

Vadivarhe Speciality Chemicals Ltd

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Annual Report 2015–2016

C O N T E N T S

Board of Directors, etc

Notice and Explanatory Statements

Directors' Report

Annexure to Directors' Report

Auditor's Report and Annexure to Auditor's Report

Balance Sheet, Profit & Loss Account and Cash Flow Statement

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

Additional Information

Board of Directors

Mr. Sunil H. Pophale	(DIN-00064412)
Mrs. Meena S. Pophale	(DIN-00834085)
Ms. Aditi S. Pophale	(DIN-05193697)
Mr. Sujit S. Bopardikar	(DIN-05181279)
Mr. Abhijit S. Bopardikar	(DIN-02454406)
Ms. Manasi S. Pophale	(DIN-03619552)
Mr. Vasant P Jagtap	(DIN-06904144)

Factory and Registered Office at:

Gat No 204, Vadivarhe,
Nashik-Mumbai Highway,
Tal-Igatpuri
Dist-Nashik 422 403
Phone: 02553 282200
CIN No: U24100MH2009PLC190516
Website: www.vscl.net.in
E-mail : inquiry@vscl.co.in

Bankers

Axis Bank Ltd
Mazda Tower, Trimbak Naka,
GPO Road, Opp. Zilha Parishad,
Nashik 422 001
Tel: 91 - 253-6627497/7422

Auditors

S R Rahalkar & Associates

1, Bhumi Exotica, A Wing,
Near Rathi Amrai, Swami
Vivekanand Road, Off. Gangapur
Road, Nashik - 422 013

Tel: 91 - 253 - 2575093 / 2581597

VADIVARHE SPECIALITY CHEMICALS LIMITED

Gat No.204, Nashik-Mumbai Highway, Wadivarhe,
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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF VADIVARHE SPECIALITY CHEMICALS LIMITED WILL BE HELD ON SUNDAY, 31ST JULY, 2016, AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT GAT NO 204, VADIVARHE, TAL-IGATPURI, DIST-NASHIK 422403, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year 2015 -16 including audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sujit S. Bopardikar, (DIN-05181279) who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Abhijit S. Bopardikar, (DIN-02454406) who retires by rotation and, being eligible, offers herself for re-appointment.
4. To ratify the appointment of, M/s S.R Rahalkar & Associates, Chartered Accountants Nashik, bearing Firm Registration Number 108283W as approved by the Board of Directors, as Statutory Auditors of the Company, to hold office from the conclusion of the ensuing Annual General Meeting, until the conclusion of the Annual General Meeting of the Company to be held for the financial year ending 31st March, 2019 and to fix their remuneration for the said period.

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

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s S.R Rahalkar & Associates, Chartered Accountants bearing Firm Registration Number 108283W as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held for the financial year ending 31st March, 2019, subject to ratification of their appointment at the ensuing AGM, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

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By Order of the Board

Vadivarhe Speciality Chemicals Limited

Director

Name: Sunil Haripant Pophale

DIN: 00064412

Add: Flat no 15, Lalit Building, Wode House Road
Colaba, Mumbai, 400039



Date: 30th June, 2016

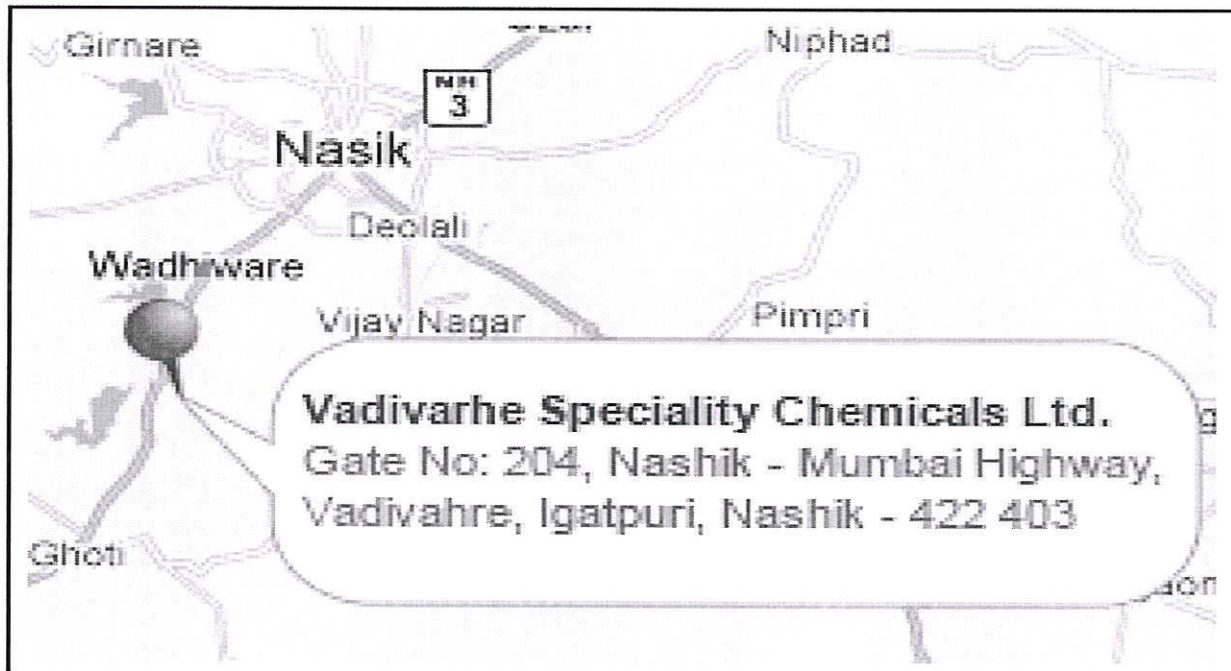
Place: Nashik

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY IN ORDER TO BE EFFECTIVE, FORMS SHOULD BE LODGED WITH COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. Enclosure: Route Map with Landmark



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DIRECTORS REPORT

OF

VADIVARHE SPECIALITY CHEMICALS LIMITED

FOR THE FINANCIAL YEAR 2015-16

NAMES OF PAST AND PRESENT DIRECTORS OF THE COMPANY

WITH DIRECTOR IDENTIFICATION NUMBERS (DIN)¹

- | | |
|------------------------------|----------------|
| 1) Mr. Sunil H. Pophale | (DIN-00064412) |
| 2) Mrs. Meena S. Pophale | (DIN-00834085) |
| 3) Ms. Aditi S. Pophale | (DIN-05193697) |
| 4) Mr. Sujit S. Bopardikar | (DIN-05181279) |
| 5) Mr. Abhijit S. Bopardikar | (DIN-02454406) |
| 6) Ms. Manasi S. Pophale | (DIN-03619552) |
| 7) Mr. Vasant P Jagtap | (DIN-06904144) |

¹ The above disclosure has been given in accordance with Section 158 of Companies Act 2013, and reference of any of the above directors made in this document be read along with the above disclosure of their respective Director Identification Numbers

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DIRECTORS' REPORT

To
The Members,
Vadivarhe Speciality Chemicals Limited

Your Directors have pleasure in presenting the 7th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2016.

1. FINANCIAL STATEMENTS & RESULTS:

a. Financial Results

The Company's performance during the year ended 31st March, 2016 as compared to the previous financial year, is summarized below:

Particulars	For the financial year ended 31 st March, 2016	For the financial year ended 31 st March, 2015
Income	26,42,51,086	19,13,31,414
Less: Expenses	21,50,15,415	13,86,14,073
Profit/ (Loss) before tax	4,92,35,670	5,27,17,341
Less: Provision for tax	1,04,78,840	3380431
Deferred Tax Expense/(Benefits)	63,14,183	0
MAT Credit entitlement	(1,01,13,148)	(3380431)
Income Tax of earlier years w/off	0	0
Exception Income	0	0
Exception expenditure	0	0
Profit after Tax	4,29,21,488	5,27,17,341
<u>APPROPRIATION</u>	0	
Interim Dividend	0	0
Final Dividend	0	0
Tax on distribution of dividend	0	0
Transfer of General Reserve	0	0
Balance carried to Balance sheet	90,81,129	(33840359)

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b. OPERATIONS:

This is the Seventh year of operation and your Company has achieved a net sales of Rs.2671.69 lakh and Profit after tax Rs. 539.43 Lakh, as compared to last FY 2014-15 net sales of Rs.1902.74 Lakh and Profit after tax Rs. 527.17 Lakh.

