



Vadivarhe Speciality Chemicals Ltd

Sustaining purity • Enhancing value

ANNUAL REPORT 2020-21

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CORPORATE INFORMATION

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

Sr. No.	Name of the Person	Designation	DIN
1	Mr. Sunil H. Pophale	Director	00064412
2	Mrs. Meena S. Pophale	Whole-time Director	00834085
3	Mr. Prasanna Prabhakar Rege	Independent Director	02795136
4	Mr. Ravindra Keshav Paranjpe	Independent Director	06816384
5	Mrs. Uttara Adwait Kher	Independent Director	07805920
6	Mr. Pramod Waman Gajare	Whole-Time Director	07932725
7	Mr. Rahul Durga Prasad Asthana*	Independent Director	00234247

** Ceased to be an Independent Director w.e.f April 01, 2020*

Key Managerial Personnel:

Ms. Priyanka Nagda

Company Secretary

Mr. Laxmikant Potdar

Chief Financial Officer

Registered office of the Company:

Gat No. 204, Vadivarhe, Igatpuri – 422403

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

NOTICE IS HEREBY GIVEN THAT THE TWELFTH (12TH) ANNUAL GENERAL MEETING OF THE MEMBERS OF VADIVARHE SPECIALITY CHEMICALS LIMITED ('THE COMPANY') WILL BE HELD ON TUESDAY, SEPTEMBER 28, 2021 AT 12.30 P.M. THROUGH VIDEO CONFERENCING ('VC')/ OTHER AUDIO-VISUAL MEANS ('OAVM') AT THE REGISTERED ADDRESS OF THE COMPANY SITUATED AT THE GAT NO. 204, VADIVARHE, IGATPURI-422403, MAHARASHTRA ('DEEMED VENUE OF THE MEETING') TO TRANSACT THE BUSINESSES MENTIONED BELOW:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Sunil H. Pophale (DIN: 00064412) as a director, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To approve the re-appointment of Mr. Prasanna Prabhakar Rege (DIN: 02795136), as a Non-Executive Independent Director of the Company for a second term of five consecutive years, not liable to retire by rotation.**

*To consider and if thought fit, to pass with or without modification, the following resolution as a **Special resolution**:*

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, Mr. Prasanna Prabhakar Rege (DIN:02795136), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director on the Board of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from May 02, 2022 to May 01, 2027."

RESOLVED FURTHER THAT any of the Board of Directors and Company Secretary of the Company be and are hereby jointly or severally authorised to do all the acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including

to sign and execute all necessary forms, documents, applications, returns and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

4. **To approve the re-appointment of Mr. Ravindra Keshav Paranjpe (DIN: 06816384), as a Non-Executive Independent Director of the Company for a second term of five consecutive years, not liable to retire by rotation.**

*To consider and if thought fit, to pass with or without modification, the following as a **Special resolution**:*

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force] and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, Mr. Ravindra Keshav Paranjpe (DIN: 06816384), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director on the Board of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from May 02, 2022 to May 01, 2027."

RESOLVED FURTHER THAT any of the Board of Directors and Company Secretary of the Company be and are hereby jointly or severally authorised to do all the acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including to sign and execute all necessary forms, documents, applications, returns and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

5. **To approve the re-appointment of Mrs. Uttara Adwait Kher (DIN: 07805920), as a Non-Executive Independent Director of the Company for a second term of five consecutive years, not liable to retire by rotation.**

*To consider and if thought fit, to pass with or without modification, the following as a **Special resolution**:*

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force] and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, Mrs. Uttara Adwait Kher (DIN:

07805920), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director on the Board of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from May 02, 2022 to May 01, 2027."

RESOLVED FURTHER THAT any of the Board of Directors and Company Secretary of the Company be and are hereby jointly or severally authorised to do all the acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including to sign and execute all necessary forms, documents, applications, returns and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

6. To approve the re-appointment and remuneration payable to Mrs. Meena Sunil Pophale (DIN: 00834085) as the Whole time Director of the Company.

*To consider and if thought fit, to pass with or without modification, the following as a **Special resolution**:*

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 188, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, amendment(s) or re-enactment(s) thereof for the time being in force), in accordance with the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company and subject to necessary approval(s), if any, the consent of the members be and is hereby accorded to the Board of Directors for re-appointment of Mrs. Meena Sunil Pophale (DIN: 00834085) as the Whole-Time Director of the Company to hold office for a period of five (5) consecutive years with effect from November 11, 2021 to November 10, 2026 who shall be liable to retire by rotation.

RESOLVED FURTHER THAT the remuneration of Rs. 12,00,000/- (Rupees Twelve Lakhs only) per annum (inclusive of Salary, perquisites, benefits and allowances) be and is hereby approved on such terms and conditions as set out in the Explanatory Statement attached to this Notice convening the meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be accepted to Mrs. Meena Sunil Pophale, which may or may not exceed the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits provided under section 197 of the Act, which is required to be computed under section 198 of the Act and remuneration exceeds the limits of 5% of the net profits of the Company individually to the

Whole-Time Director or 11% of the net profits to the directors as a whole, during the FY 2021-22 to FY 2023-24, i.e. the period of three years during the tenure of her appointment, the Company will pay Mrs. Meena Sunil Pophale, such remuneration including perquisites, benefits and amenities which shall be within the limits as prescribed under Section II of Part I of Schedule V of the Companies Act, 2013 or as mentioned above, whichever is higher.

RESOLVED FURTHER THAT any of the Board of Directors and Company Secretary of the Company be and are hereby jointly or severally authorised to do all the acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including to sign and execute all necessary forms, documents, applications, returns and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

7. To approve the re-appointment and remuneration payable to Mr. Pramod Waman Gajare (DIN: 07932725) as the Whole time Director of the Company.

*To consider and if thought fit, to pass with or without modification, the following as a **Special resolution**:*

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 188, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, amendment(s) or re-enactment(s) thereof for the time being in force), in accordance with the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company and subject to necessary approval(s), if any, the consent of the members be and is hereby accorded to the Board of Directors for re-appointment of Mr. Pramod Gajare (DIN: 07932725) as the Whole-Time Director of the Company to hold office for a period of five (5) consecutive years with effect from September 11, 2020 to September 10, 2025 who shall be liable to retire by rotation.

RESOLVED FURTHER THAT the remuneration of Rs. 27,18,381/-, (Rupees Twenty-Seven Lakhs Eighteen Thousand Three Hundred and Eighty One Only) per annum (inclusive of Salary, perquisites, benefits and allowances) be and is hereby approved on such terms and conditions as set out in the Explanatory Statement attached to this Notice convening the meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be accepted to Mr. Pramod Gajare, which may or may not exceed the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits provided under section 197 of the Act, which is required to be computed under section 198 of the Act and remuneration exceeds the limits of 5% of the net profits of the Company individually to the Whole-Time Director or 11% of the net profits to the directors as a whole, during the FY 2021-22 to FY 2023-24, i.e. the period of three years during the tenure of her appointment, the Company will pay Mr. Pramod Gajare, such remuneration including perquisites, benefits

and amenities which shall be within the limits as prescribed under Section II of Part I of Schedule V of the Companies Act, 2013 or as mentioned above, whichever is higher.

RESOLVED FURTHER THAT any of the Board of Directors and Company Secretary of the Company be and are hereby jointly or severally authorised to do all the acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including to sign and execute all necessary forms, documents, applications, returns and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

8. To approve the re-appointment and remuneration payable to Mr. Sunil Haripant Pophale (DIN: 00064412), as a Chairman and Executive Director of the Company.

*To consider and if thought fit, to pass with or without modification, the following as a **Special resolution**:*

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 149, 188, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, amendment(s) or re-enactment(s) thereof for the time being in force), in accordance with the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and Board of Directors of the Company and subject to necessary approval(s), if any, the consent of the members be and is hereby accorded to the Board of Directors for re-appointment of Mr. Sunil Haripant Pophale (DIN: 00064412), as a Chairman and Executive Director of the Company to hold office for a period of five (5) consecutive years with effect from March 28, 2022 to March 27, 2027 who shall be liable to retire by rotation.

RESOLVED FURTHER THAT the remuneration of Rs. 12,00,000 (Rupees Twelve Lakhs only) per annum (inclusive of Salary, perquisites, benefits and allowances) be and is hereby approved on such terms and conditions as set out in the Explanatory Statement attached to this Notice convening the meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be accepted to Mr. Sunil Pophale, which may or may not exceed the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits provided under section 197 of the Act, which is required to be computed under section 198 of the Act and remuneration exceeds the limits of 5% of the net profits of the Company individually to the Whole-Time Director or 11% of the net profits to the directors as a whole, during the FY 2021-22 to FY 2023-24, i.e. the period of three years during the tenure of her appointment, the Company will pay Mr. Sunil Pophale, such remuneration including perquisites, benefits and amenities which shall be within the limits as prescribed under Section II of Part I of Schedule V of the Companies Act, 2013 or as mentioned above, whichever is higher.

RESOLVED FURTHER THAT any of the Board of Directors and Company Secretary of the Company be and are hereby jointly or severally authorised to do all the acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable including to sign and execute all necessary forms, documents, applications, returns and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

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

**Mr. Sunil H. Pophale
Executive Director
DIN: 00064412**

Registered & Corporate Office:

Gat No. 204, Vadivarhe, Igatpuri-422403

CIN: L24100MH2009PLC190516

Website: www.vscl.in

E-mail: accounts@vscl.in

Date: August 13, 2021

NOTES

1. In view of the continuing outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs ('MCA') followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021, physical attendance of the Members to the Annual General Meeting ('AGM') venue is not required and AGM be held through video conferencing ('VC') or other audio-visual means ('OAVM'). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and abovementioned MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional investors, who are members of the Company, are encouraged to attend the 12th AGM of the Company through VC/ OAVM mode and vote electronically. Corporate members are required to send a scanned copy (PDF/JPG Format) of the Board Resolution/ Power of Attorney authorizing its representatives to attend and vote at the AGM through VC / OAVM on its behalf pursuant to Section 113 of the Act. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in.
4. Details under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice.
5. All the documents referred to in the accompanying notice shall be available for inspection through electronic mode, on the basis of the request being sent on accounts@vscl.in.
6. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection through electronic mode, on the basis of the request being sent on cs@vscl.in.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made

available to the members of Company including large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.

8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ('NSDL') for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories and has been uploaded on the website of the Company at <http://www.vscl.in>, the Notice can also be accessed from the website of the Stock Exchange i.e., National Stock Exchange of India Limited at www.nseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
11. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at accounts@vscl.in between Tuesday, 21st September, 2021 (09.00 a.m. IST) and Friday, 24th September, 2021 (5.00 p.m. IST). Only those Members who have pre-registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
12. The Company has appointed Mr. Makarand Joshi failing him Mrs. Kumudini Bhalerao, Partner at Makarand M. Joshi & Co., Practicing Company Secretaries, to act as the Scrutinizer to scrutinise the remote e-voting process in a fair and transparent manner and Mr. Makarand Joshi has communicated his willingness to be appointed and be available for the purpose.
13. The Scrutinizer shall, immediately after the conclusion of the remote e-voting at the AGM, first count the votes cast through remote e-voting during the Meeting and thereafter

unblock the votes cast through remote e-voting before the AGM, and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairperson or a person authorised by him in writing who shall countersign the same.

