Dist-Nashik 422 403  
Phone :02553 661200  
CIN No: U24100MH2009PLC190516  
Website : [www.vscl.net.in](http://www.vscl.net.in)  
E-mail : [inquiry@vscl.co.in](mailto:inquiry@vscl.co.in)

### **Bankers**

NKGSB Co-Op Bank Ltd  
Bedmutha's Navkar Hights,  
Sharanpur Road,  
Nashik 422 002  
Tel: 91 - 253-2232283 / 284

### **Auditors**

#### **S R Rahalkar & Associates**

667, Rahalkar Building,  
Ravivar Peth,  
Nashik - 422 001  
Tel: 91 - 253 - 2575093



# VADIVARHE SPECIALITY CHEMICALS LIMITED

Gat No.204, Nashik-Mumbai Highway, Vadivarhe,  
Tal-Igatpuri, Dist. Nashik - 422403, Maharashtra State  
Phone - 02553 306205 Fax - 02553 306203 E-mail [accounts@vscl.co.in](mailto:accounts@vscl.co.in)  
CIN : U24100MH2009PLC190516

## Notice

Notice is hereby given that the Sixth Annual General Meeting of the members of **VADIVARHE SPECIALITY CHEMICALS LIMITED** will be held at Registered Office at Gat No 204, Vadivarhe, Tal-Igatpuri, Dist-Nashik 422 403, on Thursday, 31<sup>st</sup> July, 2015, at 11.00 a.m. to transact the following business:

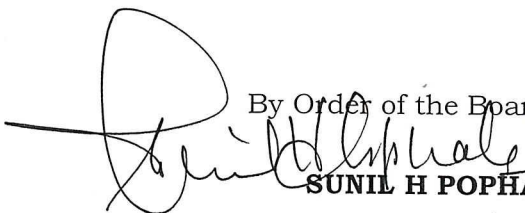
1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2015, and the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To consider and if thought fit, to pass the following resolution, with or without modification, as an *Ordinary Resolution*:

**RESOLVED THAT** M/s. S R Rahalkar & Associates., Chartered Accountants, be and are hereby reappointed Auditors of the Company from the conclusion of the said Annual General Meeting until the conclusion of the Seventh Annual General Meeting of the Company subjected to the shareholders ratification at every Annual General Meeting, at a remuneration as may be fixed by members or board of directors, if so desired by members.

Registered Office:

Gat No 204, Vadivarhe,

Tal-Igatpuri, Dist-Nashik 422 403

By Order of the Board  
  
**SUNIL H POPHALE**

Director

DIN: 00064412

Add: Flat no 15, Lalit Bldg, Wode House Road.

Colaba, Mumbai, 400039,

Date: 30<sup>th</sup> June, 2015



# VADIVARHE SPECIALITY CHEMICALS LIMITED

Gat No.204, Nashik-Mumbai Highway, Vadivarhe,  
Tal-Igatpuri, Dist. Nashik - 422403, Maharashtra State  
Phone - 02553 306205 Fax - 02553 306203 E-mail [accounts@vscl.co.in](mailto:accounts@vscl.co.in)  
CIN : U24100MH2009PLC190516

## Directors' Report

To the Members of

### **VADIVARHE SPECIALITY CHEMICALS LIMITED**

Your Directors have pleasure in presenting their **6th** Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

### **FINANCIAL RESULTS:**

	<b>Year ended 31 March, 2015 Rupees</b>	<b>Year ended 31 March, 2014 Rupees</b>
Net sales & other income	<b>191331414</b>	139854918
Profit / (loss) before depreciation	<b>67347503</b>	16503344
Less : Depreciation / Amortization	<b>14630162</b>	16519816
Profit / (loss) before Tax	<b>52717341</b>	(16472)
Less : Provision for Taxation	<b>3380431</b>	-
Deferred Tax Expense/(Benefits)	-	-
MAT Credit entitlement	<b>(-3380431)</b>	
Profit / (loss) after Tax	<b>52717341</b>	(16472)
Less : Depreciation changes as per Schedule II of Companies Act 2013	<b>(219859)</b>	-
Add: Balance brought forward	<b>(86337841)</b>	(86321369)
Profit / (loss) available for Appropriation	<b>(33840359)</b>	(86337841)
Profit / (loss) carried to Balance Sheet	<b>(33840359)</b>	(86337841)





### **OPERATIONS:**

This is the Sixth year of operation of your Company and has achieved a net sales of Rs.1902.74 lakh and Profit after tax Rs. 527.17 Lakh, as compared to last year FY 2013-14 net sales Rs.1378.31 Lakh and Loss after tax Rs. 0.16 Lakh.

The Company has accounted unpayable advance received from Enaltec Labs Pvt Ltd as a Loan License Income as per Loan License Agreement. Hence the current year profit is increased as compare to last financial year.

### **REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS**

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

#### **a. Production and Profitability**

Company is always taking efforts to increase its productivity and use maximum production capacity to increase its profitability.

#### **b. Sales**

Both the Loan License activity and sales of own products have shown growth. Further improvement is expected in FY 2015-16.

#### **c. Marketing and Market environment**

No significant changes in Market environment in API and Intermediates.

#### **d. Future Prospects including constraints affecting due to Government policies**

No significant changes in Government policies in API and Intermediates.

### **DIVIDEND:**

Company has a carried forward losses hence your Directors are unable to declare Dividend for current year.

### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

### **RESERVE:**

Company has a carried forward losses hence does not transfer any amount to Reserve.



**BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR**

Your Company is in the business of Manufacturing Products under Loan License from M/s Enaltec Labs Pvt Ltd.

It also Manufacturing Products for Sale to various Companies.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

The Company has accounted unpayable advance received from Enaltec Labs Pvt Ltd as a Loan License Income as per Loan License Agreement. Hence the current year profit has increased in comparison to the last financial year.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

No significant and material orders passed by any regulatory authority against your Company.

**SHARE CAPITAL:**

The paid up equity capital as on March 31, 2015 was Rs. 483.75 Lakh. During the year under review, the Company has not issued any equity shares to the Shareholders.

**DEPOSITS:**

The Company has not accepted any "deposits" within the meaning of Section 73 of the Companies Act, 2013 from the public during the year under review.

**NUMBER OF MEETINGS OF THE BOARD:**

The Company had 4 Board meetings during the financial year under review.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT:**

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The detail of the investment made by the company is given in the notes to the financial statements.



## **DECLARATION OF INDEPENDENT DIRECTORS:**

The Independent Directors have submitted declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub section (6).

The following Non-Executive Directors are Independent in terms Section 149(6) of the Companies Act, 2013:-

1. Dr. Sujit S Bopardikar
2. Dr. Abhijit S Bopardikar
3. Mr. Vasant P Jagtap

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

Though the "Corporate Social Responsibility" (CSR) rules are not applicable to the Company as Average Profit of last 3 years is negative, but as a part of its initiatives under "Corporate Social Responsibility" (CSR), the company has contributed funds for promotions of education and medical aid to the villagers of Wadivarhe Village. Also distribute the Blankets to the poor peoples, Tribal living in remote area of rural part of Nashik.

The Annual Report on CSR activities is annexed herewith as Annexure III

## **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.

## **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

## **SHARES**

### **a. BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

### **b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

### **c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

### **d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.





### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm:

- a. That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- b. That they had selected such accounting policies and applied them consistently, and 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 at the end of the financial year and of the profit and loss of the Company for that period;
- c. That they had taken proper and sufficient care 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;
- d. That they had prepared the annual accounts on a going concern basis;
- e. That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION:**

Disclosure of particulars with respect to Absorption of Research and Development, as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure I and forms part of Directors' Report.

### **CONSERVATION OF ENERGY:**

Energy conservation continues to receive Management's attention. Disclosure of particulars required to be made pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is furnished in Annexure I and forms part of the Directors' Report.





### **TECHNOLOGY ABSORPTION:**

Companies products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research and Development activities are directed to achieve the aforesaid goal.

#### **1. Efforts in brief, made towards technology absorption, adaptation and innovation:**

Efforts were made in developing new products to cater to customer's requirement, especially exports.

#### **2. Benefit derived as a result of the above efforts:**

As a result of sustained efforts, we have for the first time, entered in to prestigious western market. In fact we are also being looked upon as a potentials R&D center for their offshore R&D activity.

#### **3. Imported Technology:**

- |                                       |   |      |
|---------------------------------------|---|------|
| a. Technology imported                | : | N.A. |
| b. Year of Import                     | : | N.A. |
| c. Has technology been fully absorbed | : | N.A. |

### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Exports during the year were Rs.150.00 Lakhs as compared to previous year Rs.150.59 Lakhs. Details of foreign exchange earned are given under 'Additional Information'.