In last Financial Year 2014-15, The Company has accounted unpayable advance received from Enaltec Labs Pvt Ltd as a Loan License Income as per Loan License Agreement. Hence the last year profit was increased as compare to earlier financial years.

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 the FY 2016-17.

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.

c. DIVIDEND:

With a view to conserve resources, your Directors have thought it prudent not to recommend any dividend for the financial year under review.

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d. **REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

e. **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.

f. **PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an arm's length basis. Further, none of these contracts / arrangements / transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

g. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure I** which forms part of this Report.

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h. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2016 made under the provisions of Section 92(3) of the Act is attached as **Annexure II** which forms part of this Report.

i. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES:

The Company has not made any loans, guarantees and investments covered under section 186 of the Act during the year under review.

j. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

The Company has received good orders in FY 2015-2016 and also having orders in hand for FY 2016-17. Hence, the current year's Turnover and profit has increased in comparison to the earlier financial years.

Company has also switched over its Financial Facility from NKGSB Co-Op Bank to Axis Bank Ltd to reduce Finance Cost. Company has converted its Indian Rupees Term Loan in to Foreign Exchange term Loan with Axis Bank to get the benefits of Lower Interest Rates. By this arrangements, Company has made a major savings in Finance Cost

k. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS -

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

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2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The changes in Directorship of the Company during the year under review are as stated below:

i. Retirement by rotation

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Sujit S Bopardikar, (DIN 05181279) and Mr. Abhijit S Bopardikar, (DIN 02454406) Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their approval.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS:

The Board of Directors met thirteen (13) times during the financial year ended 31st March, 2016 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The details of the same are as mentioned under:-

Sr. No.	Date of meeting	Names of Directors as on the date of meeting	Directors Present	Directors Absent
1	01/04/2015	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
2	14/04/2015	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00

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3	18/04/2015	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
4	18/05/2015	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
5	30/06/2015	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
6	09/09/2015	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
7	10/09/2015	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
8	28/10/2015	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
9	31/12/2015	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar	07	00

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		6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap		
10	29/01/2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
11	23/02/2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
12	23/03/2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00
13	31/03/2016	1.Sunil Haripant Pophale 2.Meena Sunil Pophale 3.Manasi Sunil Pophale 4.Abhijit Shyamsunder Bopardikar 5.Sujit Shyamsunder Bopardikar 6.Aditi Sunil Pophale 7.Vasant Pandit Jagtap	07	00

b. RISK MANAGEMENT POLICY:

The Board of Directors of the Company has not designed any Risk Management Policy. However, the Company has in place mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

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c. CORPORATE SOCIAL RESPONSIBILITY POLICY:

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee consisting of following members:

1. Mr. Sunil Haripant Pophale, Director,
2. Mrs. Meena Sunil Pophale, Director and
3. Mr. Vasant Pandit Jagtap, Director

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee and the Company spent 27,27,137/- towards CSR activities in Financial Year 2015-16. The contents of the CSR policy and initiatives taken by the Company on Corporate Social Responsibility during the year 2015-16 is attached as *Annexure III* to this Report.

The CSR Policy of the Company is available on the Company's web-site and can be accessed in the link www.vscl.co.in

Contents of the CSR policy will be made available shortly on our website at www.vscl.net.in. In accordance with Section 135 of the Companies Act, 2013, your Company has formed a Corporate Social Responsibility (CSR) Committee of the Board of Directors which includes Mr. Vasant P Jagtap, Mr. Sunil H Pophale & Mrs. Meena S Pophale. Mr. Sunil S Pophale is the Chairman of the Committee.

The company has contributed funds for promotions of education and medical aid to the villagers of Wadivarhe Village and also to the poor peoples, Tribal living in remote area of rural part of Nashik.

The Company has initiated activities in accordance with the said Policy, the details of which have been prescribed in *Annexure III*

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4. AUDITORS AND REPORTS

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

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015:

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended 31st March 2016 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.

b. RATIFICATION OF APPOINTMENT OF AUDITORS:

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 and Associates, Chartered Accountants, the Statutory Auditors of the Company have been appointed for a term of five years. However, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

5. OTHER DISCLOSURES

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

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b. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2016, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit/loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

c. 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.

d. 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.

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e. 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.

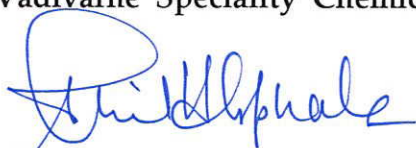
f. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

6. 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

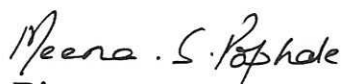


Director

Name: Sunil Haripant Pophale

DIN: 00064412

**Add: Flat No 15, Lalit Bldg, Wode
House Road. Colaba, Mumbai, 400039**



Director

Name: Meena Sunil Pophale

DIN: 00834085

**Add: Flat No.15, 8th Floor, Lalit Building,
Wodehouse Road, Colaba Mumbai 400005**

Date: 30/06/2016

Place: Nashik



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ANNEXURE I

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

(A) Conservation of energy:

Steps taken or impact on conservation of energy	The Company has not spent any substantial amount on Conservation of Energy to be disclosed here. However Energy conservation continues to receive Management's attention.
Steps taken by the company for utilizing alternate sources of energy	
Capital investment on energy conservation equipments	

(B) Technology absorption:

Efforts made towards 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. Efforts were made in developing new products to cater to customer's requirement, especially exports.
Benefits derived like product improvement, cost reduction, product development or import substitution	As a result of sustained efforts, we have entered into prestigious western market. In fact we are also being looked upon as a potential R&D center for their offshore R&D activity.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	Nil
Year of import	Not Applicable
Whether the technology has been fully absorbed	Not Applicable

VADIVARHE SPECIALITY CHEMICALS LIMITED

Gat No.204, Nashik-Mumbai Highway, Wadivarhe,
Tal-Igatpuri, Dist. Nashik - 422403, Maharashtra State
Phone - 02553 282205 Fax - 02553 282239 E-mail accounts@vscl.co.in
CIN : U24100MH2009PLC190516

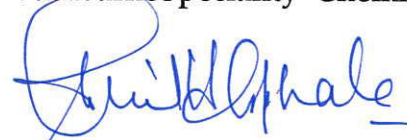
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
Expenditure incurred on Research and Development	Nil

(C) Foreign exchange earnings and Outgo:

	1 st April, 2015 to 31 st March, 2016 [Current F.Y.]	1 st April, 2014 to 31 st March, 2015 [Previous F.Y.]
	Amount in Rs.	Amount in Rs.
Actual Foreign Exchange earnings	8,75,63,466	1,50,00,052
Actual Foreign Exchange outgo	2,74,47,813	51,98,181

For and on behalf of the Board

VadivarheSpeciality Chemicals Limited



Director

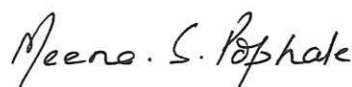
Name: Sunil Haripant Pophale

DIN: 00064412

Add: Flat no 15, Lalit Building,

Wode House Road. Colaba,

Mumbai, 400039



Director

Name: Meena Sunil Pophale

DIN: 00834085

Add: Flat No 15, Lalit Building, Wode

House Road, Colaba, Mumbai, 400039



Date: 30/06/2016

Place: Nashik

VADIVARHE SPECIALITY CHEMICALS LIMITED

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Annexure 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, 2016.

FORM - A

	Unit of measure- ment	Year ended 31st March, 2016	Year ended 31st March, 2015
A) Power and Fuel Consumption			
1. Electricity			
Purchased			
Units	'000 Kwhr.	1681	1522
Total Amount	Rs. 000	131.74	111.18
Rate/Unit	Rs./Kwhr.	7.84	7.30
Self-generated (see note 1 below)			
Units	'000 Kwhr.	9.61	8.26
Total Amount	Rs. 000	148.94	149.22
Rate/Unit	Rs./Kwhr.	15.50	18.06
2. Diesel *			
Quantity	KL	286.88	238.47
Total Amount	Rs. 000	151.66	125.97
Average Rate	Rs./Ltr.	52.87	52.82
* Used for both D G Set and Boiler			
B) Consumption per unit of Production *			
Electricity	Kwhr./Kg.	20.59	29.9
Diesel	Ltrs./Kg.	3.51	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.