14. The results on resolutions shall be declared not later than 48 hours from the conclusion of the Meeting of the Company and the resolutions will be deemed to be passed on the date of the Meeting, subject to receipt of the requisite number of votes in favour of the resolutions.
15. The results declared along with the Scrutinizer's Report will be made available on the website of the Company (www.vscl.in) and on Service Provider's website (www.evoting.nsdl.com) and the same shall be communicated to BSE Limited within 48 hours from the conclusion of the Meeting.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING: -

1. The remote e-voting period commences on Friday, 24th September, 2021 at 09:00 am (IST) and ends on Monday, 27th September, 2021 at 05:00 pm (IST). During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Tuesday, 21st September, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
2. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again.
3. Once the vote on a resolution is casted by the member, such member shall not be allowed to change it subsequently.
4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 21st September, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 21st September, 2021, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
5. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below

	<p>for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and

EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to accounts@vscl.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self

attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (accounts@vscl.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their

respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (accounts@vscl.in). The same will be replied by the company suitably.

Notes for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to accounts@vscl.in.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to helpdesk.evoting@ndslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at srcutinisers@mmjc.in and to the Company at the email address viz; accounts@vscl.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to evoting@nsdl.co.in or contact Ms. Sarita Mote - 1800-222-990.

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

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Secretarial Standard-2 and Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Name	Mr. Sunil Haripant Pophale	Mrs. Meena Sunil Pophale	Mr. Pramod Waman Gajare
Age	64	60	59
Qualifications and Experience	Bachelor of Engineering in Aeronautical Engineering from Indian Institute of Technology, Bombay	Bachelor of Arts	Bachelor of Science (Chemistry)
Date of first Appointment on the Board	23/02/2009	23/02/2009	11/09/2017
Expertise in Specific Functional Areas	He is having an overall experience 38 years in the manufacturing of Cosmetics, Pharmaceuticals and specialty chemicals products and have a proven background and rich experience in the industry.	She is having around 34 years experience and presently looking after Human Resources and Admin matters of the Company.	He has a vast experience of more than 33 years in manufacturing of Organic, Speciality Chemicals & Intermediate. He is also having experience in Research & Development of new products and in Process Development.
Directorship held in other listed entities Membership/ Chairmanship of Committees	N/A	N/A	N/A
Number of shares held in the Company	80,32,625	5,375	0
Terms and Conditions of Appointment/re-appointment	As detailed under the Resolution and Point No. 8 of explanatory statement annexed below.	As detailed under the Resolution and Point No. 6 of explanatory statement annexed below.	As detailed under the Resolution and Point No. 7 of explanatory statement annexed below.
Details of Remuneration sought to be paid			
Remuneration last drawn	Rs. 12,00,000/-	Rs. 12,00,000/-	Rs. 24,71,343/-
Number of meetings attended during the year	4	4	1
Disclosure of relationship between Directors inter-se	Except Mrs. Meena Pophale no other Director/KMP is interested in the resolution	Except Mr. Sunil Pophale, no other Director/KMP is interested in the resolution	None of the Director/KMP's is interested in the resolution

Name	Mr. Prasanna Rege	Mr. Ravindra Paranjape	Mrs. Uttara Adwait Kher
Age	59	64	58
Qualifications and Experience	A Fellow Member Institute of Chartered Accountants of India and a Certified Information Systems Auditor (CISA) from Information Systems Audit & Control Association, Illinois, U.S.A. and has experience of more than 35 years as a Professional Chartered Accountant in Trade, Commerce and Finance Industry.	Bachelor of Science & Technology in Dyes and Intermediates Technology from University Department of Chemical Technology, Bombay and has an experience of more than 40 years in Chemical Industry.	Bachelor of Science – Food and Nutrition from SNDT University and has a proprietary experience of 29 years in business of Restaurants and Furniture Export.
Date of first Appointment on the Board	02/05/2017	02/05/2017	02/05/2017
Expertise in Specific Functional Areas	He is a Fellow Member Institute of Chartered Accountants of India and a Certified Information Systems Auditor (CISA) from Information Systems Audit & Control Association, Illinois, U.S.A. and has experience of more than 35 years as a Professional Chartered Accountant in Trade, Commerce and Finance Industry.	He is a Bachelor of Science & Technology in Dyes and Intermediates Technology from University Department of Chemical Technology, Bombay. He has experience of more than 40 years in Chemical Industry.	She is Bachelor of Science – Food and Nutrition from SNDT University and has a proprietary experience of 29 years in business of Restaurants and Furniture Export.
Directorship held in other listed entities Membership/ Chairmanship of Committees	N/A	N/A	N/A
Number of shares held in the Company	0	0	0
Terms and Conditions of Appointment/re-appointment	As detailed under the Resolution and Point No. 3 of explanatory statement annexed below.	As detailed under the Resolution and Point No. 4 of explanatory statement annexed below.	As detailed under the Resolution and Point No. 5 of explanatory statement annexed below.
Details of Remuneration sought to be paid	He will be entitled to Sitting Fees for attending Board and Committee Meetings	He will be entitled to Sitting Fees for attending Board and Committee Meetings	She will be entitled to Sitting Fees for attending Board and Committee Meetings
Remuneration last drawn	He has been paid sitting fees of Rs. 40,000/- for	He has been paid sitting fees of Rs. 40,000/- for attending	She has been paid sitting fees of Rs. 10,000/- for

	attending Board and Committee Meetings of the Company.	Board and Committee Meetings of the Company.	attending Board and Committee Meetings of the Company.
Number of meetings attended during the year	4	4	1
Disclosure of relationship between Directors inter-se	None of the Director/KMP's is interested in the resolution	None of the Director/KMP's is interested in the resolution	None of the Director/KMP's is interested in the resolution

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No: 3

To approve reappointment of Mr. Prasanna Prabhakar Rege (DIN: 02795136), as a Non-Executive Independent Director for further period of 5 consecutive years, not liable to retire by rotation to the Board of the Company.

Pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Prasanna Prabhakar Rege (DIN:02795136), Director of the Company who was appointed as a Non-Executive Independent Director of the Company for the term of five consecutive years commencing from May 02, 2017 to May 01, 2022, is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be re-appointed as a Non- Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from May 02, 2022 to May 01, 2027.

He has given the requisite declarations pursuant to section 164 and 184 (1) of the companies Act, 2013. Further, he is not disqualified to be reappointed as an Independent Director in terms of Section 164 of the act and has given his consent to act as Independent Director for further period of five consecutive years.

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

During the year from April 1, 2020 to March 31, 2021, four Meetings of Board of the Company were held, and he had attended all Board Meetings of the Company. He would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof.

The Nomination and Remuneration Committee at its Meeting held on August 13, 2021 on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Mr. Prasanna Prabhakar Rege during his tenure, has recommended to the Board that continued association of Mr. Prasanna Prabhakar Rege as Independent Director of the Company would be beneficial to the Company.

The performance evaluation of Independent Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business,

understanding of industry etc.

Based on the above and the performance evaluation of Independent Directors, the Board recommends the reappointment of Mr. Prasanna Prabhakar Rege as Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years.

None of the other Directors /Key Managerial Personal of the Company/ their relatives is in any way concerned or interested, financially or otherwise in the resolution.

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

Item No.: 4

To approve reappointment of Mr. Ravindra Keshav Paranjpe (DIN:06816384), as a Non-Executive Independent Director for further period of 5 consecutive years, not liable to retire by rotation to the Board of the Company.

Pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Ravindra Keshav Paranjpe (DIN: 06816384), Director of the Company who was appointed as a Non-Executive Independent Director of the Company for the term of five consecutive years commencing from May 02, 2017 to May 01, 2022, is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be re-appointed as an Non- Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from May 02, 2022 to May 01, 2027.

He has given the requisite declarations pursuant to section 164 and 184 (1) of the companies Act, 2013. Further, he is not disqualified to be reappointed as an Independent Director in terms of Section 164 of the act and has given his consent to act as Independent Director for further period of five consecutive years.

He is a Bachelor of Science & Technology in Dyes and Intermediates Technology from University Department of Chemical Technology, Bombay. He has experience of more than 40 years in Chemical Industry. He also acts as Director in AVA Organics Private Limited and Karandikar Laboratories Private Limited.

During the year from April 1, 2020 to March 31, 2021, four Meetings of Board of the Company were held, and he had attended all Board Meetings of the Company. He would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof.

The Nomination and Remuneration Committee at its Meeting held on August 13, 2021 on the basis

of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Mr. Ravindra Keshav Paranjpe during his tenure, has recommended to the Board that continued association of Mr. Ravindra Keshav Paranjpe as Independent Director of the Company would be beneficial to the Company.

The performance evaluation of Independent Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry etc.

Based on the above and the performance evaluation of Independent Directors, the Board recommends the reappointment of Mr. Ravindra Keshav Paranjpe as Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years.

None of the other Directors /Key Managerial Personal of the Company/ their relatives is in any way concerned or interested, financially or otherwise in the resolution.

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

Item No.: 5

To approve reappointment of Mrs. Uttara Adwait Kher (DIN: 07805920), as a Non-Executive Independent Director for further period of 5 consecutive years, not liable to retire by rotation to the Board of the Company.

Pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Ms. Uttara Adwait Kher (DIN: 07805920), Director of the Company who was appointed as a Non-Executive Independent Director of the Company for the term of five consecutive years commencing from May 02, 2017 to May 01, 2022, is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be re-appointed as an Non- Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from May 02, 2022 to May 01, 2027.

She has given the requisite declarations pursuant to section 164 and 184 (1) of the companies Act, 2013. Further, she is not disqualified to be reappointed as an Independent Director in terms of Section 164 of the act and has given his consent to act as Independent Director for further period of five consecutive years.

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

During the year from April 1, 2020 to March 31, 2021, four Meetings of Board of the Company were held, and she had attended one Board Meetings of the Company. She would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof.

The Nomination and Remuneration Committee at its Meeting held on August 13, 2021 on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Ms. Uttara Adwait Kher during her tenure, has recommended to the Board that continued association Ms. Uttara Adwait Kher as Independent Director of the Company would be beneficial to the Company.

The performance evaluation of Independent Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry etc.

Based on the above and the performance evaluation of Independent Directors, the Board recommends the reappointment of Ms. Uttara Adwait Kher as Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years.

None of the other Directors /Key Managerial Personal of the Company/ their relatives is in any way concerned or interested, financially or otherwise in the resolution.

The Board recommends the **Special Resolution** set out at Item No. 5 of the Notice for approval of the Members.

Item No.: 6

To approve re-appointment and remuneration Payable to Mrs. Meena Sunil Pophale (DIN: 00834085) as the Whole time Director of the Company.