### **INDUSTRIAL RELATIONS:**

The Board of Directors wishes to record its appreciation of all employees of the Company for their wholehearted efforts and contribution in the growth of the Company during the year. The Company maintained healthy, cordial and harmonious industrial relations at all levels

### **ANNUAL RETURN:**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Form No. MGT-9 and is attached to this Report.



### **AUDITOR'S REPORT:**

Comments by Auditors have been dealt with in Notes to the Accounts and do not need further explanation by the Board.

### **ACCOUNTING STANDARDS COMPLIANCE**

The Institute of Chartered Accountants of India (ICAI) had from time to time, in the past, introduced many Accounting Standards for consistent application of accounting principles and transparent disclosures by corporate entities. Now these are prescribed by National Advisory Committee on Accounting Standards, constituted by Central Government. Company has opted for total compliance of all mandatory Accounting Standards, wherever applicable.

### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

Mr. Len F Vaz, an independent director submitted his resignation to the Board on April 01, 2015 due to personal problem. The same was accepted by the Board in its meeting held on April 01, 2015.

Mr. Vasant P Jagtap has appointed as an independent director in place of Mr. Len F Vaz under section 149 of the Companies Act, 2013

**Particulars of Employees:** Details of Employee drawing remuneration not less than sixty lakh rupees throughout the financial year or for part drawing remuneration not less than five lakh rupees per month or drawing remuneration in excess of that drawn by MD/WTD/Manger and holds 2% of equity shares himself and/or with spouse and dependent children. – Not Applicable as No employee is drawing remuneration as mentioned in Particulars of Employees.

### **RELATED PARTY TRANSACTIONS:**

During the Financial Year 2014-15, there were no such Related Party Transactions, either as per Companies Act, 2013 or Clause 49 of the Listing Agreement which were required to be approved by the Board of Directors or the Shareholders of the Company. Related Party Transactions are disclosed in Notes to Accounts as well as in Annexure (AOC-2) to the Report.

### **STATUTORY AUDITORS:**

S R Rahalkar and Associates, Chartered Accountants, Nashik, Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and being eligible have consented and offered themselves for re-appointment as Statutory Auditors for the financial year 2015-16 Pursuant to Section 141 of the Companies Act, 2013 . You shall ratify the appointment of the auditors in each Annual General Meeting. You are requested to appoint the auditors, and fix their remuneration or request Board of Directors to fix their remuneration.



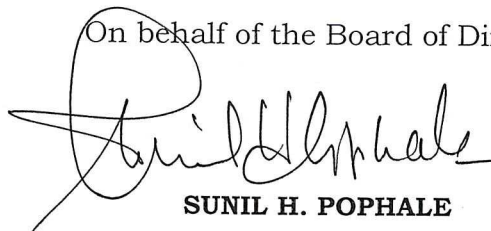
**ACKNOWLEDGMENTS:**

We express our grateful thanks to Government, government agencies and to our banker NKGSB Co-Op Bank Ltd Nashik Branch for their support and look forward to their continued association with the Company.

Place: Nashik

Date: 30<sup>th</sup> June, 2015

On behalf of the Board of Directors



**SUNIL H. POPHALE**

Director

**DIN:** 00064412

**Address:** Flat no 15, Lalit Bldg, Wode  
House Road. Colaba,  
Mumbai, 400039



## Annexure I to the Boards Reports

Information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended 31st March, 2015.

### FORM - A

	Unit of measure- ment	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>A) Power and Fuel Consumption</b>			
<b>1. Electricity</b>			
Purchased			
Units	'000 Kwhr.	<b>1522</b>	1477
Total Amount	Rs. 000	<b>11118</b>	10156
Rate/Unit	Rs./Kwhr.	<b>7.30</b>	6.87
Self-generated (see note 1 below)			
Units	'000 Kwhr.	<b>8.26</b>	7.78
Total Amount	Rs. 000	<b>149.22</b>	144.6
Rate/Unit	Rs./Kwhr.	<b>18.06</b>	18.58
<b>2. Diesel *</b>			
Quantity	KL	<b>238.47</b>	209.60
Total Amount	Rs. 000	<b>125.97</b>	115.93
Average Rate	Rs./Ltr.	<b>52.82</b>	55.19
* Used for both D G Set and Boiler			
<b>B) Consumption per unit of Production *</b>			
Electricity	Kwhr./Kg.	<b>2.99</b>	2.99
Diesel	Ltrs./Kg.	<b>4.03</b>	4.03
* This figures are not comparative due to Electricity and Diesel used for manufacturing of own products as well as loan license products. For calculation purpose only own products manufactured are considered.			

**Note:** Own Generation: Company has one 250 KVA diesel generation unit at its manufacturing plant at Vadivarhe.





## Annexure II to the Boards Reports

Information as per Section 178 (3) of the Companies Act, 2013, read with the Companies (Particulars of employees) Amendment Rules, 2011, and forming part of the directors' report for the year ended March 31, 2015.

Name	Designation	Qualification	Age	Joining date	Experience (Years)	Gross Remuneration (Rs.)	Previous Employment Designation
Len F.Vaz (Up to 30/04/2014)	Director	B.Com	57	26/10/2011	27	2.58	General Manager VSCL
Vasant P Jagtap w e f 01/05/2014	Director	BE (Mech.)	57	01/05/2014	35	17.27	General Manager VSCL

Remuneration includes salary and allowances, and monetary value of perquisites, as per Income Tax Act, 1961.

Service conditions: contractual and as decided by Board of Directors and whole time directors.



### **Annexure III to the Boards Reports**

#### **Annual Report on Corporate Social Responsibility (CSR) Activities:**

Though the Corporate Social Responsibility (CSR) is not applicable to Vadivarhe Speciality Chemicals Ltd as average net profit of immediately preceding 3 years is negative but still as Responsibility against Society, Company has spent a sum on CSR Activities.

Because of non-applicability of CSR, Company has not form any CSR Committee but the Company has managed its CSR activities by HODs of various Department of Company and under guidance of Directors.

The CSR activities shall be focused not just around the plant and office of the company, but also in other geographies based on the needs of the communities. The following key focus areas where special Community Development programs are run

1. Providing warm blankets to the poor peoples who cannot afford to buy it to safety from heavy winter;
2. Promoting Health care including preventive health care;
3. Helping to encourage rural education;
4. Ensuring environmental sustainability;

#### **Average Net Profit of the company for last three financial years**

Average Net Profit of the company for last three financial years is 11.30 Lakh

Financial Year	Net Profit/(Loss) in Lakhs
2012-13	(493.12)
2013-14	( .16)
2014-15	527.17
<b>Average</b>	<b>11.30</b>

#### **Prescribed CSR Expenditure (two percent of average of net profit)**

As average net profit of last three financial years in 11.30 lakh, the CSR activities are not applicable to the Company.

#### **Details of CSR spent during the financial year**

- a. Total amount to be spent for the financial year: N.A.  
Amount spent - Rs. 6.70 Lakh
- b. Amount unspent, if any: N.A.



c. Manner in which the amount spent during the financial year is detailed below:

Sr. No	Project / Activities	Sector	Locations	Amount outlay (Budget) project or program wise (Rs. In Lakhs)	Amount spent on project or program (Rs. In Lakhs)	Cumulative expenditure upto reporting period (Rs. In Lakhs)	Amount spent: Direct or through implementing agency
1	Blankets Distributions	Helping to Poor Peoples in remote areas	Adivasi Padas of Igatpuri, Trimbak & Nashik Taluka	N A	3.50	3.50	Direct
2	Donation for Class Room Construction	Promoting Rural Education	Wadivarhe Village	N A	1.00	1.00	Direct
3	Health Check-up Camp	Promoting Rural Health	Wadivarhe Village	N A	0.70	0.70	Direct
4	Repair of Road connected to nearby village	Promoting good environment	Nearby Factory area	N A	1.50	1.50	Direct

Also doing plantation to nearby factory road and providing and helping healthy atmosphere to nearby area, also taking responsibility to watering the plants outside factory area.