For and on behalf of the Board

Vadivarhe Speciality Chemicals Limited

Director

Name: Sunil Haripant Pophale

DIN: 00064412

Add: Flat No 15, Lalit Building, Wode House Road,
Colaba, Mumbai, 400039

Meena S. Pophale

Director

Name: Meena Sunil Pophale

DIN: 00834085

Add: Flat No 15, Lalit Building, Wode House Road,
Colaba, Mumbai, 400039,

Date: 30/06/2016

Place: Nashik



VADIVARHE SPECIALITY CHEMICALS LIMITED

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Annexure II

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	23/02/2009
iii	Name of the Company	Vadivarhe Speciality Chemicals Limited
iv	Category of the Company	Public Company Limited by Shares
v	Address of the Registered office & contact details	
	Address :	Gat No. 204, Wadivarhe, Tal-Igatpuri, Dist-Nashik
	Town / City :	Nashik - 422403
	State :	Maharashtra
	Country Name :	India
	Telephone (with STD Code) :	02553 282200
	Fax Number :	02553 282239
	Email Address :	accounts@vscl.co.in
	Website, if any:	www.vscl.net.in
vi	Whether listed company	No
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	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)	21009	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled	0
--	---

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

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	
A. Promoter s									
(1) Indian									
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
(2) Foreign									
a) NRI - Individual/	0	0	0	0	0	0	0	0	0
b) Other -	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
Total shareholding of Promoter (A)	483750	0	483750	100%	483750	0	483750	100%	0%
B. Public Shareholding									
1. Institutions									
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	0	0	0	0	0	0	0	0	0
f) Insurance	0	0	0	0	0	0	0	0	0
g) FIs	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
Sub-total (B)(1):-	0	0	0	0%	0	0	0	0%	0%
2. Non-Institutions									
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
Sub-total (B)(2):-	0	0	0	0%	0	0	0	0%	0%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0%	0	0	0	0%	0%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0%	0	0	0	0%	0%
Grand Total (A+B+C)	483750	0	483750	100%	483750	0	483750	100%	0%

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	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Sunil H Pophale	482625	99.77%	0%	422625	87.36%	0%	-12.40%
2	Mrs. Meena S Pophale	215	0.04%	0%	215	0.04%	0%	0.00%
3	Ms. Manasi S Pophale	10	0.00%	0%	10	0.00%	0%	0.00%
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%
8	Ms. Aditi Sunil Pophale	0	0.00%	0%	60000	12.40%	0%	12.40%
TOTAL		483750	100.00%	0.00%	483750	100.00%	0.00%	0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Sunil H Pophale						
	At the beginning of the year			482,625	99.77%	482,625	99.77%
	Changes during the year	18.05.2015	Transfer	60,000	12.40%	422,625	87.36%
	At the end of the year			422,625	87.36%	422,625	87.36%
2	Mrs. Meena S Pophale						
	At the beginning of the year			215	0.04%	215	0.04%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			215	0.04%	215	0.04%
3	Ms. Manasi S Pophale						
	At the beginning of the year			10	0.00%	- 10	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			10	0.00%	- 10	0.00%
4	Mr. Sujit S Bopardikar						
	At the beginning of the year			225	0.05%	225	0.05%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			225	0.05%	225	0.05%
5	Mrs. Vijaya S Bopardikar						
	At the beginning of the year			225	0.05%	225	0.05%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			225	0.05%	225	0.05%
6	Mr. Abhijit S Bopardikar						
	At the beginning of the year			225	0.05%	225	0.05%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			225	0.05%	225	0.05%
7	Mrs. Saloni A Bopardikar						
	At the beginning of the year			225	0.05%	225	0.05%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			225	0.05%	225	0.05%
8	Ms. Aditi Sunil Pophale						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	18.05.2015	Transfer	60,000	12.40%	60,000	12.40%
	At the end of the year			60,000	12.40%	60,000	12.40%

iv **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**
(There are no shareholders other than Directors or Promoters)

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning	-	-	-	0.00%	-	0.00%
	Changes during	-	-	-	0.00%	-	0.00%
	At the end of the	-	-	-	0.00%	-	0.00%

v **Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Sunil H Pophale						
	At the beginning of the year			482,625	99.77%	482,625	99.77%
	Changes during the year	18.05.2015	Transfer	60,000	12.40%	422,625	87.36%
	At the end of the year			422,625	87.36%	422,625	87.36%
2	Mrs. Meena S Pophale						
	At the beginning of the year			215	0.04%	215	0.04%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			215	0.04%	215	0.04%
3	Ms. Manasi S Pophale						
	At the beginning of the year			10	0.00%	- 10	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			10	0.00%	- 10	0.00%
4	Mr. Sujit S Bopardikar						
	At the beginning of the year			225	0.05%	225	0.05%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			225	0.05%	225	0.05%
5	Mr. Abhijit S Bopardikar						
	At the beginning of the year			225	0.05%	225	0.05%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			225	0.05%	225	0.05%
6	Ms. Aditi Sunil Pophale						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	18.05.2015	Transfer	60,000	12.40%	60,000	12.40%
	At the end of the year			60,000	12.40%	60,000	12.40%
7	Mr. Vasant Pandit Jagtap						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

V INDEBTEDNESS

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

(Amount in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	594.37	692.57	-	1,286.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	594.37	692.57	-	1,286.94
Change in Indebtedness during the financial year				
* Addition	868.18	-	-	868.18
* Reduction	(594.37)	(495.76)	-	(1,090.13)
Net Change	273.81	(495.76)	-	(221.95)
Indebtedness at the end of the financial year				
i) Principal Amount	868.18	196.81	-	1,064.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	868.18	196.81	-	1,064.99

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
		Meena S Pophale	Vasant P Jagtap	
	Designation	Director	Director	
1	Gross salary	6.00	20.94	26.94
	(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)	6.00	20.94	26.94
	Ceiling as per the Act	Rs. 62 Lakhs (being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)		

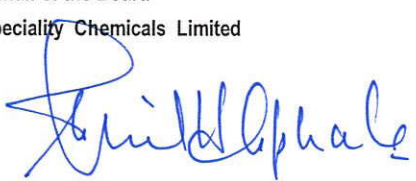
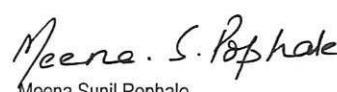
B. Remuneration to other directors: N A

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		A	B	
1	Independent Directors			
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	-	-	-
2	Other Non-Executive Directors			
	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/WTD - N. A

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		CEO/CFO/CS	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]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
For and on behalf of the Board Vadivarhe Speciality Chemicals Limited <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 20px;"> <div style="width: 45%;">  Director Name: Sunil Haripant Pophale DIN: 00064412 Add: Flat No 15, Lalit Building, Wode House Road. Colaba, Mumbai, 400039 </div> <div style="width: 45%;">  Director Name: Meena Sunil Pophale DIN: 00834085 Add: Flat No 15, Lalit Building, Wode House Road. Colaba, Mumbai, 400039 </div> </div>					

Date: 30/06/2016

Place Nashik


VADIVARHE SPECIALITY CHEMICALS LIMITED

Gat No.204, Nashik-Mumbai Highway, Wadivarhe,
Tal-Igatpuri, Dist. Nashik - 422403, Maharashtra State
Phone - 02553 282205 Fax - 02553 282239 E-mail accounts@vscl.co.in
CIN : U24100MH2009PLC190516

Annexure III to the Boards Reports

Annual Report on Corporate Social Responsibility (CSR) Activities:

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs:-

Policy Statement

For Vadivarhe Speciality Chemicals Limited (VSCL), the Corporate Social Responsibility (CSR) is a planned set of activities taking into consideration the Company's capabilities, expectations of the communities living in and around the areas of its operation as well as overall Country, targeted to have a significant positive impact in the long term. The aim is to play a catalytic role in the sustainable socio-economic development in the regions where the industry is located or where its interests lie, attempting to create an enabling working environment for VSCL.