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

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

The Board of Directors had at its meeting held on August 13, 2021 subject to necessary approvals, has approved the re-appointment and remuneration payable to Mrs. Meena Sunil Pophale as the Whole-Time Director of the Company to hold office for a period of five (5) consecutive years commencing from November 11, 2021 to November 10, 2026 at a remuneration of Rs. 12,00,000/- per annum (inclusive of Salary, perquisites, benefits and allowances) for a period of 3 years on such terms and conditions mentioned below:

Tenure of Appointment	5 years with effect from November 11, 2021
Term of Remuneration	3 years with effect from November 11, 2021
Salary exclusive of all allowances	Rs. 49,247/- per month. The Whole time Director shall be entitled to such increment from time to time as the Audit Committee, NRC and Board of Directors may by its discretion determine.
Perquisites and allowances in addition to salary	<p>A. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 9,849/- per month.</p> <p>B. Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/- per month.</p> <p>C. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month.</p> <p>D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month.</p> <p>E. Medical Allowance: The Company will pay Medical Allowance of Rs. 4,104/-</p> <p>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.</p> <p>Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee.</p> <p>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual cost.</p>
Retirement Benefits	<p>A. Gratuity payable shall be in accordance with the rules of the Companies Act and Gratuity Rules.</p> <p>B. Earned Leave on full pay and allowances as per the rules of the Company, leave accumulated shall be encashable of Leave at</p>

	the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.
Other benefits	<p>A. The Executive director shall be entitled to reimbursement of expenses like Vehicle, Guest Entertainment, travelling expenses actually and properly incurred during the course of doing legitimate business of the company.</p> <p>B. The appointee shall be eligible for Housing, Education and Medical Loan and other Loans or facilities as applicable in accordance with the rules of the company and in compliance with the provisions of the Companies Act, 2013.</p>
Minimum Remuneration	<p>The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.</p> <p>Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole-time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the Central Government, if required, or any other approvals as may be required under law.</p>

In view of the contributions made by Mrs. Meena Sunil Pophale, in the functioning of the Company, based on recommendation of the Nomination and Remuneration Committee and Audit Committee, the Board of Directors recommends to the Members of the Company re-appointment and remuneration payable to Mrs. Meena Sunil Pophale on such terms and condition as stated above.

The Board of Directors recommends the **Special Resolution** as set out in Item No. 6 of the Notice for the approval of the Members.

Except Mr. Sunil Haripant Pophale, none of the Directors, Key Managerial Personnel of the

Company and their relatives, are in any way concerned or interested in the said resolution.

Statement containing required information as per Schedule V of the Companies Act, 2013 is given after Item No. 8 to the Explanatory Statement.

Item No.: 7

To approve re-appointment and remuneration Payable to Mr. Pramod Waman Gajare (DIN: 07932725) as the Whole time Director of the Company.

The Members had at the 9th Annual General Meeting held on August 02, 2018, approved the appointment Mr. Pramod Waman Gajare (DIN: 07932725) as Whole-Time Director of the Company for a term of three years with effect from September 11, 2017, along with remuneration payable to him.

Pursuant to Schedule V of the Companies Act, 2013, the Resolution for payment of remuneration should not be for a period exceeding three years. The Members had at 10th Annual General Meeting held on September 30, 2019, approved the revision in remuneration payable to Mr. Pramod Waman Gajare as Whole time Director of the Company for a term of three years with effect from April 01, 2018.

The Board of Directors had at its meeting held on August 13, 2021 subject to necessary approvals, has approved the re-appointment and remuneration payable to Mr. Pramod Waman Gajare as the Whole-Time Director of the Company to hold office for a period of five (5) with effect from September 11, 2020 to September 10, 2025 at a remuneration of Rs. 27,18,381/-, (Rupees Twenty-Seven Lakhs Eighteen Thousand Three Hundred and Eighty-One Only) per annum (inclusive of Salary, perquisites, benefits and allowances) for a period of 3 years at such terms and conditions as mentioned below:

Tenure of Appointment	5 years with effect from September 11, 2020
Term of Remuneration	3 years with effect from April 01, 2021
Salary exclusive of all allowances	Rs. 1,18,433/- per month. The Whole time Director shall be entitled to such increment from time to time as the Board may by its discretion determine
Perquisites and allowances in addition to salary	A. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 23,687/- per month. B. Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/- per month. C. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month

	<p>D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month.</p> <p>E. Medical Allowance: The Company will pay Medical Allowance of Rs. 9,869/-</p> <p>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.</p> <p>Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee.</p> <p>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual cost.</p>
Retirement Benefits	<p>A. Gratuity payable shall be in accordance with the rules of the Companies Act and Gratuity Rules.</p> <p>B. Earned Leave on full pay and allowances as per the rules of the Company, leave accumulated shall be encashable of Leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.</p>
Other benefits	<p>A. The Executive director shall be entitled to reimbursement of expenses like Vehicle, Guest Entertainment, travelling Expenses actually and properly incurred during the course of doing legitimate business of the company.</p> <p>B. The appointee shall be eligible for Housing, Education and Medical Loan and other Loans or facilities as applicable in accordance with the rules of the company and in compliance with the provisions of the Companies Act, 2013.</p>
Minimum Remuneration	<p>The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections</p>

	<p>197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as may be permissible at law.</p> <p>Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole-time Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the Central Government, if required, or any other approvals as may be required under law.</p>
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In view of the contributions made by Mr. Pramod Waman Gajare, in the functioning of the Company, based on recommendation of the Nomination and Remuneration Committee and Audit Committee, the Board of Directors recommends to the Members of the Company re-appointment and remuneration payable to Mr. Pramod Waman Gajare on such terms and condition as stated above.

The Board of Directors recommends the **Special Resolution** as set out in Item No. 7 of the Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said resolution.

Statement containing required information as per Schedule V of the Companies Act, 2013 is given after Item No. 8 to the Explanatory Statement.

Item No.: 8

To approve re-appointment and remuneration Payable to Mr. Sunil Haripant Pophale (DIN: 00064412), as a Chairman and Executive Director of the Company.

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

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

The Board of Directors had at its meeting held on August 13, 2021 subject to necessary approvals, has approved the re-appointment and remuneration payable to Mr. Sunil Haripant Pophale (DIN: 00064412) as a Chairman and Executive Director of the Company to hold office for a period of five (5) consecutive years with effect from March 28, 2022 at a remuneration of Rs. 12,00,000/- per annum (inclusive of Salary, perquisites, benefits and allowances) for a period of 3 years on such terms and conditions as mentioned below:

Tenure of Appointment	5 years with effect from March 28, 2022
Term of Remuneration	3 years with effect from April 01, 2020
Salary exclusive of all allowances	Rs. 49,247/- per month. The Whole-time director shall be entitled to such increment from time to time as the Audit Committee, NRC and Board of Directors may by its discretion determine.
Perquisites and allowances in addition to salary	<p>A. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 9,849/- per month.</p> <p>B. Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/- per month.</p> <p>C. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month.</p> <p>D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month.</p> <p>E. Medical Allowance: The Company will pay Medical Allowance of Rs. 4,104/-</p> <p>Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes.</p> <p>Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee.</p> <p>Perquisites shall be evaluated as per Income Tax Rule wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual cost.</p>

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

In view of the contributions made by Mr. Sunil Haripant Pophale, in the functioning of the Company, based on recommendation of the Nomination and Remuneration Committee and Audit

Committee, the Board of Directors recommends to the Members of the Company re-appointment and remuneration payable to Mr. Sunil Haripant Pophale on such terms and condition as stated above.

The Board of Directors recommends the **Special Resolution** as set out in Item No. 8 of the Notice for the approval of the Members.

Except Mrs. Meena Sunil Pophale, none of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said resolution.

**STATEMENT CONTAINING REQUIRED INFORMATION AS PER SCHEDULE V OF THE
COMPANIES ACT, 2013.**

1. General Information:

I. *Nature of Industry:* -Manufacturing of Organic, Speciality Chemicals & Intermediates

II. *Date of Commencement of Commercial Production:* - 03.07.2009

III. *In case of new companies, expected date of commencement of activities as per project approved by financial Institution appearing in the prospectus:* - Not Applicable

IV. *Financial Performance based on given indicators*

The total revenue from the operations for the year ended March 31, 2021 declined to Rs. 2647 Lakhs as against Rs. 2858.13 Lakhs in the previous financial year 2019-20. Although the revenue decreased in the current financial year as compared to the previous financial year, still the Company was able to reduce the loss from Rs. 98,387,523 in the previous financial year to Rs. 27,604,737 in current financial year. The Company has taken continuous efforts to reduce consumptions and to get maximum yield from its products and effective cost control and cost cuttings measures were also being implemented. The Company is confident that the newly developed products will contribute towards a significant growth in revenue in coming years.

The brief statement indicating our profit related figures is given below:

(Rs. In Lakhs)		
Particulars	2020-21	2019-20
Total Income	2,679.10	2,881.50
Less: Expenditure and Depreciation	3,013.60	4,094.13
Prior Period Items	-	-
Profit Before Tax (PBT)	(259.09)	(1,198.38)
Less: Tax	16.95	-
Deferred Tax Assets	-	(214.50)
Profit After Tax (PAT)	(276.05)	(983.88)

V. *Export Performance and Net Foreign Exchange:* - Earning in foreign currency on cash basis as mentioned below: -

Particular	2020-21	2019-20
Actual Foreign Exchange earnings	15,46,46,678	10,83,21,248

VI. *Foreign Investments or Collaborations, if any:-* Not Applicable

2. **Information about the appointee:**

I. Background Detail

<i>Particular</i>	<i>Mr. Sunil Haripant Pophale</i>	<i>Mrs. Meena Sunil Pophale</i>	<i>Mr. Pramod Waman Gajare</i>
Age	64	60	59
Designation	Chairman and Executive Director	Wholetime Director	Wholetime Director
Qualification	B. Tech	B. A.	B. Sc Chemistry

II. Past remuneration during the financial year ended 31st March, 2021:

<i>Particulars</i>	<i>2020-21</i>
Mr. Sunil Haripant Pophale	12,00,000/-
Mrs. Meena Sunil Pophale	12,00,000/-
Mr. Pramod Waman Gajare	24,69,872/-

III. Recognition or awards: Not applicable

IV. Job Profile and his suitability: Ms. Meena Sunil Pophale and Mr. Sunil Haripant Pophale are Executive Directors of the Company. They look after the daily operations, administration and overall functioning of the Company.

Mr. Pramod Waman Gajare is an Executive Director of the Company. He looks after the production, quality control and research and development of the Company.

V. Remuneration proposed: As detailed in the Explanatory Statement.

VI. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): For the responsibility shouldered by Ms. Meena Sunil Pophale, Mr. Sunil Pophale and Mr. Pramod Gajare, as Executive Directors of the Company in driving the Company's growth plans, the remuneration paid to them is commensurate and compares favorably with the compensations paid to the business heads of like sized and similarly positioned businesses.

VII. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Mr. Sunil Pophale and Mr. Pramod Waman Gajare, from time to time has granted an unsecured loan to the Company.

Other Information:

I. Reasons of loss or inadequate profits:

Due to the Outbreak of COVID-19, there was a major impact on the sales of the Company during the first two quarter of the financial year 2020- 2021, despite the performance of

the Company has increased as the total revenue from the operations for the year ended March 31, 2021 declined to Rs. 2647 Lakhs as against Rs. 2858.13 Lakhs in the previous financial year 2019-20. Although the revenue decreased in the current financial year as compared to the previous financial year, still the Company was able to reduce the loss from Rs. 98,387,523 in the previous financial year to Rs. 27,604,737 in Current financial Year.

The Company is in process to reduce the cost & increase yields to get the maximum profits.

II. *Steps taken or proposed to be taken for improvement:*

The Company has taken continuous efforts to reduce consumptions and to get maximum yield from its products and effective cost control and cost cuttings measures were also being implemented. The Company is confident that the newly developed products will contribute towards a significant growth in revenue in coming years.

III. *Expected increase in productivity and profits in measurable terms:* We as such cannot quantify the increase in profits in coming year but definitely will increase as compared to the previous year as Company has developed new product which has a good market.

IV. *Disclosures:* The information and disclosures of the remuneration package of the Appointee Directors have been mentioned in the Notice convening the AGM.

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

**Mr. Sunil H. Pophale
Director**

DIN: 00064412

**Address: 15, Lalit Building, Wodehouse Road,
Next to Badhwar Park Colaba, Mumbai-400005**

Date: August 13, 2021

DIRECTORS' REPORT
VADIVARHE SPECIALITY CHEMICALS LIMITED
FOR THE FINANCIAL YEAR 2020-21

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

Your Directors are hereby presenting the 12th Directors Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2021.