**"Annexure IV" to the Boards Reports**

**FORM NO. MGT 9**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**EXTRACT OF ANNUAL RETURN**

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U24100MH2009PLC190516
ii	Registration Date	23rd February, 2009
iii	Name of the Company	Vadivarhe Speciality Chemicals Ltd
iv	Category of the Company	Public Company
v	<b>Address of the Registered office &amp; contact details</b>	
	Address :	Gat No. 204, Wadivarhe, Tal-Igatpuri, Dist-Nashik
	Town / City :	Nashik
	State :	Maharashtra -422403
	Country Name :	India
	Telephone (with STD Code) :	02553 661200
	Fax Number :	02553 661239
	Email Address :	accounts@vscl.co.in
	Website, if any:	www.vscl.net.in
vi	Whether listed company	No
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA:	Adroit Corporate Services Pvt. Ltd
	Address :	17/20, Jaferbhoy Indl. Estate , Makwana Road, Marol Naka, Andheri (E)
	Town / City :	Mumbai
	State :	Maharashtra
	Pin Code:	400059
	Telephone :	022 28590942
	Fax Number :	022 2850 3748
	Email Address :	sshetty@adroitcorporate.com

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	API / Bulk Drugs ( Self & Loan License)	24119	100%
2			
3			

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

No. of Companies for which information is being filled	0
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S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	N A	N A	N A	N A	N A
2	N A	N A	N A	N A	N A





# IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	483750	0	483750	100%	483750	0	483750	100%	0%
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>(2) Foreign</b>									
a) NRI - Individual/	0	0	0	0	0	0	0	0	0
b) Other - Individual/	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Others	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	<b>483750</b>	<b>0</b>	<b>483750</b>	<b>100%</b>	<b>483750</b>	<b>0</b>	<b>483750</b>	<b>100%</b>	<b>0%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>



ii **Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	Shares Pledge d / encum bered	
1	Mr. Sunil H Pophale	441150	91.19%	0%	482625	99.77%	0%	8.57%
2	Mrs. Meena S Pophale	225	0.05%	0%	215	0.04%	0%	0.00%
3	Ms. Manasi S Pophale	41475	8.57%	0%	10	0.00%	0%	-8.57%
4	Mr. Sujit S Bopardikar	225	0.05%	0%	225	0.05%	0%	0.00%
5	Mrs. Vijaya S Bopardikar	225	0.05%	0%	225	0.05%	0%	0.00%
6	Mr. Abhijit S Bopardikar	225	0.05%	0%	225	0.05%	0%	0.00%
7	Mrs. Saloni A Bopardikar	225	0.05%	0%	225	0.05%	0%	0.00%
	<b>TOTAL</b>	483750	100%	0%	483750	100%	0%	0%

iii **Change in Promoters' Shareholding ( please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	483750	100%	483750	100%
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g.				
<b>Increase (Purchase of Shares)</b>				
1) Mr. Sunil H Pophale				
21.10.2014 (Purchase of share)	41475	0%	525225	100%
2) Ms. Manasi S Pophale				
26.03.2015 (Purchase of share)	10	0%	525235	100%
<b>Decrease (Sale of Shares)</b>				
1) Ms. Manasi S Pophale				
21.10.2014 (Sale of share)	41475	0%	483760	100%
2) Mrs. Meena S Pophale				
26.03.2015 (Sale of share)	10	0%	483750	100%
At the End of the year	483750	100%	483750	100%

iv **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**  
All the shares hold by Promotors only.





Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
<b>Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.</b>				
<b>1) Mr. Sunil H Pophale (Director)</b>				
At the beginning of the year	441150	91.19%	441150	91.19%
21.10.2014 (Purchase of share)	41475	8.57%	482625	99.77%
At the End of the year	482625	99.77%	482625	99.77%
<b>2) Ms. Manasi S Pophale (Director)</b>				
At the beginning of the year	41475	8.57%	41475	8.57%
21.10.2014 (Sale of share)	41475	8.57%	0	0.00%
26.03.2015 (Purchase of share)	10	0.00%	10	0.00%
At the End of the year	10	0.00%	10	0.00%
<b>3) Mrs. Meena S Pophale (Director)</b>				
At the beginning of the year	225	0.05%	225	0.05%
26.03.2015 (Sale of share)	10	0.00%	215	0.00%
At the End of the year	215	0.05%	215	0.00%
<b>4) Mr. Sujit S Bopardikar (Director)</b>				
At the beginning of the year	225	0.05%	225	0.05%
No change during the year	Nil	Nil	Nil	Nil
At the End of the year	225	0.05%	225	0.05%
<b>5) Mr. Abhijit S Bopardikar (Director)</b>				
At the beginning of the year	225	0.05%	225	0.05%
No change during the year	Nil	Nil	Nil	Nil
At the End of the year	225	0.05%	225	0.05%

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs.in Lakhs)

Indebtedness at the beginning of the financial year	Secured Loans	Unsecured Loans	Deposits	Total Indebt
i) Principal Amount	709.03	857.64	0	1566.7
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>709.03</b>	<b>857.64</b>	<b>0</b>	<b>1566.7</b>
Change in Indebtedness during the financial year	Secured Loans	Unsecured Loans	Deposits	Total Indebt
* Addition	0	0	0	0
* Reduction	114.66	165.07	0	279.73
<b>Net Change</b>	<b>-114.66</b>	<b>-165.07</b>	<b>0</b>	<b>-279.73</b>
Indebtedness at the end of the financial year	Secured Loans	Unsecured Loans	Deposits	Total Indebt
i) Principal Amount	594.37	692.57	0	1286.9
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>594.37</b>	<b>692.57</b>	<b>0</b>	<b>1286.9</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In Lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Len F Vaz WTD ( up to 30/04/2014)	Vasant P Jagtap WTD (From 01/05/2014)	
1	Gross salary	2.58	17.27	19.85
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	2.58	17.27	19.85
	Ceiling as per the Act	Rs. 57 Lakhs (being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)		

### B. Remuneration to other directors: N A

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		A	B	
1	<b>Independent Directors</b>			
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	-	-	-
2	<b>Other Non-Executive</b>			
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-





C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/MTD - N. A

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		CEO	Total
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]
A. COMPANY				
Penalty	None			
Punishment				
Compounding				
B. DIRECTORS				
Penalty	None			
Punishment				
Compounding				
C. OTHER OFFICERS IN DEFAULT				
Penalty	None			
Punishment				
Compounding				



# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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### **INDEPENDENT AUDITOR'S REPORT**

TO

The Members,

**M/S VADIVARHE SPECIALITY CHEMICALS LIMITED,**

#### **1] Report on the Financial Statements**

We have audited the accompanying Financial Statements of **M/S VADIVARHE SPECIALITY CHEMICALS LIMITED** which comprise the Balance Sheet as at **31<sup>st</sup> March 2015** & also the Statement of Profit & Loss for the year, the cash flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **2] Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. 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

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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.

### **Auditor's Responsibility**

3] Our responsibility is to express an opinion on these financial statements based on our audit.

4] We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5] We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6] An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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7] We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

8] In our opinion & to the best of our information & according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required & give a true & fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup>, March 2015&

(b) In the case of the Profit & Loss Account, of the **Profit** for the year ended  
On that date.

(c) In case of the Cash flow Statement, of the cash flows for the year ended on that date.

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

9] As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- i. We have sought and obtained all the information & explanations, which to the best of our knowledge & belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
- iii. The Balance sheet, Profit & loss Account and Cash flow statement dealt with by this report are in agreement with the books of account.

# S. R. RAHALKAR AND ASSOCIATES

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- iv. In our opinion, the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to section 133 of the Act, read with rule 7 of the Companies (Accounts) rules, 2014.
- v. On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2015, & taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of sub section 2 of section 164 of the Act;
- vi. With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us
  - i) The company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2015 on its financial position in its financial statements.
  - ii) The company has made provision as at 31<sup>st</sup> March 2015 as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii) There were no amounts to be transferred to Investor Education and Protection Fund by the company.

For S.R.RAHALKAR & ASSOCIATES.

Place: Nashik

Date: 30/06/2015

Chartered Accountants  
Firm Registration Number 108283W

  
S.R. RAHALKAR  
Partner

Membership Number 014509



# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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### VADIVARHE SPECIALITY CHEMICALS LIMITED

#### Annexure to the Auditors' Report

The Annexure referred to in our report to the members of **VADIVARHE SPECIALITY CHEMICALS LIMITED** 'the Company') for the year Ended on 31/03/2014. We report that:

- (i) (a) The company has maintained the proper records so as to show full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets have been physically verified by the management at reasonable intervals; and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management.  
(b) The procedures of physical verification, in our opinion, are reasonable and adequate in relation to the size of the Company and nature of its business.  
c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material having regard to the size of the operations of the company and the same have been properly dealt with in the books of account.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
  - (a) There was no receipt of principal amount or interest during the year,
  - (b) The company has not granted any loan during the year and the overdue amount does not exceed rupees one lakh.
- (iv) In our opinion and according the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of



# S. R. RAHALKAR AND ASSOCIATES

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inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.