Organization Setup

VSCL has setup a Corporate Social Responsibility (CSR) committee of 3 Directors. The CSR Committee finalized the projects regarding expenditure to be incurred on CSR activities. Committee to guide and monitor the CSR Activities and the progress of the project.

Geographical area of CSR Activities

VSCL has decided to take the CSR Activities around VSCL Factory Units; within a radius of 35 to 40 Km. The Company has also decided to take any good projects if approached to VSCL under CSR Activities which can be taken place in any part of India.

Implementation of CSR Activities

VSCL has decided that the implementation of the CSR Activities is to be taken place by VSCL's Employees, which will create a good relation of VSCL employees with nearby villagers. It is also easy to closely monitor and better implementation of CSR Activities.

Identification of CSR Activities

VSCL has decided to undertake the CSR Activities to promote Education, Environmental Sustainability, Nature Conservation and Animal Welfare, Health Assistant to Rural and Local Tribal Ares.

The CSR Policy and Activities to be made available by the Company on the Companies website www.vscl.net.in shortly

2. The composition of the CSR Committee –

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee consisting of following members:

1. Mr. Sunil Haripant Pophale, Director,
2. Mrs. Meena Sunil Pophale, Director and
3. Mr. Vasant Pandit Jagtap, Director

3. Average Net Profit of the Company for last three financial years -

Sr. No.	Particular	Amount
1	Net profit for the year ended 31 st March 2015	5,27,17,341
2	Net profit for the year ended 31 st March 2014	(16,472)
3	Net profit for the year ended 31 st March 2013	(4,93,12,330)
*	Total of average profits of preceding three financial years	33,88,539
*	Average Net Profit for the preceding three financial years	11,29,513

4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above) – Rs. 22,590.26

5. Details of CSR spent during the financial year:-

(a) Total amount to be spent for the financial year – **Rs. 22,590.26/-**

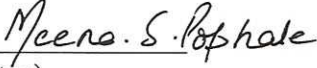
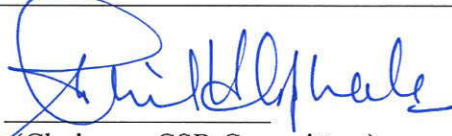
(b) Amount unspent if any – **Nil**

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

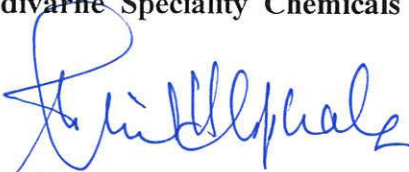
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Class Room Construction Madhyamik Vidhyalay, Wadivarhe	Promoting Rural Education	Local Area-Vadivarhe, District-Nasik, State-Maharashtra	1,00,000	1,00,000	1,00,000	Spent Directly
2	Development of Infrastructure facilities for providing of education to Maharishi Markandeshwar University Trust	Promoting Education	Local Area-Vadivarhe, District-Nasik, State-Maharashtra	24,00,000	24,00,000	24,00,000	Spent Directly
3	Repair and Painting of School	Promoting Rural Education	Local Area-Vadivarhe, District-Nasik, State-Maharashtra	3,00,000	2,27,137	2,27,137	Spent Directly
	Total			28,00,000	27,27,137	27,27,137	

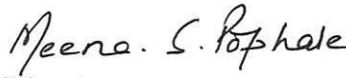
The Company is also doing plantation at nearby factory road and providing and helping healthy atmosphere to nearby area, also taking responsibility of watering the plants outside factory area.

6. We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

 (Director) (Mrs. Meena Sunil Pophale)	 (Chairman CSR Committee) (Mr. Sunil Haripant Pophale)
---	--

For and on behalf of the Board
Vadivarhe Speciality Chemicals Limited


Director
Name: Sunil Haripant Pophale
DIN: 00064412
Add: Flat No 15, Lalit Bldg, Wode
House Road. Colaba, Mumbai, 400039


Director
Name: Meena Sunil Pophale
DIN: 00834085
Add: Flat No.15, 8th Floor, Lalit Building,
Wodehouse Road, Colaba Mumbai 400005

Date: 30/06/2016

Place: Nashik



S. R. RAHALKAR AND ASSOCIATES

CHARTERED ACCOUNTANTS

Flat No. 1, "A" Wing, Bhumi Exotica Appt., Near Rathi Amrai, Near Chopda Lawns, Swami Vivekanand Road,

Off Gangapur Road, Nashik - 422013. • Ph.: 2575093, 2581597, E-mail : srr.assoc@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of 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** ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and 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 and presentation of these 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 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.

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3] Auditor's Responsibility

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

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.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

S. R. RAHALKAR AND ASSOCIATES

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4] Opinion

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 Companies 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 31st, March 2016 &
- (b) In the case of the statement of Profit & Loss, of the **Profit** for the year ended on that date.
- (c) In case of the cash flow statements, the cash flows for the year ended on that date.

5] Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.

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 cash flow statement 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 7 of the Companies (Accounts) Rules, 2014;

S. R. RAHALKAR AND ASSOCIATES

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(e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) 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 information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Nasik

Date: 30/06/2016



For S.R.RAHALKAR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.108283W


S.R.RAHALKAR
Partner

Membership Number 014509

S. R. RAHALKAR AND ASSOCIATES

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VADIVARHE SPECIALITY CHEMICALS LIMITED

Annexure A to the Auditors' Report

The Annexure referred to paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report to the members of **VADIVARHE SPECIALITY CHEMICALS LIMITED** 'the Company') for the year Ended on 31/03/2016. We report that:

- (i) (a) The company has maintained 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. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
[c] According to the information and explanation given to us the title deeds of immovable properties are held in the name of the company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management and according to the information and explanation given to us no material discrepancies were noticed.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) (a), (b) and (c) are not applicable to the company.
- (iv) In our opinion and as per the information and explanation given to us, in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) In our opinion and according 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. Accordingly paragraph 3 (v) of the Order is not applicable to the unit.
- (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. Accordingly Paragraph 3(vi) of the order is not applicable.

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- (vii) (a) According to the information and explanation given to us and on the basis of the our examination , the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-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 deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or debenture holder as at the Balance sheet date. Accordingly paragraph 3 (viii) of the order is not applicable.
- (ix) According to the information and explanation given to us, the company has not raised money by way of initial public offer or further public offer including debt instruments) and the term loans were applied for the purposes for which they were raised. Accordingly, paragraph 3(ix) of the order is not applicable.
- (x) According to the information and explanation given to us, no fraud of material significance by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanation given to us, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion, and according to the information and explanation given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been

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disclosed in the Financial Statements etc. as required by the applicable accounting standards.


- (xiv) According to the information and explanation given to us and on the basis of explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable at unit level.
- (xv) In our opinion and according to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly paragraph 3(xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly paragraph 3(xvi) of the order is not applicable.

Place: Nasik

Date: 30/06/2016



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


S. R. RAHALKAR.
PARTNER
Membership Number 014509

S. R. RAHALKAR AND ASSOCIATES

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Annexure - B to the Auditors' Report

Refer to Para 5 (2)(f) of the Independent Auditor's Report of the even date to the members of Vadivarhe Speciality Chemicals Limited on financial statements for the year ended 31st March 2016

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 **Vadivarhe Speciality Chemicals Limited** as of 31 March 2016 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.

S. R. RAHALKAR AND ASSOCIATES

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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.

S. R. RAHALKAR AND ASSOCIATES

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Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016 , based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 30/06/2016
Place: Nashik



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


S.R. Rahalkar
Partner
Membership Number 14509

REG. VADIVARHE SPECIALITY CHEMICALS LIMITED

NOTES FORMING PART OF ACCOUNTS AS AT 31st MARCH 2016

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 1st April 2014, the company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act 1956.