1. FINANCIAL STATEMENTS & RESULTS:

Financial Results

The Company's financial performance during the year ended 31st March, 2021 as compared to the previous financial year, is summarized as below:

(Amount in Rs.)

Particulars	For the financial year ended 31 st March, 2021	For the financial year ended 31 st March, 2020
Income	267,910,442	28,81,50,011
Less: Expenses	301,359,719	40,94,12,990
Prior Period Income	-	-
Profit before exceptional and extraordinary items and tax	(33,449,277)	(12,12,62,979)
Exception Income	7,540,000	14,25,000
Exception expenditure	-	-
Profit/ (Loss) before tax	(25,909,277)	(11,98,37,979)
Less: Provision for tax	-	-
Deferred Tax Expense/(Benefits)	-	(2,14,50,456)
MAT Credit entitlement	-	-
MAT Credit Utilized	-	-
Income Tax of earlier years w/off	1,695,460	-
Profit after Tax	(27,604,737)	(9,83,87,523)
<u>APPROPRIATION</u>		
Interim Dividend	-	-
Final Dividend	-	-
Tax on distribution of dividend	-	-
Transfer of General Reserve	-	-
Balance carried to Balance sheet	(27,604,737)	(9,83,87,523)

2. TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

3. OPERATIONS

This is the twelfth year of operation and your Company has achieved net sales of Rs. 267,910,442 and had incurred a loss of Rs. 2,76,04,737 as compared to previous year's net sales Rs. 28,81,50,011 and loss of Rs. 9,83,87,523.

4. NATURE OF BUSINESS

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

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

5. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

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

a. Production and Profitability

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

b. Marketing and Market environment

No significant changes in Market environment in API and Intermediates.

c. Future Prospects including constraints due to Government policies

The COVID-19 pandemic and its resurgence has posed an unprecedented challenge to global economy and corporations. While the pharmaceutical sector is relatively insulated from the pandemic and lockdowns, it did have impact on the industry's growth trajectory. There was a slowdown in the industry at the end of the financial year 2019-2020 and its effects were traced until the second quarter of the financial year 2020-21, due to which there was an impact on the sales of the Company during the financial year 2020-21, despite of being in aforesaid situation, the Company was able to reduce the loss during the year under review as compared to the previous financial year and making all the best possible efforts to retain the sales to the profitable level.

6. DIVIDEND

Considering the loss incurred in the current financial year, your directors have not

recommended any dividend for the financial year under review.

7. UNPAID DIVIDEND & IEPE

The Company did not have any requirement to transfer funds to Investor Education and Protection Fund and no amount is lying in unpaid dividend account of the Company during the year under review.

8. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, the Company does not have any Subsidiary / Associate / Joint Venture Company.

9. DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review are furnished in Form AOC-2 which is annexed to this report as "**ANNEXURE I**" as per the provisions of section 188(1) of the Act.

All the related party transactions were placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval is also obtained from the Audit Committee for the related party transactions which cannot be foreseen and accordingly, the required disclosures are made to the Committee on quarterly basis for its approval.

11. 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 II**" which forms part of this Report.

12. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the copy of Annual Return of the company as on 31st March, 2021 is placed on the website of the company at the following web -address: <http://www.vscl.in/investor/annual-returns.php>

13. SHARE CAPITAL

The Authorised share capital of the Company is Rs. 15,00,00,000 comprising of 1,50,00,000 Equity Shares of Rs. 10 each.

The issued, subscribed and paid-up Share Capital of the Company stood at Rs. 12,78,27,500 as at 31st March, 2021 comprising of 1,27,82,750 Equity Shares of Rs. 10 each fully paid-up. There was no change in Share Capital during the year under review.

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

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

15. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES

The Company has not made any loans or provided guarantees and securities covered under the provisions of Section 186 of the Companies Act, 2013. However, full particulars of the investments covered under the provisions of Section 186 of the Companies Act, 2013 are made by the Company during the financial year under review has been furnished in *Note N* of the Notes to Accounts which forms part of the financials of the Company.

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

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

17. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

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

Your Company has a robust Internal Audit mechanism, conducted as per pre- approved calendar. Basis the audit, Internal auditor periodically report on the Design deficiency and Operational inefficiency, if any, apart from recommending further improvement measures, to accomplish the Company objectives more efficiently. The observations and agreed action plans are presented quarterly, to the Audit Committee that reviews the adequacy of the controls implemented by the Management.

18. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Board of Directors

(i) **Appointment**

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

(ii) **Resignation**

Mr. Rahul Durgaprasad Asthana has resigned as the Independent Director of the Company w.e.f April 01, 2021.

(iii) **Retirement by rotation**

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Sunil Pophale, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The said Director is not disqualified from being re- appointed as a Director of a Company as per the disclosure received from him pursuant to Section 164(2) of the Companies Act, 2013. Your directors recommend their approval.

The Board of Directors of the Company as on March 31, 2021 are as follows:

Name of the Director	Designation	DIN
Mr. Sunil Haripant Pophale	Executive Director	00064412
Mrs. Meena Sunil Pophale	Whole-time Director	00834085
Mr. Prasanna Prabhakar Rege	Independent Director	02795136
Mr. Ravindra Keshav Paranjpe	Independent Director	06816384
Mrs. Uttara Adwait Kher	Independent Director	07805920
Mr. Pramod Waman Gajare	Whole-time Director	07932725

b) **Key Managerial Personnel**

There has been no change in the Key Managerial personnel (KMP) of the Company during the year under review.

The Key Managerial Personnel (KMP) of the Company as on March 31, 2021 are as follows:

Name	Designation	Date of appointment
Ms. Priyanka Nagda	Company Secretary	14/02/2020
Mr. Laxmikant Potdar	Chief Financial Officer	24/03/2017

c) Declaration by Independent Directors

As required under Section 149(7) of the Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, the Independent Directors have given the necessary declaration of their independence in terms of the conditions laid down under Section 149(6) of the Companies Act, 2013, the declarations was placed in the Board meeting held on Monday, 28th June, 2021 which includes the confirmation to the effect that the Independent Directors have included their names in the Database maintained by the Indian Institute of Corporate Affairs and they have paid the necessary fees for the said registration and shall renew the registration timely.

d) Remuneration / Commission drawn from Holding / Subsidiary Company

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

19. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a) Board meetings

The Board of Directors met 4 (Four) times during the financial year ended 31st March, 2021 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 Present at the meeting	Directors Present	Directors Absent
1	30-06-2020	1.Mr. Sunil Haripant Pophale 2.Mrs. Meena Sunil Pophale 3.Mr. Prasanna Prabhakar Rege 4.Mr. Ravindra Keshav Paranjpe	4	2
2	28-08-2020	1. Mr. Sunil Haripant Pophale 2.Mrs. Meena Sunil Pophale 3.Mr. Prasanna Prabhakar Rege 4.Mr. Ravindra Keshav Paranjpe	4	2
3	12-11-2020	1. Mr. Sunil Haripant Pophale 2.Mrs. Meena Sunil Pophale 3.Mr. Prasanna Prabhakar Rege 4.Mr. Ravindra Keshav Paranjpe	4	2
4	12-02-2021	1.Mr. Sunil Haripant Pophale 2.Mrs. Meena Sunil Pophale 3. Mrs. Uttara Kher 4.Mr. Prasanna Prabhakar Rege 5.Mr. Ravindra Keshav Paranjpe 6.Mr. Pramod Waman Gajare	6	0

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

b) Audit Committee

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee comprises of:

Mr. Prasanna Prabhakar Rege	Chairman & Independent Director
Mr. Ravindra Keshav Paranjpe	Member & Independent Director
Mrs. Uttara Kher	Member & Independent Director

The scope and terms of reference of the Audit Committee have been framed in accordance with the Act.

The Audit Committee met 4 (Four) times during the financial year ended 31st March 2021. The details of the same are as mentioned under: -

Sr. No.	Date of meeting	Names of Members Present at the meeting	Members Present	Members Absent
1	30-06-2020	1.Mr. Prasanna Prabhakar Rege 2.Mr. Ravindra Keshav Paranjpe	2	1
2	28-08-2020	1.Mr. Prasanna Prabhakar Rege 2.Mr. Ravindra Keshav Paranjpe	2	1
3	12-11-2020	1.Mr. Prasanna Prabhakar Rege 2.Mr. Ravindra Keshav Paranjpe 3. Mrs. Uttara Kher	3	0
4	12-02-2021	1.Mr. Prasanna Prabhakar Rege 2.Mr. Ravindra Keshav Paranjpe 3. Mrs. Uttara Kher	3	0

The scope and terms of reference of the Audit Committee have been framed in accordance with the Act and the Listing Agreement entered into with the Stock Exchanges read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

c) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Directors was constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the companies Act, 2013.

The composition of the Committee is as under:

Mr. Prasanna Prabhakar Rege	Chairman & Independent Director
Mr. Ravindra Paranjpe	Member & Independent Director
Mrs. Uttara Kher	Member & Independent Director

The Nomination & Remuneration Committee met once on August 28, 2020 during the financial year ended 31st March 2021.

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

The Remuneration Policy is attached as ***“ANNEXURE III”***.

d) Stakeholders Relationship Committee

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee, comprising of the following members:

Mr. Prasanna Prabhakar Rege	Chairman & Independent Director
Mr. Ravindra Paranjpe	Member & Independent Director
Mrs. Uttara Kher	Member & Independent Director

The scope and terms of reference of the Stakeholders Relationship Committee have been framed in accordance with the Act.

The Stakeholders Relationship Committee met once on February 12, 2021 during the financial year ended 31st March 2021.

e) Independent Directors meeting

A separate meeting of Independent Directors was held on February 12, 2021 to evaluate the performance of non- independent directors, performance of the board as a whole and performance of the Chairman was reviewed and evaluated.

f) Vigil Mechanism

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, a listed Company and every such class of companies as prescribed thereunder are required to frame a Vigil Mechanism to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory

requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The Company has framed an appropriate Vigil mechanism policy and further re-affirms that the Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

g) Risk Management Policy

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and defined a structured approach to manage uncertainty and to make use of these in their decision-making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

h) Annual Evaluation of Directors, Committee and Board

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

The Board adopted a formal evaluation mechanism for evaluating its performance and as well as that of its committees and individual directors, including the Chairman of the Board. The exercise was carried out by feedback survey from each Directors covering Board functioning such as composition of Board and its Committees, experience and competencies, governance issues etc. Separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as attendance, contribution at the meeting etc.

The various criteria considered for evaluation of Executive Directors included qualification, experience, knowledge, commitment, integrity, leadership, engagement, transparency, analysis, decision making, governance etc. The Board commended the valuable contributions and the guidance provided by each Director in achieving the desired levels of growth. This is in addition to evaluation of Non-Independent Directors and the Board as a whole by the Independent Directors in their separate meeting being held every year.

i) Management Discussion & Analysis

A separate report on Management Discussion & Analysis is appended to this Annual Report as an “**ANNEXURE IV**” and forms part of this Directors’ Report.