- (v) In our opinion and according to the information and explanations given to us, the company has not accepted deposits, and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are complied with.
- (vi) According to the information and explanations given to us, since 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.
- (vii)
  - (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and that there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
  - (b) There are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute.
  - (c) The company is not required to transferred any amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The company has accumulated losses of Rs. 3,38,40,359/- as at the end of the financial year. The company has not incurred any cash losses during current Financial Year and preceding financial year.

# S. R. RAHALKAR AND ASSOCIATES

## CHARTERED ACCOUNTANTS

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- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holder as at the Balance sheet date.
- (x) In our opinion and according to information and explanations given to us, the company has not given guarantee for loans, taken by others from banks or financial institutions.
- (xi) In our opinion and according to information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xii) In our opinion, considering the size and nature of the company's operations, no fraud of material significance on or by the company has been noticed or reported during the year.

Place: Nasik

Date: 30/06/2015

For S.R.RAHALKAR & ASSOCIATES.  
Chartered Accountants  
Firm Registration Number 108283W

  
S. R. RAHALKAR.  
PARTNER  
Membership Number 014509



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

### **NOTES FORMING PART OF ACCOUNTS AS AT 31<sup>st</sup> MARCH 2015**

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

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

The financial statements are presented under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act 2013 read with rule 7 of the companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act 1956 (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act 2013.

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

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

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

Sale of goods is recognized on dispatches to customer, inclusive of sales tax (wherever applicable) and is net of discount.

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





(4) FIXED ASSETS:

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

(5) METHOD OF DEPRECIATION AND AMORTISATION:

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

(6) INVENTORIES:

- a) Inventories are valued at lower of cost and net realizable value.
- b) Cost of Semi-finished and finished goods comprise of materials and conversion cost.

(7) INVESTMENTS:

Investments to be stated at cost.

(8) TAXATION:

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

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



(10) Employment Retirement Benefits:

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

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

(11) Contingent Liabilities:

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

**B) NOTES ON ACCOUNTS: -**

1. Balances of Debtors and Creditors are subject to confirmation.
2. The current assets and current liabilities are, in the opinion of the directors, recoverable and payable at the values stated in the statement of accounts.
3. Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in schedule II of the Act. Accordingly the unamortized carrying value is being depreciated/ mortised over the revised/ remaining useful lives. The written down value of Fixed assets whose lives have expired as at 1<sup>st</sup> April 2014 have been adjusted net of tax , in the opening balance of Profit and Loss Account amount to Rs. 1,87,156=30/-
4. During the year , the company has provided depreciation over estimated useful lives of assets as prescribed in schedule - II of the Company Act, 2013 of Rs 1,46,30,162/- If the depreciation was provided as per Schedule XIV of Companies Act 1956, the depreciation would have been Rs 1,65,19,817/- and to that extent of Rs 18,89,655/-profit is increased.



5. The break-up of deferred tax assets and liabilities into major components at the year end of 31/3/2015 is as below:

<b>Particulars</b>	<b>Liabilities</b>	<b>Liabilities</b>
	<b>As on 31/3/15</b>	<b>As on 31/03/14</b>
Depreciation	13566738/-	11859668/-
<b>Particulars</b>	<b>Assets</b>	<b>Assets</b>
	<b>As on 31/3/15</b>	<b>As on 31/03/14</b>
Loss	12319309/-	10894378/-
Leave Encashment	118349/-	88863/-
Bonus	307490/-	318287/-
LTA	292550/-	159584/-
Gratuity /PF	529040/-	398556/-
<b>TOTAL</b>	<b>13566738/-</b>	<b>11859668/-</b>
<b>Net Deferred Tax Liability</b>	<b>NIL</b>	<b>NIL</b>

In the absence of certainty regarding availability of sufficient future taxable income, the recognition of Deferred Tax Assets has been restricted to the extent of closing Deferred Tax Liability.

In the absence of virtual certainty regarding availability of sufficient future taxable income, the recognition of Deferred Tax Assets on carry forward business loss and depreciation is restricted to the closing Deferred Tax Liability less other items of Deferred Tax Assets.

In the view of above note the net debit/credit on account of Deferred Tax to the Profit and Loss Account in Rs. NIL (Previous Year Rs.NIL)

#### 6. Security for Secured Loans:

The borrowing from Cholamadalam Finance Ltd. by way of vehicle loan has been secured by Bus purchased against it. The Loan has been repaid during the financial year.





**Bank Overdraft (Current A/c) NKGSB Co-operative Bank Ltd.**

borrowed during the year and which has been secured by –

**Primary Security-** Hypothecation of entire current assets (present and future) + 15% cash margin to be recovered upfront in case LC.

**Collateral Security-** EM/ RM of property situated at Gat No.204, Vadivarhe Speciality Chemicals, Nashik Mumbai Highway, Vadivarhe, Igatpuri, Nashik – 422403 admeasuring 11618.19 Sq. Mtr. In the name of Vadivarhe Speciality Chemicals Ltd.

Personal Guarantee of Directors Mr. Sunil H. Pophale.

**7. Dues from Small Scale Industrial Undertaking:**

Based on the information available with the Company, no creditor has been identified as “supplier” within the meaning of The Micro, Small and Medium Enterprises Development Act, 2006.

8. It is informed by the management no provision has been made for interest as required by Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993 on amounts due to Small Scale Industries, as the amount is not ascertainable. These will be charged to accounts as and when claimed by the parties and/or paid to them.

9. Related party Disclosures, as required in terms of accounting standards (AS) 18” are given below :-

Particulars	Key Management Personnel	Amount (Rs.)
<b>Salary to Directors</b>	<b>Mr Len F Vaz (Directorship upto 30/04/14)</b>	<b>2,58,445/-</b>
<b>Salary to Directors</b>	<b>Mr Vasant Jagtap (Directorship from 01/05/14)</b>	<b>17,27,132/-</b>



10. Auditors Remuneration:-

	<u>Current Year</u>	<u>Previous Year</u>
	<u>Financial Year</u>	<u>Financial Year</u>
	<u>14-15</u>	<u>13-14</u>
Statutory Audit Fees	85,500	39,326
Tax Audit Fees	17,100	16,854
M-VAT Audit Fees	17,100	16,854
	-----	-----
Total	1,19,700	73,034

11. Foreign Exchange Transactions:

- Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- Monetary items in the form of Loans, Current Assets and Current Liabilities in Foreign Currency , outstanding at the close of the year , are converted in Indian currency t 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.
- 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.

12. Since the VAT Audit is yet to complete the changes that may occur due to the VAT Audit will be effected in the year of completion of audit.

13. The advance received against the costumer Enaltec Labs private Limited of Rs 4,33,25,961/- in the previous year has been adjusted against the invoice raised for additional charges and income is recognized. Confirmation of the same is not obtained from the customer.

14. Manasi Pophale transferred entire shareholding (8.57%) i.e. 41,475 shares to Mr. Sunil Pophale.

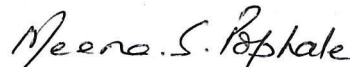


15. The director Len F. Vaz has resigned on 30/04/2014 and Mr. Vasant P. Jagtap is appointed as director with effect from 01/05/2014.

16. Items wherever necessary are re grouped re arranged and reclassified accordingly.

FOR S.R.RAHALKAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 108283W

  
Sunil Pophale  
Director

  
Meena S. Pophale  
Director

  
S.R. Rahalkar  
PARTNER



Place: Nashik  
Date: 30/06/2015

Membership Number 014509  
Address: Telli Lane, Raviwar Peth,  
Nashik 422 001.