(6) INVENTORIES:

- a) 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. The break-up of deferred tax assets and liabilities into major components at the year end of 31/3/2016 is as below:

Particulars	Liabilities	Liabilities
	As on 31/3/16	As on 31/03/15
Depreciation	13789813/-	13566738-
Particulars	Assets	Assets
	As on 31/3/16	As on 31/03/14
Loss	5938417/-	12319309/-
Leave Encashment	166938/-	118349/-
Bonus	456438/-	307490/-
LTA	284944/-	292550/-
Gratuity /PF	628893/-	529040/-
TOTAL	7475630/-	13566738/-
Net Deferred Tax Liability	6314183/-	NIL

6. Security for Secured Loans:

Company has switch over its Financial Facilities from NKGSB Co-op Bank Ltd to Axis Bank Ltd, Nashik Branch. Axis Bank Ltd has taken over overall financial facilities provided by NKGSB Co-op Bank Ltd to the Vadivarhe Speciality Chemicals Ltd.

Cash Credit Account with Axis 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 of LC and Bank Guarantee.

Term Loan Account with Axis Bank Ltd.

borrowed during the year and which has been secured by –

Collateral Security- Exclusive first hypothecation charge on entire movable fixed assets of the Company (present and future)
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.)
Salary to Directors	Mrs Meena Pophale	6,00,000/-
Salary to Directors	Mr Vasant Jagtap	20,94,075/-

10. Auditors Remuneration:-

	<u>Current Year</u>	<u>Previous Year</u>
	Financial Year	Financial Year
	15-16	14-15
Statutory Audit Fees	92,000	85,500
Tax Audit Fees	23,000	17,100
M-VAT Audit Fees	23,000	17,100
	-----	-----
Total	1,38,000	1,19,700

11. Foreign Exchange Transactions:

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

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 given to customer Enaltec Labs private Limited of Rs 4,00,00,099/-.

14. Change in the shareholding:

Mr. Sunil Pophale transferred 60,000 shares of Rs 100 each (12.4% shareholding) to Aditi Pophale on 18 May 2015.

15. Creditors includes codexis of Rs 18,72,000/- for the supply of the goods. The balance is outstanding for more than three years. The payment is withheld on account of certain issues arising of the supply and use of the material.

16. Advances from Customer: The advance from customer includes a party Emmellen Biotech of Rs 3,52,595/- which is pending for more than three years.

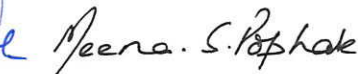
17. Creditors for capital good include a party Pharma Air control engineers of Rs 4,58,890/- which is pending since 2012.

18. 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

Membership Number 014509

Address: Telli Lane, Raviwar Peth,
Nashik 422 001.

Place: Nashik
Date: 30/06/2016



Balance Sheet as at 31st March, 2016

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 16	As at 31st March 15
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A.	48,375,000	48,375,000
(b) Reserves and Surplus	B.	126,206,129	83,284,641
(2) Non-Current Liabilities			
(a) Long-term borrowings	C.	54,316,847	83,913,970
(b) Deferred tax liabilities (Net)	D.	6,314,183	-
(c) Other Long term Liabilities	E.	2,575,124	2,461,724
(d) Long Term Provisions	F.	2,682,433	873,904
(3) Current Liabilities			
(a) Short-term borrowings	G.	52,181,564	44,779,510
(b) Trade payables	H.	19,844,652	2,775,426
(c) Other current liabilities	I.	3,073,975	3,665,219
(d) Short-term provisions	J.	16,524,845	9,779,882
Total		332,094,752	279,909,276
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	K.	138,484,986	145,296,372
(ii) Intangible assets	L.	1,134,511	1,174,875
(iii) Capital work-in-progress	M.	-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	N.	510,000	510,000
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets	O.	15,248,490	8,550,181
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	P.	24,228,597	12,362,299
(c) Trade receivables	Q.	84,643,422	37,030,283
(d) Cash and cash equivalents	R.	4,759,076	13,668,795
(e) Short-term loans and advances	S.	49,873,794	44,964,949
(f) Other current assets	T.	13,211,875	16,351,522
Total		332,094,752	279,909,276

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

S. R. Rahalkar
Partner
Membership No.014509

Place : Nashik
Date : June 30, 2016



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

Sunil H. Pophale
Director

Place : Nashik
Date : June 30, 2016

Meena S. Pophale

Meena S. Pophale
Director



Profit and Loss statement for the year ended 31st March, 2016

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 16	As at 31st March 15
I. Revenue from operations	1	262,826,605	190,273,878
II. Other Income	2	1,424,481	1,057,536
III. Total Revenue (I + II)		264,251,086	191,331,414
IV. Expenses:			
Cost of materials consumed	3	81,273,894	18,645,972
Purchase of Stock-in-Trade	4	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	5	(5,646,638)	1,827,606
Employee benefit expense	6	32,176,713	28,151,475
Financial costs	7	12,094,462	8,903,495
Depreciation and amortization expense	8	13,647,308	14,630,162
Manufacturing Expenses	9	61,106,032	50,714,739
Other expenses	10	19,997,952	15,740,625
IV. Total Expenses		214,649,723	138,614,073
V. Profit before exceptional and extraordinary items and tax	(III - IV)	49,601,362	52,717,341
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		49,601,362	52,717,341
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		49,601,362	52,717,341
X. Tax expense:			
(1) Current tax		10,478,840	3,380,431
(2) Deferred tax		6,314,183	-
(3) MAT Credit entitlement		(10,113,148)	(3,380,431)
XI. Profit/(Loss) for the period (IX - X)		42,921,488	52,717,341
No. of Shares Outstanding at the end of the period		483,750	483,750
XII. Earning per equity share:			
(1) Basic		89	109
(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

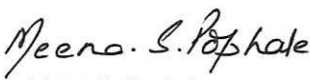
Place : Nashik
Date : June 30, 2016



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


Sunil H. Pophale
Director

Place : Nashik
Date : June 30, 2016


Meena S. Pophale
Director



Cash Flow statement for the year ended 31st March, 2016

	Rupees	
Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Cash flows from operating activities		
Profit before taxation	49,601,362	52,717,341
Adjustments for:		
Depreciation	13,647,308	14,630,162
Dividend Income	(60,000)	(60,000)
Interest Received	(476,393)	(282,326)
Interest expense	9,253,060	8,525,820
(Profit) / Loss on the sale of property, plant & equipment	50,393	-
Operating Profits before Working Capital Changes	72,015,730	75,530,996
Working capital changes:		
(Increase) / Decrease in trade receivables	(47,613,139)	14,264,010
(Increase) / Decrease in inventories	(11,866,298)	3,797,243
(Increase) / Decrease in Other receivables	(8,467,507)	36,566
Increase / (Decrease) in trade payables	17,069,226	(4,109,620)
Increase / (Decrease) in other payables	8,075,648	(40,659,024)
Cash generated from operations	29,213,660	48,860,173
Income taxes paid(Deferred tax liability written off)	(365,692)	-
Net cash from operating activities (A)	28,847,968	48,860,173
Cash flows from investing activities		
Purchase of Fixed Assets	(6,869,421)	(1,996,321)
Proceeds from sale of equipment	23,470	-
Dividend income	60,000	60,000
Interest Received	476,393	282,326
Net cash used in investing activities(B)	(6,309,558)	(1,653,995)
TOTAL (A+B)	22,538,409	47,206,178
Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Payment of Term loan	24,498,331	(12,176,529)
Payment of cash credit facility	2,882,480	709,822
Interest on Loan	(9,253,060)	(8,525,820)
Payment of unsecured loan	(49,575,880)	(16,507,697)
Net cash used in financing activities [C]	(31,448,129)	(36,500,224)
Net increase in cash and cash equivalents (A+B+C)	(8,909,720)	10,705,954
Cash and cash equivalents at beginning of period	13,668,795	2,962,841
Cash and cash equivalents at end of period	4,759,076	13,668,795
Components of Cash and cash equivalents		
Cash in hand	708,698	828,447
Balances with Scheduled banks :		
in current accounts	2,057,378	10,705,348
in deposits accounts	1,993,000	2,135,000
Cash and cash equivalents in Cash Flow Statement	4,759,076	13,668,795

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, 2016

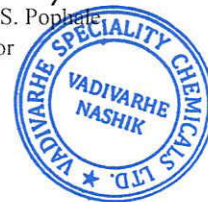


For and on behalf of the Board of Directors of
Vadivarhe Speciality Chemicals Limited