20. CORPORATE SOCIAL RESPONSIBILITY POLICY

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

Responsibility (CSR) Committee consisting of following members:

Mr. Sunil Haripant Pophale	(Chairman & Executive Director)
Mrs. Meena Sunil Pophale	(Whole time Director)
Mr. Uttara Kher	(Independent Director)

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. The Company does not fall under the criteria as specified under the provisions of Section 135(1) of the Act and hence, compliance of CSR provisions was not applicable to the Company for FY 2020-21. , However the Company has voluntarily spent Rs. 13,500/- (Thirteen Thousand Five Hundred) towards CSR activities in the financial Year 2020-21 as a good corporate governance practice. The compliance required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company, therefore the annual report on CSR as per Annexure mentioned in aforesaid rule is not forming the part of this Directors report.

21. AUDITORS AND REPORTS

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

a. STATUTORY AUDITOR & AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Bhalchandra D. Karve & Associates (Firm registration No: 135281W), Chartered Accountants, the Statutory Auditors of the Company have been appointed for a term of 5 (Five) years and they will continue to be the Statutory Auditors of the Company until the conclusion of Annual General Meeting to be held in the Financial Year 2023-24.

The Statutory Audit report does not contain any observations/ qualifications/ disclaimers/ adverse remark from the auditors for the financial year ended 31st March, 2021.

b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2021

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. The Board has appointed MMJB & Associates LLP, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2020-21.

The secretarial audit report issued by MMJB & Associates LLP, Practicing Company Secretaries, in Form MR-3 for the financial year 2020-21, forms part of the Directors Report as “**ANNEXURE V**”.

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

c. INTERNAL AUDITOR

S. R. Rahalkar & Associates, Chartered Accountants (FRN: 108283W) were appointed as the Internal Auditor of the Company for the financial year 2020-21 based on the recommendation of the Audit Committee of the Company.

d. MAINTENANCE OF COST RECORDS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain Cost Records under said Rules.

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

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

22. INSURANCE

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

23. OTHER DISCLOSURES

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

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

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

b. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2021, 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, 2021 and of the 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. Internal financial controls were followed by the Company and such internal financial controls are adequate and are operating effectively; and
 - f. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

c. CORPORATE GOVERNANCE

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

d. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

e. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

f. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

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

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

h. POLICY ON SEXUAL HARASSMENT AT WORKPLACE

The Company has established an Internal Complaints Committee as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company is committed to create and maintain an atmosphere in which employees can work together without fear of sexual harassment and exploitation. Every

employee is made aware that the Company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and the Company. During the year under review, there were no complaints received of any sexual harassment at work place.

i. **DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014**

The disclosures as per Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 have been marked as “**ANNEXURE VI**”.

j. **LOANS FROM DIRECTORS OR DIRECTOR’S RELATIVES**

During the financial year under review, the Company has borrowed the following amount(s) from Directors and the respective director has given a declaration in writing to the Company to the effect that the amount is being given by him out of his own funds. Accordingly, the following amount is excluded from the definition of Deposit as per Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014: -

Name of Director giving loan	Amount borrowed during FY 2020-21
Mr. Sunil Haripant Pophale	44,500,000

24. 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

Sunil Haripant Pophale
Director

DIN: 00064412

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

Meena Sunil Pophale
Whole-time Director

DIN: 00834085

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

Date: 13/08/2021

Place: Mumbai

ANNEXURE I

FORM NO. AOC.2

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

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

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

The Company has not entered into such transactions during the year.

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

Name of Related Party	Nature of Relationship	Nature of the transaction	Duration	Salient terms of the transaction including the value	Date(s) of approval by the Board	Amount paid as advance
Mr. Sunil Pophale	Director	Borrowing	Recurring	As may be agreed between the parties; Rs. 4.5 Cr.	14/02/2020	NIL

For and on behalf of the Board
Vadivarhe Speciality Chemicals Limited

Sunil Haripant Pophale
Director

DIN: 00064412

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

Meena Sunil Pophale
Whole time Director

DIN: 00834085

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

Date: August 13, 2021

Place: Mumbai

ANNEXURE II

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

(A) Conservation of energy:

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

(B) Technology absorption:

Efforts made towards technology absorption	<ul style="list-style-type: none">• The products of the Company are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore, no technology absorption is required.• The Company constantly strives for maintenance and improvement in quality of its products and entire Research and Development activities are directed to achieve the aforesaid goal.• Efforts were made in developing new products to cater to customer's requirement, especially exports.
Benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none">• As a result of sustained efforts, we have entered in to prestigious western market.• Moreover, we are also being looked upon as a potential R&D centre for their offshore R&D activity.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	Nil
Year of import	Not Applicable
Whether the technology has been fully absorbed	Not Applicable
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
Expenditure incurred on Research and Development	Nil

(C) Foreign exchange earnings and Outgo:

	April 01, 2020 to March 31, 2021 [Current F.Y.]	April 01, 2019 to March 31, 2020 [Previous F.Y.]
	Amount in Rs.	Amount in Rs.
Actual Foreign Exchange earnings	15,46,46,678	10,83,21,248
Actual Foreign Exchange outgo	-	10,57,692

For and on behalf of the Board
Vadivarhe Speciality Chemicals Limited

Sunil Haripant Pophale

Director

DIN: 00064412

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

Date: 13/08/2021

Place: Mumbai

Meena Sunil Pophale

Whole time Director

DIN: 00834085

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

ANNEXURE III

VADIVARHE SPECIALITY CHEMICALS
LIMITED

NOMINATION AND REMUNERATION POLICY

VADIVARHE SPECIALITY CHEMICALS LIMITED

INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee.

The Board of Directors of the Company (the Board) therefore, constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non- executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

In terms of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee shall inter alia recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Accordingly, this Nomination and Remuneration Policy of the Company is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

DEFINITIONS

- a) **“Board”** means Board of Directors of the Company.
- b) **“Company”** means **“Vadivarhe Speciality Chemicals Limited”**
- c) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- d) **“Key Managerial Personnel” (KMP)** means (i) Chief Executive Officer or the Managing Director or the Manager, (ii) Company Secretary, (iii) Whole-time Director, (iv) Chief Financial Officer and (v) Such other officer as may be prescribed.
- e) **“Committee or Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- f) **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”

- g) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- h) **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

SCOPE

The Remuneration Policy applies to the Company's senior management, including its Key Managerial Person and Board of Directors.

OBJECTIVES

The Key Objectives of the policy and the Committee would be:

1. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
2. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
3. To guide and recommend the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
4. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
5. To Formulate criteria for evaluation of performance of Independent Directors, the Board as a whole and the each Director on an Individual Basis.

GUIDING PRINCIPLES

The Policy ensures that:

1. The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person;

2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets.

ROLE AND POWERS OF THE COMMITTEE

1. Recommend to the Board of Directors, appointment and removal of Directors, KMP and Senior Management.
 - Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal
 - Ensure that the person(s) identified as aforesaid possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 - The Committee shall not recommend appointment of and recommend retirement of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
 - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.
 - Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.
2. Review of term/tenure of Directors, KMP and Senior Management, with special reference to:
 - a. **Managing Director/Whole-time Director:**

- The Committee shall ensure that the Company appoints or re-appoints any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time and no re-appointment is to be made earlier than one year before the expiry of term.

b. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of a cooling off period of three years after ceasing to become an Independent Director consequent to expiry of 2nd term of his/her appointment. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

3. Facilitate retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

4. Recommend to the Board of Directors, the remuneration of Directors, KMP and Senior Management.

a. General:

- The remuneration / compensation / commission etc. to the Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;
- The remuneration and commission to be paid to the Directors shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director/Whole-time Director;

- Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

b. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management:

- Fixed pay:

The Whole-time / Executive / Managing Director, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

c. Remuneration to Non- Executive / Independent Director:

- Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

- Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees

shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

➤ **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

➤ **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

MEMBERSHIP OF THE COMMITTEE

1. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
2. Minimum two (2) members shall constitute a quorum for the Committee meeting.
3. Membership of the Committee shall be disclosed in the Annual Report.
4. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN OF THE COMMITTEE

1. Chairman of the Committee shall be an Independent Director;
2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
4. Chairman of the Nomination and Remuneration Committee meeting should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be entered in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

IMPLEMENTATION

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may Delegate any of its powers to one or more of its members.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

AMENDMENTS IN THE LAW

Any subsequent amendment/modification in applicable laws in this regard shall automatically apply to this Policy.

ANNEXURE IV

Management Discussion and Analysis Report

Industry Structure and Development

Your company is engaged in manufacture of Organic Chemicals, Intermediates, Active Pharmaceutical Ingredient (API's), Personal Care Products and Speciality Chemicals. We have emerged as one of the major sources for chemical intermediates in India.

Opportunities & Threats

Your company is in the industry since last 12 years. It has a very high degree of operating synergy, economies of scale and high-quality standards. The products of your company have diverse uses and applications in several industries ranging from pharmaceutical, agro-chemicals and personal cares.

The Company is having a good clientele base, which is well diversified over the world. Considering the market situation, global companies have chosen Indian Manufacturers as compared to Chinese companies due to better documentation, reliability and quality product supply from India which has resulted in providing growth opportunities. Your Company is *WHO-GMP* certified company.

Segment/ Product Wise Performance

Your company is engaged in manufacturing of Organic Chemical, Intermediates, Active Pharmaceutical Ingredient (APIs), Personal Care Products and Speciality Chemicals, which is considered as a single segment.

The Company is making all the possible efforts for increasing turnover and profits from year to year by developing new products. The total revenue from the operations for the year ended March 31, 2021 amounts to Rs. 2647 Lakhs as against Rs. 2858.13 Lakhs in the previous financial year.

Market and Outlook

Your company has healthy order book position. The Company's R&D programs are focused on new products development & successfully added a range of products in its basket. The newly developed products will contribute a significant growth in revenue in coming years and has also started contributing which can be seen in the growth chart of the Company.

A better product mix, operational efficiency and stringent control on the cost have contributed towards increasing productivity, production and operating margins.

The Company continued to focus on cost control at every level to improve the operational efficiency which along with the increased operating level and upward revision of product prices is expected to improve the margin. Continuous efforts are being made for efficient energy and raw material consumption. The rate of flow of orders is encouraging. Production facilities are realigned to meet the demand. Your company, barring unforeseen circumstances, expects to further improve the turnover and performance. Increasing working capital is vital towards substantial growth in the coming years. Recently the Company has installed greener technologies like briquette fired boilers to save fuel costs, the positive effect of which will be reflected in the coming financial years.

Risks and Concerns

Extreme volatility of exchange rate of rupee against US dollar is having significant impact on Raw Material cost of the Company. Approximately 35% of its raw materials are imported from other countries. However, the company has managed to mitigate the risk to a great extent through exports.

Internal Control Systems and their Adequacy

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The preparation, designing and documentation of Policy on Internal Financial Control have been finalized and implemented which is being reviewed periodically and modified suitably to ensure controls. The Internal Audit functions are carried out by a separate firm of Chartered Accountants. This is supplemented through an extensive Internal Audit Programme and periodic review by Management and Audit Committee.

Discussion on Financial Performance with respect to operational performance

The total revenue from the operations for the year ended March 31, 2021 declined to Rs. 2647 Lakhs as against Rs. 2858.13 Lakhs in the previous financial year 2019-20. although the revenue decreased in the current financial year as compared to the previous financial year, still the Company was able to reduce the loss from Rs. 98,387,523 in the previous financial year to Rs. 27,604,737 in Current financial Year. the Company has taken continuous efforts to reduce consumptions and to get maximum yield from its products and effective cost control and cost cuttings measures were also being implemented. The Company is confident that the newly developed products will contribute towards a significant growth in revenue in coming years.