## Vadivarhe Speciality Chemicals Limited

Balance Sheet as at 31st March, 2015

		Rupees	
Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		As at 31st March 15	As at 31st March 14
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	A.	4,83,75,000	4,83,75,000
(b) Reserves and Surplus	B.	8,32,84,641	3,07,87,159
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	C.	8,39,13,970	11,55,01,730
(b) Deferred tax liabilities (Net)	D.		
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	E.	4,47,79,510	4,11,66,154
(b) Trade payables	F.	52,37,150	93,46,770
(c) Other current liabilities	G.	36,65,219	4,75,26,288
(d) Short-term provisions	H.	1,06,53,786	74,51,741
<b>Total</b>		<b>27,99,09,276</b>	<b>30,01,54,841</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	I.	14,52,96,372	15,85,76,888
(ii) Intangible assets	J.	11,74,875	7,48,057
(iii) Capital work-in-progress	K.	-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	L.	5,10,000	5,10,000
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets	M.	85,50,181	38,75,512
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	N.	1,23,62,299	1,61,59,543
(c) Trade receivables	O.	3,70,30,283	5,12,94,293
(d) Cash and cash equivalents	P.	1,36,68,795	29,62,841
(e) Short-term loans and advances	Q.	4,49,64,949	4,77,08,916
(f) Other current assets	R.	1,63,51,522	1,83,18,790
<b>Total</b>		<b>27,99,09,276</b>	<b>30,01,54,841</b>

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

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

S.R. Rahalkar  
Partner  
Membership No.014509



Sunil H. Pophale  
Director

Meena S. Pophale  
Director

Place : Nashik  
Date : June 30, 2015

Place : Nashik  
Date : June 30, 2015



**STATEMENT OF PROFIT AND LOSS**  
**Profit and Loss statement for the year ended 31st March, 2015**

		Rupees	
Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		As at 31st March 15	As at 31st March 14
I. Revenue from operations	1	19,02,73,878	13,87,30,925
II. Other Income	2	10,57,536	11,23,993
<b>III. Total Revenue (I + II)</b>		<b>19,13,31,414</b>	<b>13,98,54,918</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	3	1,86,45,972	2,12,48,397
Purchase of Stock-in-Trade	4	-	3,56,536
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	5	18,27,606	47,50,873
Employee benefit expense	6	2,81,51,475	2,64,30,493
Financial costs	7	89,03,495	1,02,25,612
Depreciation and amortization expense	8	1,46,30,162	1,65,19,816
Manufacturing Expenses	9	5,07,14,739	4,57,14,000
Other expenses	10	1,57,40,625	1,46,25,663
<b>IV. Total Expenses</b>		<b>13,86,14,073</b>	<b>13,98,71,390</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	5,27,17,341	(16,472)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		5,27,17,341	(16,472)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		5,27,17,341	(16,472)
X. Tax expense:			
(1) Current tax		33,80,431	-
(2) Deferred tax		-	-
(3) MAT Credit entitlement		(33,80,431)	-
XI. Profit/(Loss) for the period (IX - X)		5,27,17,341	(16,472)
No. of Shares Outstanding at the end of the period		4,83,750	4,83,750
XII. Earning per equity share:			
(1) Basic		108.98	(0.03)
(2) Diluted			

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

S. R. Rahalkar  
Partner  
Membership No.014509

Place : Nashik  
Date : June 30, 2015



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

*Sunil H. Pophale* *Meena S. Pophale*  
Sunil H. Pophale Meena S. Pophale  
Director Director

Place : Nashik  
Date : June 30, 2015



## Vadivarhe Speciality Chemicals Limited

Cash Flow statement for the year ended 31st March, 2015

Rupees

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
<b>Cash flows from operating activities</b>		
Profit before taxation	5,27,17,341	(16,472)
<b>Adjustments for:</b>		
Depreciation	1,46,30,162	1,65,19,816
Dividend Income	(60,000)	(75,000)
Interest Received	(2,82,326)	(59,395)
Interest expense	85,25,820	1,01,04,218
Profit / (Loss) on the sale of property, plant & equipment	-	(21,45,768)
<b>Operating Profits before Working Capital Changes</b>	<b>7,55,30,996</b>	<b>2,43,86,794</b>
<b>Working capital changes:</b>		
(Increase) / Decrease in trade receivables	1,42,64,010	(2,54,91,353)
(Increase) / Decrease in inventories	37,97,243	32,60,708
(Increase) / Decrease in Other receivables	36,566	3,72,76,119
Increase / (Decrease) in trade payables	(41,09,620)	(56,97,228)
Increase / (Decrease) in other payables	(4,06,59,024)	(36,55,803)
<b>Cash generated from operations</b>	<b>4,88,60,173</b>	<b>3,00,79,237</b>
Income taxes paid( Deferred tax liability written off)	-	-
<b>Net cash from operating activities (A)</b>	<b>4,88,60,173</b>	<b>3,00,79,237</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(19,96,321)	(32,91,056)
Proceeds from sale of equipment	-	74,91,536
Dividend income	60,000	75,000
Interest Received	2,82,326	59,395
<b>Net cash used in investing activities(B)</b>	<b>(16,53,995)</b>	<b>43,34,875</b>
<b>TOTAL (A+B)</b>	<b>4,72,06,178</b>	<b>3,43,54,717</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	-	-
Payment of Term loan	(1,21,76,529)	(1,22,49,742)
Payment of cash credit facility	7,09,822	(16,72,157)
Interest on Loan	(85,25,820)	(1,01,04,218)
Payment of unsecured loan	(1,65,07,697)	(81,38,232)
<b>Net cash used in financing activities [C]</b>	<b>(3,65,00,224)</b>	<b>(3,21,64,349)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,07,05,954</b>	<b>21,90,368</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>29,62,841</b>	<b>7,72,473</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,36,68,795</b>	<b>29,62,841</b>
<b>Components of Cash and cash equivalents</b>		
Cash in hand	8,28,447	3,69,024
Balances with Scheduled banks :		
in current accounts	1,07,05,348	5,93,817
in deposits accounts	21,35,000	20,00,000
<b>Cash and cash equivalents in Cash Flow Statement</b>	<b>1,36,68,795</b>	<b>29,62,841</b>

As per our report of even date

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

S. R. Rahalkar  
Partner  
Membership No.014509

Place : Nashik  
Date : June 30, 2015

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

Sunil H. Pophale  
Director

Place : Nashik  
Date : June 30, 2015

Meena S. Pophale  
Director




## Notes To and Forming Part of the Balance Sheet

	31-03-2015 Amount	31-03-2014 Amount
<b>Note A : Share Capital</b>		
<b>Authorised:</b>		
5,00,000 (Previous Year: 5,00,000) Equity Shares of Rs. 100 each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
<b>Issued, Subscribed and Paid-up:</b>		
4,83,750 (Previous Year: 4,83,750) Equity Shares of Rs.100 each fully paid-up	<u>4,83,75,000</u>	<u>4,83,75,000</u>
<b>Total</b>	<u><u>4,83,75,000</u></u>	<u><u>4,83,75,000</u></u>

Of the above:

4,62,250 Equity Shares of Rs.100 each, fully paid up, have been allotted as bonus shares

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

Name of Shareholder	%	No of Shares	%	No of Shares
Mr.Sunil H Pophale	99.77	4,82,625	91.19	4,41,150
Ms.Manasi S Pophale	-	-	8.57	41,475
<b>TOTAL</b>		<u>4,82,625</u>		<u>4,82,625</u>

**Note B : Reserves and Surplus**

Securities Premium Account	11,71,25,000	11,71,25,000
<b>Surplus / ( Loss ) in the statement of Profit &amp; Loss</b>		
Balance as per last account	(8,63,37,841)	(8,63,21,369)
Profit / ( Loss ) of the current year	5,27,17,341	(16,472)
Less: Software Discarded during the year-Not usable since past 2 years	(32,702)	-
Less: Depreciation changes as per Schedule II of Companies Act 2013	(1,87,156)	-
<b>Total</b>	<u>(3,38,40,359)</u>	<u>(8,63,37,841)</u>
<b>Total</b>	<u><u>8,32,84,641</u></u>	<u><u>3,07,87,159</u></u>



## Notes To and Forming Part of the Balance Sheet

	31-03-2015 Amount	31-03-2014 Amount
<b>Note C: Long-term borrowings</b>		
<b>(a) Secured Loan</b>		
<b>1) Term Loans</b>		
From NKGSB Co-Op Bank Ltd	1,46,57,243	2,97,37,306
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )		
(Above term loan will be settled as on 31/03/2017 Balance Sheet date 31/03/2017 Number of Installment due 23, Amount of Installment Rs.3,24,76,000/-, and applicable rate of Interest 13.25% )		
<b>(b) Unsecured Loans</b>		
Loan from Promotor Director Mr.Sunil H Pophale	6,92,56,727	8,57,64,424
	<u>8,39,13,970</u>	<u>11,55,01,730</u>
<b>Note D : Deferred Tax Liability (Net)</b>		
<b>Deferred Tax Liability</b>		
Difference in depreciation and other differences in block of fixed assets as per tax books and financial books	(1,35,66,738)	1,18,59,668
Gross Deferred Tax Liability	<u>(1,35,66,738)</u>	<u>1,18,59,668</u>
<b>Deferred Tax Assets</b>		
Carry Forward Loss and depreciation *	(1,48,14,166)	1,08,94,378
Provision for Bonus	3,07,490	3,18,287
Provision for Leave Encashment	1,18,349	88,863
Others	8,21,590	5,58,140
Gross Deferred Tax Assets	<u>(1,35,66,738)</u>	<u>1,18,59,668</u>
<b>Net Deferred tax liability</b>	<u>-</u>	<u>-</u>