Suhil H. Pophale
Director

Place : Nashik
Date : June 30, 2016

Meena S. Pophale
Director



	March 31,2016 Amount	March 31,2015 Amount
Note A : Share Capital		
Authorised:		
5,00,000 (Previous Year: 5,00,000) Equity Shares of Rs. 100 each	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid-up:		
4,83,750 (Previous Year: 4,83,750) Equity Shares of Rs.100 each fully paid-up	<u>48,375,000</u>	<u>48,375,000</u>
Total	<u>48,375,000</u>	<u>48,375,000</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	87.36	422,625	99.77	482,625
Ms. Aditi S Pophale	12.4	60,000	-	-
TOTAL		482,625		482,625

Note B : Reserves and Surplus

Securities Premium Account	117,125,000	117,125,000
Surplus / (Loss) in the statement of Profit & Loss		
Balance as per last account	(33,840,359)	(86,337,841)
Profit / (Loss) of the current year	42,921,488	52,717,341
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	-	(187,156)
Total	<u>9,081,129</u>	<u>(33,840,359)</u>
Total	<u>126,206,129</u>	<u>83,284,641</u>

Notes To and Forming Part of the Balance Sheet

Note C: Long-term borrowings

(a) Secured Loan

1) Term Loans

From NKGSB Co-Op Bank Ltd

-

14,657,243

(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)

(Above term loan settled on 21/10/2015 Balance Sheet date 31/03/2016)

From Axis Bank Ltd

4,236,000

(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)

(Above term loan will be settled as on 01/06/2017 Balance Sheet date 31/03/2018)

Number of Installment due 15, Amount of Installment Rs.1,99,15,829/-,

Above term loan is FCTL in USD, outstanding as on 31/03/2016 USD 300394.26 and applicable rate of Interest is LIBOR + 425 BPS)

From Axis Bank Ltd

30,400,000

(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)

(Above term loan will be settled as on 01/11/2020 Balance Sheet date 31/03/2021)

Number of Installment due 56, Amount of Installment Rs.3,55,41,355/-,

Above term loan is FCTL in USD, outstanding as on 31/03/2016 USD 537040.72 and applicable rate of Interest is LIBOR + 425 BPS)

(b) Unsecured Loans

Loan from Promotor Director Mr.Sunil H Pophale

19,680,847

69,256,727

54,316,84783,913,970

Note D : Deferred Tax Liability (Net)

Deferred Tax Liability

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

(13,789,813)(13,566,738)

Gross Deferred Tax Liability

(13,789,813)(13,566,738)

Deferred Tax Assets

Carry Forward Loss and depreciation *

5,938,417

(14,814,166)

Provision for Bonus

456,438

307,490

Provision for Leave Encashment

166,938

118,349

Others

913,837

821,590

Gross Deferred Tax Assets

7,475,630(13,566,738)

Net Deferred tax liability

(6,314,183)-

Note E: Other Long term Liabilities

Creditors for Supplies

1,985,400

1,872,000

Creditors for Capital Goods

589,724

589,724

2,575,1242,461,724

Note F: Long Term Provisions

Provision for Employees Benefit

Provision for Gratuity

2,303,751

612,763

Provision for Leave Encashment

378,682

261,141

2,682,433873,904

Notes To and Forming Part of the Balance Sheet

	March 31,2016 Amount	March 31,2015 Amount
Note G: Short-term borrowings		
Secured Loan		
1) Cash Credit Facility		
From NKGSB Co-Op Bank Ltd	-	28,477,900
(Secured by an exclusive charge by way of hypothecation of Stock & Book Debts)		
From Axis Bank Ltd	31,360,380	
(Secured by an exclusive charge by way of hypothecation of Stock & Book Debts)		
2) Term Loans		
From NKGSB Co-Op Bank Ltd	-	16,301,610
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
From Axis Bank Ltd	15,679,829	-
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
From Axis Bank Ltd	5,141,355	-
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
	<u>52,181,564</u>	<u>44,779,510</u>
Note H: Trade Payable		
Creditors for Supplies	15,762,531	722,595
Creditors for Services	4,082,122	2,052,831
	<u>19,844,652</u>	<u>2,775,426</u>
Note I: Other Current Liabilities		
Advance from Customers	352,595	352,595
Retention Amount Payable	40,900	40,900
Creditors for Expenses	2,537,283	3,228,090
Creditors for Capital Goods	143,197	43,634
	<u>3,073,975</u>	<u>3,665,219</u>
Note J: Short Term Provisions		
Provision for Employees Benefit		
Provision for L.T.A.	861,820	860,694
Provision for Bonus	1,380,509	904,647
Provision for Gratuity	(401,645)	943,695
Provision for Leave Encashment	126,227	87,047
Salary and Other Payables	1,841,393	1,590,458
Statutory Liabilities	736,697	143,160
Provision for Income Tax (Including Interest on Income Tax)	10,478,840	3,380,431
Provision for Expenses	1,392,780	304,907
Others	108,224	1,564,843
	<u>16,524,845</u>	<u>9,779,882</u>

Notes To and Forming Part of the Balance Sheet

Notes K, L, & M : Fixed Assets

Amount

Description	Gross block				Depreciation / Amortization				Net block	
	As at April 1, 2015	Additions	Deletions / Adjustments	As at March 31, 2016	As at April 1, 2015	For the Year	Deletions / Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Note K :Tangible Assets										
Freehold land	4,472,000	-	-	4,472,000	-	-	-	-	4,472,000	4,472,000
Buildings	64,181,068	250,000	-	64,431,068	11,642,720	2,037,657	-	13,680,377	50,750,691	52,538,348
Air Conditioners	172,737	11,305	-	184,042	164,099	1,765	-	165,864	18,178	8,638
Office Equipments	4,128,088	189,235	41,840	4,275,483	2,085,063	1,040,447	39,748	3,085,762	1,189,721	2,043,025
Plant and machinery	81,089,561	2,325,275	-	83,414,836	29,624,180	5,827,591	-	35,451,771	47,963,065	51,465,381
R & D Equipments	536,203	-	-	536,203	196,909	19,855	-	216,764	319,439	339,294
Q.C. Equipments	15,980,294	1,960,142	-	17,940,436	5,030,698	702,754	-	5,733,452	12,206,984	10,949,596
ETP	1,680,785	836,998	-	2,517,783	531,101	79,134	-	610,235	1,907,548	1,149,684
Utility	19,232,019	1,038,087	-	20,270,106	7,823,707	1,322,628	-	9,146,335	11,123,771	11,408,312
Electrical installation	12,346,132	-	112,480	12,233,652	5,014,027	1,515,069	40,710	6,488,386	5,745,266	7,332,105
Computers	2,120,020	54,899	-	2,174,919	1,652,627	178,563	-	1,831,190	343,729	467,393
Furniture and fixtures	2,211,969	-	-	2,211,969	673,227	246,539	-	919,766	1,292,203	1,538,742
Vehicles	3,066,765	-	-	3,066,765	1,482,911	431,462	-	1,914,373	1,152,392	1,583,854
Total	211,217,641	6,665,941	154,320	217,729,262	65,921,269	13,403,464	80,458	79,244,276	138,484,986	145,296,372
Note L :Intangible Assets										
Computer Softwares	2,134,879	203,480	-	2,338,359	1,444,229	243,844	-	1,688,073	650,286	690,650
ERP Software	588,000	-	-	588,000	103,775	-	-	103,775	484,225	484,225
Total	2,722,879	203,480	-	2,926,359	1,548,004	243,844	-	1,791,848	1,134,511	1,174,875
Note M :Capital Work-in-Progress										
Capital Advances	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	213,940,520	6,869,421	154,320	220,655,621	67,469,273	13,647,308	80,458	81,036,124	139,619,497	146,471,247
Previous year	212,190,418	1,996,321	246,219	213,940,520	52,865,473	14,630,192	26,361	67,469,273	146,471,247	159,324,945