Human Resources

Human Resources are always the most important and valuable asset to the Company. The Company has 68 permanent employees as on 31st March, 2021 at factory and office level. Human Resource, Quality Control and Quality Assurance Department had arranged a number of training programs on cGMP, Safety Awareness. Apart from these internal training programs, employees are also sent for training/seminars on regular basis for upgrading their knowledge and skill level. Your company believes in investing in people to develop and expand their capability. The Company has been able to create a favorable work environment that motivates performance, customer focus and innovation VSCL's strategies are based, inter alia, on processes of continuous learning and improvement.

Key Financial Ratios

Particulars of Ratio	31.03.2021	31.03.2020
Debt Turnover	3.12	3.89
Inventory Turnover	4.73	3.01
Interest Coverage Ratio	-1.09	-8.50
Current Ratio	1.11	0.92
Debt Equity Ratio	1.57	1.11
Operating Profit Margin (%)	-5.11	-37.52
Net Profit Margin (%)	-10.43	-34.42

Return on Net Worth

The return on net worth has improved to (18.54%) as against (55.75%) in the previous year due to reduction in loss of the Company.

Cautionary Statement

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

For and on behalf of the Board**Vadivarhe Speciality Chemicals Limited****Sunil Haripant Pophale****Director****DIN:** 00064412**Address:** 15 Lalit Building, Wodehouse Road,
next to Badhwar Park, Colaba, Mumbai, 400005**Meena Sunil Pophale****Whole time Director****DIN:** 00834085**Address:** 15 Lalit Building, Wodehouse Road
next to Badhwar Park Colaba, Mumbai, 400005**Date:** 13/08/2021**Place:** Mumbai

MMJB & Associates LLP

Company Secretaries

803-804, Ecstasy, City of Joy, JSD Road, Mulund - West, Mumbai – 400080, (T) 21678100

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2021

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Vadivarhe Speciality Chemicals Limited** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 (hereinafter called the ‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment, Foreign Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the**

Audit Period)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test - check basis the Company has complied with the following specific law to the extent applicable to the Company:

- The Drugs and Cosmetics Act, 1940 and Rules, 1945 amended thereunder
- Drugs (Price Control) Order 2013
- Drugs & Magic Remedies (Objectionable Advertisement) Act, 1954 & Rules 1955 amended thereunder

- The Indian Boilers Act, 1923

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For MMJB & Associates LLP
Company Secretaries**

**Deepti Jambigi
Designated Partner
FCS No. 8167
CP No. 8968**

**UDIN: F008167C000531681
Peer Review Number: L2020MH006700**

**Place: Mumbai
Date: 28-06-2021**

This report is to be read with our letter of even date which is annexed as **Annexure A and forms an integral part of this report.*

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MMJB & Associates LLP
Company Secretaries

Deepti Jambigi
Designated Partner
FCS No. 8167
CP No. 8968

UDIN: F008167C000531681
Peer Review Number: L2020MH006700

Place: Mumbai
Date: 28-06-2021

ANNEXURE VI

Disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

- I. The percentage increase in remuneration of the Executive Directors, Chief Financial Officer and Company Secretary during the financial year 2020-21, the ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year and the comparison of remuneration of each Key Managerial personnel (KMP) against the performance of the Company is as under:

Sr. No.	Name	Designation	Remuneration for F.Y. 2020-21 (in Rs.)	% Increase in remuneration for financial year 2020-21	Ratio of remuneration of Director to median remuneration of employees
1.	Mrs. Meena Pophale	Whole-time Director	12,00,000	0%	3.26:1
2.	Mr. Sunil H. Pophale	Executive Director	12,00,000	0%	3.26:1
3.	Mr. Pramod Gajare	Whole-time Director	24,69,872	0%	6.48:1
4.	Mr. Laxmikant Potdar	Chief Financial Officer	15,76,583	0%	4.27:1
5.	Ms. Priyanka Nagda	Company Secretary	3,84,056	0%	1.04:1

- II. The median remuneration of employees during the financial year was **Rs. 3,68,145/-** p.a. (For calculating the median remuneration of employees, only the remuneration paid to employees who have served throughout the financial year 2020-21 has been considered.
- III. There were **68** permanent employees on the rolls of the Company as on 31st March, 2021
- IV. In the financial year there was an increase of **6.67%*** in the median remuneration.
- V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2020-21 was **0%** and average increase in the managerial remuneration w.r.t the managerial personnel for the financial year 2020-21 was **0%**
- VI. It is hereby affirmed that the remuneration is paid as per the remuneration policy of the company.
- VII. List of top 10 employees in terms of remuneration drawn.

**During the year under review, the Median Remuneration of Employees has increased by 6.67% due to Change in Number of Employees of the Company although there has been no increase in the Remuneration paid to Employees of the Company.*

Sr. No	Name of the Employee	Designation	Remuneration	Nature of Employment	Date of commencement of employment	Age of employee	Last employment held by such employee	Qualification	If the employee is a relative of Director or Manager
1	Mr. Sunil H. Pophale	Executive Director	12,00,000	Employee	23-02-2009	64	Fem Care Pharma Ltd	B. Tech	Yes
2	Mrs. Meena S.Pophale	Whole-time Director	12,00,000	Employee	23-02-2009	60	Pentagon Manufacturing and Marketing Ltd	B.A.	Yes
3	Mr. Pramod W. Gajare	Executive Director	24,69,872	Employee	16-05-2013	59	V & V Pharma	BSc Chemistry	No
4	Mr. Pramod D.Narkhede	Sr. Manager-QC	18,52,750	Employee	03-07-2009	57	Fem Care Pharma Ltd	MSc Applied Chemistry	No
5	Mr. Laxmikant S. Potdar	Chief Financial Officer	15,76,583	Employee	13-07-2011	48	Jyoti Structures Ltd	M. Com	No
6	Mr. Aniruddha S. Mhaske	Manager-HR & Admin	14,88,771	Employee	23-08-2012	46	Dabur India Ltd	B Com, MBA	No
7	Mr. Sambhaji S. Powar	Manager-ADL	14,24,924	Employee	08-03-2018	39	Macleod's Pharmaceuticals Ltd	MSc Analytical Chemistry	No
8	Mr. Satish P. Paithankar	Manager-Stores & Excise	12,61,280	Employee	01-07-2012	49	Dabur India Ltd	BA	No
9	Mr. Krishna Rao L. Patil	Manager-Production	9,29,590	Employee	03-07-2009	51	Fem Care Pharma Ltd	BSc Chemistry	No
10	Mr. Jayant P. Bhangale	Asst. Manager-Production	8,29,710	Employee	03-07-2009	54	Fem Care Pharma Ltd	BSc Chemistry	No

INDEPENDENT AUDITOR'S REPORT

To

The Members of **VADIVARHE SPECIALITY CHEMICALS LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of VADIVARHE SPECIALITY CHEMICALS LIMITED which comprise the standalone balance sheet as at March 31, 2021 and the standalone statement of profit and loss (including other comprehensive income) standalone statement of changes in equity and standalone statement of cash flows for the year then ended and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (herein referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31 2021 and profit and other comprehensive income changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Description of Key Audit Matter

Revenue recognition (refer notes 3)

The Key Audit Matter	How the matter is addressed in our audit
<p>Revenue is recognised when the control over the underlying products has been transferred to the customer.</p> <p>The sales have been reduced but it won't affect the going concern status of the company. The sales have been affected due to following reasons identified by the management:</p> <p>i. COVID-19 lockdown has resulted in cancellation/ delay in export orders.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">- Focusing on the Company's revenue recognition for compliance with AS;- Testing the design, implementation and operating effectiveness of the Company's manual and automated (Information Technology - IT) controls on recording revenue. We focused on controls around the timely and accurate recording of sales transactions. <p>Reduction in sales has been covered in notes on accounts point no 3. We analysed the management's report to gain an understanding of the inputs and processes underpinning the cash flow model prepared for the purpose of going concern assessment.</p>

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

In connection with our audit of the standalone financial statements our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be the company's management and board of directors are responsible for the matters stated in section 134(5) of the act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs profit and other comprehensive income changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in india including the Indian accounting standards (Ind AS) specified under section 133 of the act.

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on April 1 2021 taken on record by the Board of Directors none of the directors is disqualified as on March 31 2021 from being appointed as a director in terms of Section 164(2) of the Act .
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B".

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

- i. The Company has disclosed the impact of pending litigations as at March 31 2021 on its financial position in its standalone financial statements;
- ii. The Company has made provision as required under the applicable law or accounting standards for material foreseeable losses if any on long-term contracts including derivative contracts;
- iii. There were no amounts to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021

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

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

CA BHALCHANDRA D KARVE

Place: Nashik

Date: 28th June, 2021

UDIN: 21105965AAAACV5563

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT MARCH 31ST 2021

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the **VADIVARHE SPECIALITY CHEMICALS LIMITED** on the Standalone Financial Statements for the year ended March 31, 2021, we report the following:

(i)

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.
- (b) The Company has a programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment and investment properties during the year and we are informed that the discrepancies were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings as disclosed in Note 4 to the Standalone Financial Statements, are held in the name of the Company

(ii) The inventory, except for goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, 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 ('the Act'). Accordingly, paragraphs 3 (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(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.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Profession tax, Income tax, Duty of customs, Employees' State Insurance, Goods and Service tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Profession tax, Income-tax, Employees' State Insurance, Duty of customs, Goods and Service tax, Cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax as at March 31, 2021, which have not been deposited with the appropriate authorities 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 banks. The Company does not have any outstanding dues to financial institutions and Government. Further, no loans or borrowings were taken from government and there were no debentures issued during the year or outstanding as at 31 March 2021.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us by the management, we report that no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, 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 Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by applicable Ind AS.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, 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 to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, 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 to the Company.

FOR BHALCHANDRA D KARVE & ASSOCIATES

CHARTERED ACCOUNTANTS

(FIRM'S REGISTRATION NO. 135281W)

CA BHALCHANDRA D KARVE

Place: Nashik

Date: 28th June, 2021

UDIN: 21105965AAAACV5563

Annexure - B to the Auditors' Report

Refer to Para 6 (2)(f) of the Independent Auditor's Report of the even date to the members of Vadivarhe Specialty Chemicals Limited on financial statements for the yearended 31st March 2021

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 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR BHALCHANDRA D KARVE & ASSOCIATES

CHARTERED ACCOUNTANTS

(FIRM'S REGISTRATION NO. 135281W)

CA BHALCHANDRA D KARVE

Place: Nashik

Date: 28th June, 2021

UDIN: 20105965AAAACU6838

Vadivarhe Speciality Chemicals Limited
 Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,
 CIN: L24100MH2009PLC190516,
 Email id: accounts@vscl.in Website: www.vscl.in
 Phone : 02553 282200 Fax :022 26740371
 Balance Sheet as at 31st March, 2021

In Rupees

Particulars	Note No	Figures As at 31st March, 2021	Figures As at 31st March, 2020
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A.	127,827,500	127,827,500
(b) Reserves and Surplus	B.	21,055,155	48,659,892
(2) Non-Current Liabilities			
(a) Long-term borrowings	C.	145,565,001	102,406,943
(b) Deferred tax liabilities (Net)	D.	-	-
(c) Other Long term Liabilities	E.	409,708	409,708
(d) Long Term Provisions	F.	5,583,437	6,265,926
(3) Current Liabilities			
(a) Short-term borrowings	G.	46,996,664	71,958,477
(b) Trade payables	H.	66,049,071	114,675,011
(c) Other current liabilities	I.	44,048,459	27,600,502
(d) Short-term provisions	J.	14,322,454	13,408,195
Total		471,857,449	513,212,155
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	K.	259,356,409	251,206,017
(ii) Intangible assets	L.	414,374	794,235
(iii) Capital work-in-progress	M.	3,339,114	28,103,314
(iv) Intangible assets under development		-	-
(b) Non-current investments	N.	510,000	510,000
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	O.	18,025,585	21,718,208
(e) Other non-current assets	P.	698,251	706,861
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	Q.	33,417,766	68,336,135
(c) Trade receivables	R.	91,115,901	81,684,300
(d) Cash and cash equivalents	S.	9,789,599	6,552,972
(e) Short-term loans and advances	T.	54,881,857	53,291,519
(f) Other current assets	U.	308,594	308,594
Total		471,857,449	513,212,155

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date.