## Notes To and Forming Part of the Balance Sheet

	31-03-2015 Amount	31-03-2014 Amount
<b>Note E: Short-term borrowings</b>		
<b>Secured Loan</b>		
1) <b>Cash Credit Facility</b>		
From NKGSB Co-Op Bank Ltd	2,84,77,900	2,77,68,078
(Secured by an exclusive charge by way of hypothecation of Stock & Book Debts)		
2) <b>Term Loans</b>		
From NKGSB Co-Op Bank Ltd	1,63,01,610	1,31,81,347
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors )		
From Financial Institution under Vehicle Finance Scheme	-	2,16,729
(Secured by an exclusive charge by way of hypothecation of vehicles purchased under the said scheme)		
	<u>4,47,79,510</u>	<u>4,11,66,154</u>
<b>Note F: Trade Payable</b>		
Creditors for Supplies	31,84,319	70,81,381
Creditors for Services	20,52,831	22,65,389
	<u>52,37,150</u>	<u>93,46,770</u>
<b>Note G: Other Current Liabilities</b>		
Advance from Customers	3,52,595	4,36,78,556
Retention Amount Payable	40,900	1,35,558
Creditors for Expenses	32,28,090	36,68,540
Creditors for Capital Goods	43,634	43,634
	<u>36,65,219</u>	<u>4,75,26,288</u>
<b>Note H: Short Term Provisions</b>		
Provision for Employees Benefit		
Provision for L.T.A.	8,60,694	5,16,453
Provision for Bonus	9,04,647	10,30,054
Provision for Gratuity	15,56,458	12,89,825
Provision for Leave Encashment	3,48,188	2,87,583
Statutory Liabilities	1,43,160	6,09,698
Provision for Income Tax	33,80,431	
Provision for Expences	3,04,907	2,99,074
Others	31,55,301	34,19,054
	<u>1,06,53,786</u>	<u>74,51,741</u>





## Vadivarhe Speciality Chemicals Limited

## Notes To and Forming Part of the Balance Sheet

## Notes I, J, &amp; K : Fixed Assets

Amount

Description	Gross block				Depreciation / Amortization				Net block	
	As at April 1, 2014	Additions	Deletions / Adjustments	As at March 31, 2015	As at April 1, 2014	For the Year	Deletions / Adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Note I :Tangible Assets</b>										
Freehold land	44,72,000	-	-	44,72,000	-	-	-	-	44,72,000	44,72,000
Buildings	6,41,81,068	-	-	6,41,81,068	96,29,570	20,13,150	-	1,16,42,720	5,25,38,348	5,45,51,498
Air Conditioners	1,72,737	-	-	1,72,737	38,912	1,25,187	-	1,64,099	8,638	1,33,825
Office Equipments	40,50,176	77,912	-	41,28,088	5,06,362	15,78,701	-	20,85,063	20,43,025	35,43,814
Plant and machinery	8,09,65,837	1,23,724	-	8,10,89,561	2,35,08,394	61,15,786	-	2,96,24,180	5,14,65,381	5,74,57,443
R & D Equipments	5,36,203	-	-	5,36,203	1,77,054	19,855	-	1,96,909	3,39,294	3,59,149
Q.C. Equipments	1,59,80,294	-	-	1,59,80,294	44,03,489	6,27,209	-	50,30,698	1,09,49,596	1,15,76,805
ETP	14,47,616	2,33,169	-	16,80,785	4,71,976	59,125	-	5,31,101	11,49,684	9,75,640
Utility	1,83,00,275	9,31,744	-	1,92,32,019	64,78,623	13,45,084	-	78,23,707	1,14,08,312	1,18,21,652
Electrical installation	1,23,46,132	-	-	1,23,46,132	35,09,076	15,04,951	-	50,14,027	73,32,105	88,37,056
Computers	22,95,022	12,154	1,87,156	21,20,020	12,40,908	4,11,719	-	16,52,627	4,67,393	10,54,114
Furniture and fixtures	22,05,789	6,180	-	22,11,969	4,27,214	2,46,013	-	6,73,227	15,38,742	17,78,575
Vehicles	30,66,765	-	-	30,66,765	10,51,448	4,31,463	-	14,82,911	15,83,854	20,15,317
<b>Total</b>	<b>21,00,19,914</b>	<b>13,84,883</b>	<b>1,87,156</b>	<b>21,12,17,641</b>	<b>5,14,43,026</b>	<b>1,44,78,244</b>	<b>-</b>	<b>6,59,21,269</b>	<b>14,52,96,372</b>	<b>15,85,76,888</b>
<b>Note J :Intangible Assets</b>										
Computer Softwares	15,82,504	6,11,438	59,063	21,34,879	14,22,447	48,143	26,361	14,44,229	6,90,650	1,60,057
ERP Software	5,88,000	-	-	5,88,000	-	1,03,775	-	1,03,775	4,84,225	5,88,000
<b>Total</b>	<b>21,70,504</b>	<b>6,11,438</b>	<b>59,063</b>	<b>27,22,879</b>	<b>14,22,447</b>	<b>1,51,918</b>	<b>26,361</b>	<b>15,48,004</b>	<b>11,74,875</b>	<b>7,48,057</b>
<b>Note K :Capital Work-in-Progress</b>										
Capital Advances	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>21,21,90,418</b>	<b>19,96,321</b>	<b>2,46,219</b>	<b>21,39,40,520</b>	<b>5,28,65,473</b>	<b>1,46,30,162</b>	<b>26,361</b>	<b>6,74,69,273</b>	<b>14,64,71,247</b>	<b>15,93,24,945</b>
Previous year	21,70,37,309	32,91,056	81,37,947	21,21,90,418	3,91,37,836	1,65,19,816	27,92,179	5,28,65,473	15,93,24,945	17,78,99,473



## Notes To and Forming Part of the Balance Sheet

	31-03-2015 Amount	31-03-2014 Amount
<b>Note L: Non-Current Investments</b>		
Investments in Govt Securities		
6 years National Saving Certificate VIII issue	10,000	10,000
Investment in equity instruments (unquoted)		
Equity Shares of NKGSB Co-Op Bank Ltd	5,00,000	5,00,000
(of the above 50,000 Equity Shares of NKGSB Co-op Bank Ltd bearing Face Value of Rs.10/- each)		
	<u>5,10,000</u>	<u>5,10,000</u>
<b>Note M: Other non-current assets</b>		
Interest accrued but not received on NSC, FD and Others	11,009	2,988
VAT Credit (Input) Receivable	36,50,443	25,19,226
MAT credit	33,80,431	-
Deposits - Others	15,08,298	13,53,298
	<u>85,50,181</u>	<u>38,75,512</u>
<b>Note N : Inventories (at lower of cost and net realisable value)</b>		
Raw Materials	83,78,842	1,03,17,871
Packing Materials	1,64,296	1,94,905
Works In Progress	17,20,456	30,77,197
Finished Goods	20,98,706	25,69,570
<b>Total</b>	<u>1,23,62,299</u>	<u>1,61,59,543</u>
<b>Note O : Trade receivables</b>		
Debts outstanding for a period exceeding six months -		
Considered good	11,56,009	13,56,009
Considered doubtful	-	-
Other debts		
Considered good	3,58,74,274	4,99,38,284
Considered doubtful	-	-
	<u>3,70,30,283</u>	<u>5,12,94,293</u>
Less: Provision for doubtful debts	-	-
<b>Total</b>	<u>3,70,30,283</u>	<u>5,12,94,293</u>
<b>Note P : Cash and cash equivalents</b>		
Cash on hand	8,28,447	3,69,024
Balances with Scheduled banks :		
in current accounts	1,07,05,348	5,93,817
in deposits accounts	21,35,000	20,00,000
<b>Total</b>	<u>1,36,68,795</u>	<u>29,62,841</u>