Notes To and Forming Part of the Balance Sheet

	March 31,2016 Amount	March 31,2015 Amount
Note N: Non-Current Investments		
Investments in Govt Securities		
6 years National Saving Certificate VIII issue	10,000	10,000
Investment in equity instruments (unquoted)		
Equity Shares of NKGSB Co-Op Bank Ltd	500,000	500,000
(of the above 50,000 Equity Shares of NKGSB Co-op Bank Ltd bearing Face Value of Rs.10/- each)		
	<u>510,000</u>	<u>510,000</u>
Note O: Other non-current assets		
Interest accrued but not received on NSC, FD and Others	60,813	11,009
VAT Credit (Input) Receivable	-	3,650,443
MAT credit FY 2014-15	3,380,431	3,380,431
MAT credit FY 2015-16	10,113,148	-
Deposits - Others	1,694,098	1,508,298
	<u>15,248,490</u>	<u>8,550,181</u>
Note P : Inventories (at lower of cost and net realisable value)		
Raw Materials	14,594,178	8,378,842
Packing Materials	168,620	164,296
Works In Progress	7,343,889	1,720,456
Finished Goods	2,121,911	2,098,706
Total	<u>24,228,597</u>	<u>12,362,299</u>
Note Q : Trade receivables		
Debts outstanding for a period exceeding six months -		
Considered good	656,009	1,156,009
Considered doubtful	-	-
Other debts		
Considered good	83,987,413	35,874,274
Considered doubtful	-	-
	<u>84,643,422</u>	<u>37,030,283</u>
Less: Provision for doubtful debts	-	-
Total	<u>84,643,422</u>	<u>37,030,283</u>
Note R : Cash and cash equivalents		
Cash on hand	708,698	828,447
Balances with Scheduled banks :		
in current accounts	2,057,378	10,705,348
in deposits accounts	1,993,000	2,135,000
Total	<u>4,759,076</u>	<u>13,668,795</u>

Vadivarhe Speciality Chemicals Limited**Notes To and Forming Part of the Balance Sheet**

	March 31,2016	March 31,2015
	Amount	Amount
Note S : Short-term loans and advances		
(Unsecured, Considered good unless otherwise stated)		
Advances recoverable in cash or in kind for value to be received		
Advance to Suppliers	43,731,238	42,038,718
Loans and Advances to Staff	170,486	267,299
(Secured to the extent of Rs. Nil (Previous Year: Rs. Nil)		
VAT Credit (Input) Receivable	5,972,071	2,658,932
Total	49,873,794	44,964,949
NoteT : Other Current Assets		
Balances with Customs, Port Trust, Excise etc.	7,068,069	11,693,738
Prepaid Expenses	993,943	676,188
Tax Deducted at Source	3,131,647	2,017,994
Insurance Claim Receivable	2,018,216	1,963,602
Total	13,211,875	16,351,522

Notes To and Forming Part of the Profit and Loss Accounts

	March 31,2016 Amount	March 31,2015 Amount
Note 1 : Revenue from operations		
Sales of Goods (Gross)	146,114,136	52,277,646
Less - Excise Duty	16,383,190	5,722,269
	129,730,946	46,555,377
Service Income	133,095,659	143,718,501
	262,826,605	190,273,878
Note 2 : Other income		
Interest on		
- NSC, FD and Others	476,393	110,447
- Income Tax, Sales Tax and Others	-	171,879
Dividend Received	60,000	60,000
Discount Received	-	-
Exchange Difference (Gain)	829,636	-
Insurance Claim Received	5,771	36,195
Miscellaneous Income	25,792	644,063
Notice Pay Received	26,889	34,952
Total	1,424,481	1,057,536
Note 3 : Cost of Materials consumed		
Raw Materials		
Opening stock	8,378,842	10,317,871
Purchases during the year	86,259,835	16,356,610
Closing stock	14,594,178	8,378,842
Raw material consumed	80,044,499	18,295,639
Packing Materials		
Opening stock	164,296	194,905
Purchases during the year	1,233,719	319,725
Closing stock	168,620	164,296
Packing material consumed	1,229,395	350,333
Total	81,273,894	18,645,972
Note 4 : Purchase of Stock-in-Trade		
Trading goods purchased	-	-
	-	-
Note 5 : Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade		
Work-In-Progress		
Opening Stock	1,720,456	3,077,197
Less: Closing Stock	7,343,889	1,720,456
	(5,623,433)	1,356,741
Finished Goods		
Opening Stock	2,098,706	2,569,570
Less: Closing Stock	2,121,911	2,098,706
	(23,205)	470,864
Stock-in-Trade		
Opening Stock	-	-
Less: Closing Stock	-	-
	-	-
	(5,646,638)	1,827,606

Notes To and Forming Part of the Profit and Loss Accounts

	March 31,2016 Amount	March 31,2015 Amount
Note 6 : Employee Benefit Expense		
Salaries, Wages and Bonus	26,431,085	22,885,287
Contribution to Provident and other funds	1,987,060	1,817,762
Gratuity Expenses (Refer Note 11.06)	561,906	789,377
Workmen and Staff Welfare Expenses	3,196,662	2,659,049
Total	32,176,713	28,151,475
Note 7 : Financial Expenses		
Interest		
- On Term Loan from NKGsb/Axis Bank	6,108,372	4,970,054
- On Bank Cash credit facility	3,144,688	3,548,830
- On Loan from NBFC	-	6,936
Bank Charges	2,841,403	377,675
Total	12,094,462	8,903,495
Note 8 : Depreciation and Amortization Expenses		
Depreciation on Tangible Fixed Assets	13,403,464	14,478,244
Depreciation on Intangible Fixed Assets	243,844	151,918
Total	13,647,308	14,630,162
Note 9 : Manufacturing Expenses		
Consumption of Consumables, Stores and Spares	6,206,811	4,813,567
Labour Charges	20,144,782	16,718,082
Power and Fuel	29,229,177	24,165,502
Rates and Taxes	838,778	808,467
Repairs and Maintenance of Plant and Machinery	4,686,484	4,209,120
Total	61,106,032	50,714,739
Note 10 : Other Expenses		
Repairs and Maintenance of:		
- Building	188,784	97,033
- Others	3,931,575	3,804,362
Insurance	1,194,670	1,054,721
Exchange Difference (Loss)	-	27,446
Printing and Stationery	474,948	321,058
Communication Costs	363,502	348,563
Travelling and Conveyance	2,451,493	2,423,679
Legal and Professional Charges	2,722,626	1,301,005
Rent	180,000	180,000
Auditors' Remuneration (Refer Note 11 [12.8])	138,000	119,700
Freight and Forwarding Charges	1,537,864	1,319,691
Advertisement and Sales Promotion	432,489	341,739
Commission	-	-
Security Charges	1,778,411	1,928,713
Loss on Sale of Asset	50,393	-
Preliminary Expenses Written Off	-	-
Corporate Social Responsibility Expenses	2,727,137	670,000
Administration Expenses	1,826,060	1,802,916
Total	19,997,952	15,740,625

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, 2016 Amount	March 31, 2015 Amount
Sales Revenue by Geographical Market (including Service Income)		
India	175,263,139	175,273,826
Outside India	87,563,466	15,000,052
Total	262,826,605	190,273,878

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, 2016 Amount	March 31, 2015 Amount
Carrying amount of Segment Assets and Intangible Assets		
India	139,619,497	146,471,247
Outside India	-	-
Total	139,619,497	146,471,247
Additions to Fixed Assets including Capital Work In Progress		
India	6,869,421	1,996,321
Outside India	-	-
Total	6,869,421	1,996,321

Notes to the accounts

Note 11

02 Related Parties

Related party disclosures:

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

Key Management Personnel	Director	Mr. Sunil H. Pophale
	Director	Mrs. Meena S. Pophale
	Director	Mr. Vasant P. Jagtap

a) Related party transactions:

Particulars	Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Purchase of goods	-	-	-	-	-	-
Sale of goods	-	-	-	-	-	-
Services Provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Loan taken	19,680,847	69,256,727	-	-	19,680,847	69,256,727
Dividend paid	-	-	-	-	-	-
Managerial remuneration *	2,694,075	1,985,577	-	-	2,694,075	1,985,577
Closing Outstanding Balances:						
Receivables (Refer Note below)	-	-	-	-	-	-
Payables	19,680,847	69,256,727	-	-	19,680,847	69,256,727

* 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, 2016	March 31, 2015
Managerial remuneration:		
Director -Mrs. Meena S Pophale	600,000	-
Director -Mr. Vasant P Jagtap	2,094,075	1,727,132
Director -Mr. Len Vaz	-	258,445
Total	2,694,075	1,985,577
Loan taken :		
Director -Mr. S H Pophale	19,680,847	69,256,727
Total	19,680,847	69,256,727

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 186 of the Companies Act, 2013.