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

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

Bhalchandra D Karve
 Proprietor
 Membership No.105965

Chairman and Executive Director
 Sunil H Pophale

Executive Director
 Pramod W Gajare

Laxmikant S Potdar
 Chief Financial Officer

Priyanka Nagda
 Company Secretary

Place : Mumbai
 Date : June 28, 2021

Vadivarhe Speciality Chemicals Limited
Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,
CIN: L24100MH2009PLC190516,
Email id: accounts@vscl.in Website: www.vscl.in
Phone : 02553 282200 Fax :022 26740371

Profit and Loss statement for the year ended 31st March, 2021

In Rupees

Particulars	Note No	Figures for the year ended 31st March, 2021	Figures for the year ended 31st March, 2020
I. Revenue from operations	1	264,699,766	285,812,959
II. Other Income	2	3,210,676	2,337,052
III. Total Revenue (I + II)		267,910,442	288,150,011
IV. Expenses:			
Cost of materials consumed	3	129,412,892	202,576,476
Purchase of Stock-in-Trade	4	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	5	28,725,407	3,146,591
Employee benefit expense	6	38,131,213	52,339,416
Financial costs	7	12,387,229	12,607,990
Depreciation and amortization expense	8	18,070,773	17,479,994
Manufacturing Expenses	9	51,432,481	81,988,730
Other expenses	10	23,199,724	39,273,793
IV. Total Expenses		301,359,719	409,412,990
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(33,449,277)	(121,262,979)
VI. Exceptional Items - DIC PSI-2013 Incentive - Prior Period Income		7,540,000 -	1,425,000 -
VII. Profit before extraordinary items and tax (V - VI)		(25,909,277)	(119,837,979)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(25,909,277)	(119,837,979)
X. Tax expense:			
(1) Current tax		-	-
(2) Income Tax of earlier years		1,695,460	-
(3) Deferred tax		-	(21,450,456)
(4) MAT Credit entitlement		-	-
(5) MAT Credit utilised		-	-
XI. Profit/(Loss) for the period (IX - X)		(27,604,737)	(98,387,523)
No. of Shares Outstanding at the end of the period		12,782,750	12,782,750
XII. Earning per equity share:			
(1) Basic		(2.16)	(7.70)
(2) Diluted		(2.16)	(7.70)

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date.

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

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

Bhalchandra D Karve
Proprietor
Membership No.105965

Chairman and Executive Director
Sunil H Pophale

Executive Director
Pramod W Gajare

Laxmikant S Potdar
Chief Financial Officer

Priyanka Nagda
Company Secretary

Place : Mumbai
Date : June 28, 2021

Vadivarhe Speciality Chemicals Limited

Cash Flow statement for the year ended 31st March, 2021

	Rupees	
Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Cash flows from operating activities		
Profit before taxation	(25,909,277)	(119,837,979)
Adjustments for:		
Depreciation	18,070,773	17,479,994
Dividend Income	-	(50,000)
Interest Received	(1,301,242)	(1,066,029)
Interest expense	12,387,229	12,607,990
(Profit) / Loss on the sale of property, plant & equipment	-	97,001
Operating Profits before Working Capital Changes	3,247,483	(90,769,023)
Working capital changes:		
(Increase) / Decrease in trade receivables	(9,431,600)	45,325,126
(Increase) / Decrease in inventories	34,918,369	(2,367,827)
(Increase) / Decrease in Other receivables	(1,581,728)	(17,381,823)
(Increase) / Decrease in Long term Loans and advances*	3,692,623	39,716,745
Increase / (Decrease) in trade payables	(48,625,940)	62,695,350
Increase / (Decrease) in other payables	16,679,727	3,755,662
Cash generated from operations	(1,101,067)	40,974,210
Income taxes paid(Deferred tax liability written off)	(1,695,460)	-
Net cash from operating activities (A)	(2,796,527)	40,974,210
Cash flows from investing activities		
Purchase of Fixed Assets	(1,077,104)	(17,949,764)
Proceeds from sale of equipment	-	37,000
Adjusted against accumulated balances write off	-	-
Dividend income	-	50,000
Interest Received	1,301,242	1,066,029
Net cash used in investing activities(B)	224,138	(16,796,735)
TOTAL (A+B)	(2,572,388)	24,177,474
Cash flows from financing activities		
Increase / (Decrease) in Short term Borrowings - Cash credit facility & Packing Credit	(24,961,813)	14,106,174
Proceeds from issue of share capital	-	-
Proceeds from Term loan	2,367,663	(6,817,038)
Interest on Loan	(12,387,229)	(12,607,990)
Proceed from unsecured loan from Director	40,790,395	(18,079,961)
Net cash used in financing activities [C]	5,809,015	(23,398,815)
Net increase in cash and cash equivalents (A+B+C)	3,236,627	778,660
Cash and cash equivalents at beginning of period	6,552,972	5,774,313
Cash and cash equivalents at end of period	9,789,599	6,552,972
Components of Cash and cash equivalents		
Cash in hand	1,079,458	159,453
Balances with Scheduled banks :		
in current accounts	3,904,141	1,587,519
in deposits accounts	4,806,000	4,806,000
Cash and cash equivalents in Cash Flow Statement	9,789,599	6,552,972

As per our Report attached of even date.

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

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

Bhalchandra D Karve
Proprietor
Membership No.105965

Chairman and Executive Director
Sunil H Pophale

Executive Director
Pramod W Gajare

Laxmikant S Potdar Priyanka Nagda
Chief Financial Officer Company Secretary

Place : Mumbai
Date : June 28, 2021

REG. VADIVARHE SPECIALITY CHEMICALS LIMITED

NOTES FORMING PART OF ACCOUNTS AS AT 31st MARCH 2021

A) SIGNIFICANT ACCOUNTING POLICIES

(1) ACCOUNTING CONVENTIONS:

The financial statements are presented under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles (GAAP) and applicable Accounting Standards prescribed under Section 133 of Companies Act, 2013. The accounting policies adopted in the preparation of Financial statements are consistent with those followed in previous year.

(2) USE OF ESTIMATES :-

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

(3) REVENUE RECOGNITION:

Sale of goods is recognized when significant risks and rewards of ownership are transferred to the customers., net of taxes (wherever applicable) and is net of discount.

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

Lock-down due to COVID-19 pandemic has resulted in reduction in sales. The reduction in sales has not resulted in affecting the going concern status of the company.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when right to receive the payment is established.

(4) FIXED ASSETS:

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

(5) METHOD OF DEPRECIATION AND AMORTISATION:

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

(6) INVENTORIES:

- a) Raw Materials are valued on the basis of the Batch wise balance stock at the end of the year.
This method has been consistently followed.
- b) Cost of Semi-finished and finished goods comprise of materials cost and conversion cost.
- c) Inventories are valued at lower of cost and net realizable value

(7) INVESTMENTS:

Investments are to be stated at cost.

(8) TAXATION:

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

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

(10) Employment Retirement Benefits:

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

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

(11) Contingent Liabilities:

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

(12) Foreign Exchange Transactions:

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

For & on behalf of Directors of

Vadivarhe Specialty Chemicals Limited

Sunil H Pophale
Chairman
Executive Director

Pramod W Gajare
Executive Director

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

Laxmikant Potdar
Chief Financial Officer

Priyanka Nagda
Company Secretary

CA Bhalchandra D Karve
Proprietor
Membership No. 105965

Date: 28th June, 2021

Place: Nashik

UDIN: **21105965AAAACV5563**

Notes To and Forming Part of the Balance Sheet

	March 31,2021	March 31,2020
	Amount	Amount
Note A : Share Capital		
Authorised:		
1,50,00,000 Equity Shares of Rs. 10 each (Previous Year: 1,50,00,000 Equity Shares of Rs. 10 each)	150,000,000	150,000,000
Issued, Subscribed and Paid-up:		
1,27,82,750 Equity Shares of Rs.10 each fully paid up, (Previous Year: 1,27,82,750 Equity Shares of Rs.10 each fully paid up)	127,827,500	127,827,500
Total	127,827,500	127,827,500

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

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

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

Note B : Reserves and Surplus

Securities Premium Account		
Opening Balance	59,579,898	59,579,898
Less : Utilised during the year for Issuing bonus shares	-	-
Less : Utilised during the year for IPO costs	-	-
Add : Premium received during the year in respect of shares issued in IPO	-	-
Closing balance	59,579,898	59,579,898

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

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

Surplus / (Loss) in the statement of Profit & Loss		
Opening Balance	(10,920,006)	87,467,517
Profit / (Loss) of the current year	(27,604,737)	(98,387,523)
Closing balance	(38,524,743)	(10,920,006)
Total	21,055,155	48,659,892

Notes To and Forming Part of the Balance Sheet

	March 31,2021 Amount	March 31,2020 Amount
Note C: Long-term borrowings		
(a) Secured Loan		
1) Term Loans		
Soft Loan From Small Industries Development Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)	584,000	896,000
(Above term loan will be settled as on 10/01/2024 Balance Sheet date 31/03/2024) Number of Installment due 33 Rs.24000/- and last 1 Installment of Rs.80,000/-,		
Term Loan From Small Industries Development Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)	5,020,000	7,880,000
(Above term loan will be settled as on 10/01/2024 Balance Sheet date 31/03/2024) Number of Installment due 33 Rs.2,20,000/- and 1 Installment of Rs.4,00,000/-,		
Term Loan From Small Industries Development Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Lien on Term Deposit Receipts of Rs. 32.56 Lakhs)	7,900,000	11,800,000
(Above term loan will be settled as on 10/06/2024 Balance Sheet date 31/03/2025) Number of Installment due 38 Rs.3,00,000/- and 1 Installment of Rs.1,00,000/-,		
Term Loan From Small Industries Development Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Lien on Term Deposit Receipts of Rs. 12.50 Lakhs)	6,485,000	8,705,000
(Above term loan will be settled as on 10/02/2025 Balance Sheet date 31/03/2025) Number of Installment due 46 Rs.1,85,000/- and 1 Installment of Rs.1,95,000/-,		
Term Loan From Small Industries Development Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)	-	2,003,000
(Above term loan will be settled as on 10/09/2021 Balance Sheet date 31/03/2022) Number of Installment due 5 Rs.3,33,000/- and 1 Installment of Rs.3,38,000/-,		
Term Loan From Small Industries Development Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) ECLGS Scheme	4,710,000	-
(Above term loan will be settled as on 10/10/2024 Balance Sheet date 31/03/2025) Number of Installment due 35 Rs.1,55,000/- and 1 Installment of Rs.60,000/-,		
From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)	-	-
(Above term loan is settled as on 30/12/2020 Balance Sheet date 31/03/2021) Number of Installment was due in current year 6 Rs.7,10,151/- and 1 Installment of Rs. 4,69,555/- Above term loan is FCTL in USD, outstanding as on 31/03/20: USD 62763.20 (P.Y: 189271.50) and applicable rate of Interest is LIBOR + 425 BPS)		
From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)	21,780,000	30,910,000
(Above term loan will be settled as on 30/05/2024 Balance Sheet date 31/03/2025) Number of Installment due 37 Rs.8,30,000/- and 1 Installment of Rs.10,30,000/-,		
From Axis Bank Ltd (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)	19,400,000	-
(Above term loan will be settled as on 30/07/2024 Balance Sheet date 31/03/2025) Number of Installment due 35 Rs.7,00,000/- and 1 Installment of Rs.5,00,000/-,		
From Kotak Mahindra Prime Ltd (Secured by Car)	699,280	2,016,617
(Above term loan will be settled as on 01/09/2022 Balance Sheet date 31/03/2023) Number of Installment due 18, Amount of Installment Rs.1,19,288/-, (Inclusive of Finance Charges)		
(b) Unsecured Loans		
Loan from Promotor Director Mr.Sunil H Pophale	76,486,721	36,796,326
Loan from Director Mr. Pramod W Gajare	1,000,000	1,400,000
Loan from Dhumal Industries India Pvt Ltd	1,500,000	-
(Above term loan will be settled as on 10/04/2022 Balance Sheet date 31/03/2023) Number of Installment due 10 Rs.15,00,000/-		
	145,565,001	102,406,943