Notes To and Forming Part of the Balance Sheet

	31-03-2015 Amount	31-03-2014 Amount
<b>Note Q : Short-term loans and advances</b>		
(Unsecured, Considered good unless otherwise stated)		
Advances recoverable in cash or in kind for value to be received		
Advance to Suppliers	4,20,38,718	4,30,07,743
Loans and Advances to Staff	2,67,299	1,45,853
(Secured to the extent of Rs. Nil (Previous Year: Rs. Nil)		
VAT Credit (Input) Receivable	26,58,932	45,55,320
<b>Total</b>	<b>4,49,64,949</b>	<b>4,77,08,916</b>
<b>Note R : Other Current Assets</b>		
Balances with Customs, Port Trust, Excise etc.	1,16,93,738	1,30,14,121
Prepaid Expenses	6,76,188	6,15,154
Tax Deducted at Source	20,17,994	27,25,913
Insurance Claim Receivable	19,63,602	19,63,602
<b>Total</b>	<b>1,63,51,522</b>	<b>1,83,18,790</b>





## Notes To and Forming Part of the Profit and Loss Accounts

	31-03-2015 Amount	31-03-2014 Amount
<b>Note 1 : Revenue from operations</b>		
Sales of Goods (Gross)	5,22,77,646	6,48,77,747
Less - Excise Duty	57,22,269	58,86,022
	4,65,55,377	5,89,91,725
Service Income	14,37,18,501	7,97,39,200
	19,02,73,878	13,87,30,925
<b>Note 2 : Other income</b>		
Interest on		
- NSC, FD and Others	1,10,447	18,635
- Income Tax, Sales Tax and Others	1,71,879	40,760
Dividend Received	60,000	75,000
Discount Received	-	-
Exchange Difference (Gain)	-	3,45,892
Insurance Claim Received	36,195	76,796
Miscellaneous Income	6,44,063	4,60,283
Notice Pay Received	34,952	1,06,627
<b>Total</b>	10,57,536	11,23,993
<b>Note 3 : Cost of Materials consumed</b>		
Raw Materials		
Opening stock	1,03,17,871	89,19,765
Purchases during the year	1,63,56,610	2,24,49,777
Closing stock	83,78,842	1,03,17,871
Raw material consumed	1,82,95,639	2,10,51,671
Packing Materials		
Opening stock	1,94,905	1,02,845
Purchases during the year	3,19,725	2,88,785
Closing stock	1,64,296	1,94,905
Packing material consumed	3,50,333	1,96,726
<b>Total</b>	1,86,45,972	2,12,48,397
<b>Note 4 : Purchase of Stock-in-Trade</b>		
Trading goods purchased	-	3,56,536
	-	3,56,536
<b>Note 5 : Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade</b>		
<b>Work-In-Progress</b>		
Opening Stock	30,77,197	45,73,396
Less: Closing Stock	17,20,456	30,77,197
	13,56,741	14,96,199
<b>Finished Goods</b>		
Opening Stock	25,69,570	25,11,205
Less: Closing Stock	20,98,706	25,69,570
	4,70,865	(58,365)
<b>Stock-in-Trade</b>		
Opening Stock	-	33,13,040
Less: Closing Stock	-	-
	-	33,13,040
	18,27,606	47,50,873



## Notes To and Forming Part of the Profit and Loss Accounts

	31-03-2015 Amount	31-03-2014 Amount
<b>Note 6 : Employee Benefit Expense</b>		
Salaries, Wages and Bonus	2,28,85,287	2,19,55,917
Contribution to Provident and other funds	18,17,762	19,48,740
Gratuity Expenses (Refer Note 11.06 )	7,89,377	8,04,490
Workmen and Staff Welfare Expenses	26,59,049	17,21,346
<b>Total</b>	<b>2,81,51,475</b>	<b>2,64,30,493</b>
<b>Note 7 : Financial Expenses</b>		
Interest		
- On Term Loan from NKGSB	49,70,054	62,46,443
- On Bank Cash credit facility	35,48,830	37,49,926
- On Loan from NBFC	6,936	1,07,849
Bank Charges	3,77,675	1,21,394
<b>Total</b>	<b>89,03,495</b>	<b>1,02,25,612</b>
<b>Note 8 : Depreciation and Amortization Expenses</b>		
Depreciation on Tangible Fixed Assets	1,44,78,244	1,64,80,863
Depreciation on Intangible Fixed Assets	1,51,918	38,953
<b>Total</b>	<b>1,46,30,162</b>	<b>1,65,19,816</b>
<b>Note 9 : Manufacturing Expenses</b>		
Consumption of Consumables, Stores and Spares	48,13,567	41,46,043
Labour Charges	1,67,18,082	1,57,95,836
Power and Fuel	2,41,65,502	2,22,72,008
Rates and Taxes	8,08,467	9,84,704
Repairs and Maintenance of Plant and Machinery	42,09,120	25,15,409
<b>Total</b>	<b>5,07,14,739</b>	<b>4,57,14,000</b>
<b>Note 10 : Other Expenses</b>		
Repairs and Maintenance of:		
- Building	97,033	2,06,299
- Others	38,04,362	26,87,142
Insurance	10,54,721	8,84,987
Exchange Difference (Loss)	27,446	-
Printing and Stationery	3,21,058	67,974
Communication Costs	3,48,563	3,51,216
Travelling and Conveyance	24,23,679	26,33,073
Legal and Professional Charges	13,01,005	9,21,559
Rent	1,80,000	1,68,000
Auditors' Remuneration (Refer Note 11 [12.8])	1,19,700	73,034
Freight and Forwarding Charges	13,19,691	14,73,494
Advertisement and Sales Promotion	3,41,739	2,51,684
Commission	-	14,956
Security Charges	19,28,713	20,30,718
Loss on Sale of Asset	-	21,45,768
Preliminary Expenses Written Off	-	60,000
Administration Expenses	24,72,916	6,55,759
<b>Total</b>	<b>1,57,40,625</b>	<b>1,46,25,663</b>



## Notes to the accounts

## Note 11

## 01 Segment Information

## I. Business Segments

The Company is only engaged in the business of manufacturing of Speciality Chemicals, Intermediates & API.  
The Company has discontinued the Trading and Marketing of Nutraceutical (Food & Health Supplementary) Products.

## II. Geographical Segments

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

## Geographical Segments

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

Particulars	March 31, 2015 Amount	March 31, 2014 Amount
<b>Sales Revenue by Geographical Market (including Service Income)</b>		
India	17,52,73,826	12,36,71,327
Outside India	1,50,00,052	1,50,59,598
Total	19,02,73,878	13,87,30,925

Assets and additions to tangible and intangible fixed assets by geographical area: The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located:

Particulars	March 31, 2015 Amount	March 31, 2014 Amount
<b>Carrying amount of Segment Assets and Intangible Assets</b>		
India	14,52,96,372	15,85,76,888
Outside India	-	-
Total	14,52,96,372	15,85,76,888
<b>Additions to Fixed Assets including Capital Work In Progress</b>		
India	19,96,321	32,91,056
Outside India	-	-
Total	19,96,321	32,91,056





## Notes to the accounts

## Note 11

## 02 Related Parties

*Related party disclosures:*

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

## Key Management Personnel

Director	Mr. S. H. Pophale
Director	Mrs.M. S. Pophale
Director	Mr. Len Vaz (upto 30th April 2014)
Director	Mr. Vasant Jagtap (from 1st May 2014)
	Ree Laboratories Pvt Ltd

Enterprises owned or significantly influenced by key management personnel or their relatives

## a) Related party transactions:

Particulars	Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Purchase of goods	-	-	-	-	-	-
Sale of goods	-	-	-	33,80,963	-	33,80,963
Services Provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Loan taken	6,92,56,727	8,57,64,424	-	-	6,92,56,727	8,57,64,424
Dividend paid	-	-	-	-	-	-
Managerial remuneration *	19,85,577	10,10,379	-	-	19,85,577	10,10,379
<b>Closing Outstanding Balances:</b>						
Receivables (Refer Note below)	-	-	-	-	-	-
Payables	6,92,56,727	8,57,64,424	-	-	6,92,56,727	8,57,64,424

\* 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.

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

Particulars	Key Management Personnel	
	March 31, 2015	March 31, 2014
<b>Managerial remuneration:</b>		
Director -Mr.Len Vaz	2,58,445	10,10,379
Director -Mr.Vasant Jagtap	17,27,132	-
<b>Total</b>	<b>19,85,577</b>	<b>10,10,379</b>
<b>Loan taken :</b>		
Director -Mr.S H Pophale	6,92,56,727	8,57,64,424
<b>Total</b>	<b>6,92,56,727</b>	<b>8,57,64,424</b>

Note:

Details of loans given to associates and firms / companies in which directors are interested

The Company has not made any loans and advances in the nature of loan to associates or loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below Section 372A of the Companies Act, 1956.