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, 2016
Amount

March 31, 2015
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, 2016 Amount	March 31, 2015 Amount
Profit and Loss Account		
Net employee benefit expense (recognized in Employee Cost)		
Current service cost	447,867	409,436
Interest cost on benefit obligation	124,517	103,186
Expected Return on plan assets	179,942	245,989
Net Actuarial (gain)/ loss recognized in the year	207,048	112,045
Net benefit expense	959,374	870,656
Actual return on plan assets	(179,942)	(245,989)
Balance Sheet		
Net liability recognised in the balance sheet		
Defined benefit obligation	1,902,106	1,556,458
Fair value of plan assets	2,303,751	2,000,916
Plan (Liability)	401,645	444,458
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligations	1,556,458	1,289,825
Interest cost	124,517	103,186
Current service cost	447,867	409,436
Benefits paid	46,794	-
Actuarial (gain)/Loss on obligations	(179,942)	(245,989)
Closing defined benefit obligations	1,902,106	1,556,458
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	2,000,916	1,381,504
Planned assets transferred from Fem Care		
Expected return on plan assets	185,394	154,588
Contributions by employer	164,235	464,824
Benefits paid	46,794	-
Closing fair value of plan assets	2,303,751	2,000,916

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, 2016 %	March 31, 2015 %
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	9.27%	6.04%
Withdrawal rate	1.00%	1.00%
Expected rate of Salary increase	5.00%	5.00%
Mortality Pre-retirement	LIC(2006-08) 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.19,87,060/- (Previous Year: Rs.18,17,762/-) 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 derivative contracts to hedge its risk associated with foreign currency fluctuations for its revenue transactions. There are no accounts payables denominated in foreign currency at year end. The unhedged foreign currency exposure in respect of accounts receivable and loans and advances at the year end is given below:

Particulars	Currency	March 31, 2016		March 31, 2015	
		Foreign Currency	Amount	Foreign Currency	Amount
Export Debtors	USD	185,260	12260507	23,800	1,483,454
Import Creditors	USD	76,255	5046523	-	-
Advance to Import Creditors	USD	24,126	1596644	-	-
FCTL from Banks	USD	837,435	55421447	-	-

Notes to the accounts

Note 11

09

Excise duty on sales amounting to Rs.1,63,83,190/- (Previous Year: Rs.57,22,269/-) 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, 2016 Amount	March 31, 2015 Amount
Basic and Diluted earning per share		
Net Profit attributable to equity shareholders (in Rs.)	42,921,488	52,717,341
Weighted average number of equity shares outstanding during the year	483,750	483,750
Nominal Value of equity shares	100	100
Basic earnings per share (in Rs.)	89	109
Diluted earnings per share (in Rs.)	-	-

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

Particulars	March 31, 2016 Amount	March 31, 2015 Amount
Principal amount outstanding as at March 31, 2016	-	-
Interest due as on March 31, 2016	-	-

The Company has not identified any Creditors identified as "Supplier" within the meaning of The Micro, Small and Medium Enterprises Development Act, 2006

Notes to the accounts

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.

12.1 Licensed capacity, Installed Capacity and Actual Production

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

Particulars	Units	Installed Capacity *		Actual Production	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		Quantity	Quantity	Quantity	Quantity
Chemicals	Tons	70	70	80	53

* 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, 2016		March 31, 2015	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	1.68	2,098,706	0.54	2,569,570
		1.68	2,098,706	0.54	2,569,570

Closing Stocks:

Particulars	Units	March 31, 2016		March 31, 2015	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	0.34	2,121,911	1.68	2,098,706
		0.34	2,121,911	1.68	2,098,706

12.3 Sales

Particulars	Units	March 31, 2016		March 31, 2015	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	81.64	129,730,946	50.42	46,555,377
		81.64	129,730,946	50.42	46,555,377

Notes to the accounts

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, 2016		March 31, 2015	
		Quantity	Amount	Quantity	Amount
ISO Propyl Alcohol	Tons	132.63	9,192,419	0.14	15,289
Ethylene Di-Chloride	Tons	91.76	3,407,585	3.86	228,414
Hydrochloric Acid 36% to 38%	Tons	84.80	2,798,341	-	-
Aluminium Chloride	Tons	79.18	3,641,559	-	-
Nitromethane 99.5%	Tons	50.95	8,220,139	-	-
Aloe Vera Juice (RM)	Tons	38.40	2,182,357	43.75	2,410,187
Phenol crystal	Tons	28.21	2,515,627	-	-
Aminoacetonitrile Hydrochloride	Tons	22.59	14,483,086	-	-
Hexane	Tons	16.85	1,199,404	16.25	1,614,625
Methanol	Tons	15.93	465,795	14.54	475,422
N-Butanol	Tons	6.10	436,529	3.96	411,645
Valeronitrile	Tons	3.30	1,230,474	2.87	1,006,250
Ethyl Acetate	Tons	1.67	122,533	1.11	74,984
Propionitrile	Tons	2.40	879,200	2.56	968,000
Toluene	Tons	2.29	186,062	3.98	330,625
Tetra Hydrofuran	Tons	3.06	457,729	6.15	1,241,927
Thioglycolic Acid	Tons	1.77	535,102	1.45	441,594
Others		-	28,090,558	-	9,076,677
Total			80,044,499		18,295,639

12.5 Value of imports calculated on CIF basis

Particulars	March 31, 2016 Amount	March 31, 2015 Amount
Raw Material	25,613,838	5,198,181
Capital Goods	1,833,975	-
Total	27,447,813	5,198,181

12.6 Imported and indigenous raw materials consumed

Particulars	March 31, 2016		March 31, 2015	
	Amount	%	Amount	%
a) Imported	25,613,838	32.00	5,301,319	28.98
b) Indigenously obtained	54,430,661	68.00	12,994,320	71.02
Total	80,044,499	100.00	18,295,639	100.00

Notes to the accounts

Note 11

12.7 Directors' Remuneration

	March 31, 2016 Amount	March 31, 2015 Amount
To Executive Directors:		
Salaries	2,555,475	1,866,354
Perquisites	-	-
Contribution to Provident and Other funds	138,600	119,223
Other allowances including Commission	-	-
(includes directors' sitting fees of Nil (Previous Year: Rs. Nil))		
	<u>2,694,075</u>	<u>1,985,577</u>

12.8 Auditors' Remuneration

	March 31, 2016 Amount	March 31, 2015 Amount
Statutory audit fees (Inclusive Service Tax)	92,000	85,500
Tax Audit Fees	23,000	17,100
VAT Audit Fees	23,000	17,100
Out of pocket expenses	-	-
	<u>138,000</u>	<u>119,700</u>

12.9 Expenditure in foreign currency (on Cash basis)

	March 31, 2016 Amount	March 31, 2015 Amount
Travelling expenses	-	-
Business Promotion, Exhibition Expenses	-	-
Legal Expenses	-	-
	<u>-</u>	<u>-</u>

12.10 Earnings in foreign currency (on Cash basis)

	March 31, 2016 Amount	March 31, 2015 Amount
FOB value of exports	87,563,466	15,000,052
	<u>87,563,466</u>	<u>15,000,052</u>

13 Details of Revenue Expenditure directly related to R&D

	March 31, 2016 Amount	March 31, 2015 Amount
Raw material consumed	41,292	91,434
Packing Material	-	-
	<u>41,292</u>	<u>91,434</u>

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.108283W

S. R. Rahalkar
Partner
Membership No.014509

Place : Nashik
Date : June 30, 2016



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

Sunil H. Pophale
Director

Place : Nashik
Date : June 30, 2016

Meena S. Pophale
Meena S. Pophale
Director