Further, there are no loans and advances in the nature of loans to firms / companies in which directors are interested.



Notes to the accounts

Note 11

03 Leases

In case of assets taken on lease

*Finance lease:*

Vehicles includes vehicle obtained on finance lease. The lease is for four years after which the legal title would be passed to the lessee. There is no escalation clause in the lease agreement. There is no restrictions imposed by lease arrangements. There are no subleases.

04 Capital Commitments

Estimated amount Of contracts remaining to be executed on capital account and not provided for

March 31, 2015  
Amount

March 31, 2014  
Amount

05 Provisions and Contingencies

There are no contingent liabilities .



## Notes to the accounts

## Note 11

## 06 Gratuity and other post-employment benefit plans

## (i) Defined Benefit Plans –

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

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

	March 31, 2015 Amount	March 31, 2014 Amount
<b>Profit and Loss Account</b>		
<b>Net employee benefit expense (recognized in Employee Cost)</b>		
Current service cost	4,09,436	4,32,170
Interest cost on benefit obligation	1,03,186	1,43,053
Expected Return on plan assets	2,45,989	10,73,560
Net Actuarial (gain)/ loss recognized in the year	1,12,045	5,77,014
Net benefit expense	8,70,656	22,25,797
Actual return on plan assets	(2,45,989)	(10,73,560)
<b>Balance Sheet</b>		
<b>Net liability recognised in the balance sheet</b>		
Defined benefit obligation	15,56,458	12,89,825
Fair value of plan assets	20,00,916	13,81,504
Plan (Liability)	4,44,458	91,679
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligations	12,89,825	17,88,162
Interest cost	1,03,186	1,43,053
Current service cost	4,09,436	4,32,170
Benefits paid	-	-
Actuarial (gain)/Loss on obligations	(2,45,989)	(10,73,560)
Closing defined benefit obligations	15,56,458	12,89,825
<b>Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	13,81,504	13,02,827
Planned assets transferred from Fem Care	-	-
Expected return on plan assets	1,54,588	78,677
Contributions by employer	4,64,824	-
Benefits paid	-	-
Closing fair value of plan assets	20,00,916	13,81,504





## Notes to the accounts

## Note 11

## 07 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, 2015 %	March 31, 2014 %
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	8.00%	8.00%
Expected rate of return on assets	6.04%	6.04%
Withdrawal rate	1.00%	1.00%
Expected rate of Salary increase	5.00%	5.00%
Mortality Pre-retirement	LIC(1994-96) Ultimate	LIC(1994-96) 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.18,17,762/- (Previous Year: Rs.19,48,740/-) is recognized as an expense and included in Note 6 - "Contribution to Provident and other funds" in the Profit and Loss account.

## 08 Derivative Instruments and Un-hedged Foreign Currency Exposure

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

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

Particulars	Currency	March 31, 2015		March 31, 2014	
		Foreign Currency	Amount	Foreign Currency	Amount
Export Debtors	USD	-	-	-	-



## Notes to the accounts

## Note 11

09

Excise duty on sales amounting to Rs.57,22,269/- (Previous Year: Rs.58,86,022/-) has been reduced from sales in Profit & Loss account and has been considered as (income) / expense in Note No 9 & 10 financial statements.

## 10 Earning Per Share (EPS)

Particulars	March 31, 2015 Amount	March 31, 2014 Amount
<b>Basic and Diluted earning per share</b>		
Net Profit attributable to equity shareholders (in Rs.)	5,27,17,341	(16,472)
Weighted average number of equity shares outstanding during the year	4,83,750	4,83,750
Nominal Value of equity shares	100	100
Basic earnings per share (in Rs.)	108.98	(0.03)
Diluted earnings per share (in Rs.)	-	-

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

Particulars	March 31, 2015 Amount	March 31, 2014 Amount
Principal amount outstanding as at March 31, 2015	-	-
Interest due as on March 31, 2015	-	-

The Company is in the process of compiling information necessary for it to ascertain the liability of interest payable to suppliers pursuant to The Micro, Small and Medium Enterprises Development Act, 2006. Management estimates that the amount of interest payable, if any, would not be significant.



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

## 12.1 Licensed capacity, Installed Capacity and Actual Production

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

Particulars	Units	Installed Capacity *		Actual Production	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		Quantity	Quantity	Quantity	Quantity
Chemicals	Tons	70	70	53	52

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

## 12.2 Details of Finished Goods

Opening stocks (including inventory acquired):

Particulars	Units	March 31, 2015		March 31, 2014	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	0.54	25,69,570	0.18	25,11,205
		0.54	25,69,570	0.18	25,11,205

Closing Stocks:

Particulars	Units	March 31, 2015		March 31, 2014	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	1.68	20,98,706	0.54	25,69,570
		1.68	20,98,706	0.54	25,69,570

## 12.3 Sales

Particulars	Units	March 31, 2015		March 31, 2014	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	50.42	4,65,55,377	51.92	5,89,91,725
		50.42	4,65,55,377	51.92	5,89,91,725





## Note 11

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

## 12.4 Consumption of Raw Materials

Particulars	Units	March 31, 2015		March 31, 2014	
		Quantity	Amount	Quantity	Amount
Valeronitrile	Tons	2.87	10,06,250	2.21	7,91,690
Aloe Vera Juice (RM)	Tons	43.75	24,10,187	45.30	24,91,500
Ethyl Acetate	Tons	1.11	74,984	0.07	4,818
Propionitrile	Tons	2.56	9,68,000	1.22	4,89,557
Hexane	Tons	16.25	16,14,625	10.56	11,11,705
Methanol	Tons	14.54	4,75,422	10.57	4,21,864
N-Butanol	Tons	3.96	4,11,645	4.90	5,69,206
Toluene	Tons	3.98	3,30,625	3.03	2,53,298
Tetra Hydrofuran	Tons	6.15	12,41,927	2.82	5,82,931
Thioglycolic Acid	Tons	1.45	4,41,594	0.90	3,45,334
Others		-	93,20,380	-	1,61,24,630
<b>Total</b>			<b>1,82,95,639</b>		<b>2,10,51,671</b>

## 12.5 Value of imports calculated on CIF basis

Particulars	March 31, 2015 Amount	March 31, 2014 Amount
Raw Material	51,98,181	29,99,177
Capital Goods	-	-
<b>Total</b>	<b>51,98,181</b>	<b>29,99,177</b>

## 12.6 Imported and indigenous raw materials consumed

Particulars	March 31, 2015		March 31, 2014	
	Amount	%	Amount	%
a) Imported	53,01,319	28.98	36,03,322	15.85
b) Indigenously obtained	1,29,94,320	71.02	1,74,48,349	84.15
<b>Total</b>	<b>1,82,95,639</b>	<b>100.00</b>	<b>2,10,51,671</b>	<b>100.00</b>



## Notes to the accounts

## Note 11

## 12.7 Directors' Remuneration

## To Executive Directors:

Salaries	18,66,354	8,95,185
Perquisites	-	-
Contribution to Provident and Other funds	1,19,223	1,15,194
Other allowances including Commission	-	-
(includes directors' sitting fees of Nil (Previous Year: Rs. Nil))		

March 31, 2015  
AmountMarch 31, 2014  
Amount

19,85,577

10,10,379

## 12.8 Auditors' Remuneration

Statutory audit fees (Inclusive Service Tax)	85,500	39,326
Tax Audit Fees	17,100	16,854
VAT Audit Fees	17,100	16,854
Out of pocket expenses	-	-

March 31, 2015  
AmountMarch 31, 2014  
Amount

1,19,700

73,034

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

Travelling expenses	-	-
Business Promotion, Exhibition Expenses	-	-
Legal Expenses	-	-

March 31, 2015  
AmountMarch 31, 2014  
Amount

-

-

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

FOB value of exports	1,50,00,052	1,50,59,598
----------------------	-------------	-------------

March 31, 2015  
AmountMarch 31, 2014  
Amount

1,50,00,052

1,50,59,598

## 13 Details of Revenue Expenditure directly related to R&amp;D

Raw material consumed	91,434	30,347
Packing Material	-	-

91,434

30,347

91,434

30,347

## 14 Previous year comparatives

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

As per our report of even date

For S R Rahalkar & Associates  
Chartered Accountants  
Firm Registration No.108283WS. R. Rahalkar  
Partner  
Membership No.014509For and on behalf of the Board of Directors of  
Vadivarhe Speciality Chemicals LimitedSunil H. Pophale  
DirectorMeena S. Pophale  
DirectorPlace : Nashik  
Date : June 30, 2015Place : Nashik  
Date : June 30, 2015