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

	(29,705,406)	(29,147,519)
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Gross Deferred Tax Liability	(29,705,406)	(29,147,519)
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Deferred Tax Assets

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

1,563,951	3,198,131
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Unabsorbed Depreciation	34,495,638	34,495,638
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Provision for Bonus	279,722	318,313
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Provision for Leave Encashment	562,671	561,866
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Provision for Gratuity and LTA	1,892,470	1,708,351
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Gross Deferred Tax Assets	38,794,453	40,282,298
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Less : Not recognised since no virtual certainty for set off of losses	9,089,047	11,134,779
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Net Deferred tax liability	-	-
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Note E: Other Long term Liabilities

Trade Payables	-	-
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Payables on purchase of fixed assets	409,708	409,708
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	409,708	409,708
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Note F: Long Term Provisions

Provision for Employee Benefits :

Provision for Gratuity	4,199,640	4,681,279
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Provision for Leave Encashment	1,383,797	1,584,647
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	5,583,437	6,265,926
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Notes To and Forming Part of the Balance Sheet

	March 31,2021 Amount	March 31,2020 Amount
Note G: Short-term borrowings		
Secured Loan		
Cash Credit Facility		
From Axis Bank Ltd	46,996,664	43,106,527
(Secured by an exclusive charge by way of hypothecation of Stock & Book Debts)		
Packing Credit		
From Axis Bank Ltd	-	28,851,950
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
	46,996,664	71,958,477
Note H: Trade Payable		
Creditors for Goods	46,377,303	87,605,453
Other Creditors	18,511,433	16,452,278
Payables on purchase of fixed assets	1,160,335	10,617,280
	66,049,071	114,675,011
(Please refer Notes to Accounts, Note No 09 for Due to micro and small enterprises)		
Note I: Other Current Liabilities		
Current maturities of long-term debt		
Term Loans		
Soft Loan From Small Industries Development Bank of India	288,000	168,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan will be settled as on 10/01/2024 Balance Sheet date 31/03/2024) Number of Installment due 33 Rs.24000/- and last 1 Installment of Rs.80,000/-,		
Term Loan From Small Industries Development Bank of India	2,640,000	1,540,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan will be settled as on 10/01/2024 Balance Sheet date 31/03/2024) Number of Installment due 33 Rs.2,20,000/- and 1 Installment of Rs.4,00,000/-,		
Term Loan From Small Industries Development Bank of India	3,600,000	2,100,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Lien on Term Deposit Receipts of Rs. 32.56 Lakhs)		
(Above term loan will be settled as on 10/06/2024 Balance Sheet date 31/03/2025) Number of Installment due 38 Rs.3,00,000/- and 1 Installment of Rs.1,00,000/-,		
Term Loan From Small Industries Development Bank of India	2,220,000	1,295,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Lien on Term Deposit Receipts of Rs. 12.50 Lakhs)		
(Above term loan will be settled as on 10/02/2025 Balance Sheet date 31/03/2025) Number of Installment due 46 Rs.1,85,000/- and 1 Installment of Rs.1,95,000/-,		
Term Loan From Small Industries Development Bank of India	2,003,000	2,997,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan will be settled as on 10/09/2021 Balance Sheet date 31/03/2022) Number of Installment due 5 Rs.3,33,000/- and 1 Installment of Rs.3,38,000/-,		
Term Loan From Small Industries Development Bank of India	775,000	
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) ECLGS Scheme		
(Above term loan will be settled as on 10/10/2024 Balance Sheet date 31/03/2025) Number of Installment due 35 Rs.1,55,000/- and 1 Installment of Rs.60,000/-,		
From Axis Bank Ltd	-	4,730,461
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan is settled as on 30/12/2020 Balance Sheet date 31/03/2021) Number of Installment was due in current year 6 Rs.7,10,151/- and 1 Installment of Rs. 4,69,555/- Above term loan is FCTL in USD, outstanding as on 31/03/20: USD 62763.20 (P.Y: 189271.50) and applicable rate of Interest is LIBOR + 425 BPS)		
From Axis Bank Ltd	9,960,000	8,300,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan will be settled as on 30/05/2024 Balance Sheet date 31/03/2025) Number of Installment due 37 Rs.8,30,000/- and 1 Installment of Rs.10,30,000/-,		
From Axis Bank Ltd	5,600,000	-
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)		
(Above term loan will be settled as on 30/07/2024 Balance Sheet date 31/03/2025) Number of Installment due 35 Rs.7,00,000/- and 1 Installment of Rs.5,00,000/-,		
From Kotak Mahindra Prime Ltd	1,317,338	1,216,046
(Secured by Car)		
(Above term loan will be settled as on 01/09/2022 Balance Sheet date 31/03/2023) Number of Installment due 18, Amount of Installment Rs.1,19,288/-, (Inclusive of Finance Charges)		
Unsecured Loan from Dhumal Industries India Pvt Ltd	13,500,000	-
(Above term loan will be settled as on 10/04/2022 Balance Sheet date 31/03/2023) Number of Installment due 10 Rs.15,00,000/-		

Notes To and Forming Part of the Balance Sheet

Note J: Short Term Provisions

Provision for Employees Benefit		
Provision for L.T.A.	1,710,559	1,283,972
Provision for Bonus	1,075,852	1,224,280
Provision for Gratuity	1,368,532	605,329
Provision for Leave Encashment	780,324	576,375
Salary and Other Payables (including director remuneration payable)	6,540,831	5,216,323
Provision Others		
Provision for Tax	-	-
Provision for Tax for earlier years		
Provision for Expences	2,846,356	4,501,916
Others	-	-
	14,322,454	13,408,195

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, 2020	Additions	Deletions / Adjustments	As at March 31, 2021	As at April 1, 20120	For the Year	Deletions / Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Note K :Tangible Assets										
Freehold land	12,802,260	-	-	12,802,260	-	-	-	-	12,802,260	12,802,260
Buildings	67,126,646	20,875,647	-	88,002,293	22,136,782	2,800,850	-	24,937,632	63,064,661	44,989,864
Air Conditioners	1,322,179	-	-	1,322,179	279,519	301,247	-	580,766	741,413	1,042,660
Office Equipments	4,561,804	-	-	4,561,804	4,092,495	84,686	-	4,177,181	384,623	469,309
Plant and machinery	118,983,818	3,803,167	-	122,786,985	42,619,745	5,135,906	-	47,755,651	75,031,334	76,364,073
Solar Power & Water Heater Plant	29,972,383	-	-	29,972,383	6,667,282	1,745,858	-	8,413,140	21,559,243	23,305,101
R & D Lab & Equipments	5,054,948	-	-	5,054,948	759,032	235,308	-	994,340	4,060,608	4,295,916
Q.C. Equipments	38,010,449	37,398	-	38,047,847	10,129,446	1,681,390	-	11,810,836	26,237,011	27,881,003
ETP	19,382,790	-	-	19,382,790	2,468,273	905,157	-	3,373,430	16,009,360	16,914,517
Utility	31,928,296	-	-	31,928,296	11,332,385	1,318,741	-	12,651,126	19,277,170	20,595,911
Electrical installation	13,385,922	1,054,542	-	14,440,464	11,613,808	310,681	-	11,924,489	2,515,975	1,772,114
Computers	3,995,619	70,550	-	4,066,169	3,068,152	529,752	-	3,597,904	468,265	927,467
Furniture and fixtures	17,699,949	-	-	17,699,949	4,093,857	1,614,496	-	5,708,353	11,991,596	13,606,092
Vehicles	10,693,136	-	-	10,693,136	4,453,406	1,026,840	-	5,480,246	5,212,890	6,239,730
Total	374,920,199	25,841,304	-	400,761,503	123,714,182	17,690,912	-	141,405,094	259,356,409	251,206,017
Note L :Intangible Assets										
Computer Softwares	3,301,430	-	-	3,301,430	2,855,262	379,861	-	3,235,123	66,307	446,168
ERP Software	739,416	-	-	739,416	391,349	-	-	391,349	348,067	348,067
Total	4,040,846	-	-	4,040,846	3,246,611	379,861	-	3,626,472	414,374	794,235
Note M :Capital Work-in-Progress										
Capital Work-In Progress	27,377,221	485,100	(24,761,220)	3,101,101	-	-	-	-	3,101,101	27,377,221
Capital Advances	726,093	-	(488,080)	238,013	-	-	-	-	238,013	726,093
Total	28,103,314	485,100	(25,249,300)	3,339,114	-	-	-	-	3,339,114	28,103,314
Grand Total	407,064,359	26,326,404	(25,249,300)	408,141,463	126,960,793	18,070,773	-	145,031,566	263,109,897	280,103,566
Previous year	308,082,392	100,373,358	(18,929,895)	389,525,855	95,393,452	16,273,110	(1,908,504)	109,758,058	279,767,797	212,688,940

Notes To and Forming Part of the Balance Sheet

	March 31,2021 Amount	March 31,2020 Amount
Note N: Non-Current Investments		
Unquoted Investments		
Investments in Govt Securities		
6 years National Saving Certificate VIII issue	10,000	10,000
Investment in equity instruments (unquoted)		
Equity Shares of NKGSB Co-Op Bank Ltd	500,000	500,000
(of the above 50,000 Equity Shares of NKGSB Co-op Bank Ltd bearing Face Value of Rs.10/- each)		
	<u>510,000</u>	<u>510,000</u>
Note O: Long-term loans and advances		
Advance to Suppliers	29,134	29,134
Mat Credit entitlement		
MAT credit FY 2014-15	990,704	990,704
MAT credit FY 2015-16	10,113,148	10,113,148
MAT credit FY 2016-17	3,248,160	3,248,160
MAT credit FY 2018-19	101,758	101,758
MAT credit FY 2019-20	-	-
Deposits - Others	2,884,116	4,735,116
VAT Credit (Input) Receivable -Earlier Period	658,565	2,500,188
VAT Credit (Input) Receivable - Current Period	-	-
	<u>18,025,585</u>	<u>21,718,208</u>
Note P: Other non-current assets		
Interest accrued but not received on NSC, FD and Others	610,301	259,988
Insurance Claim Receivable	87,950	446,873
	<u>698,251</u>	<u>706,861</u>
Note Q : Inventories (at lower of cost and net realisable value)		
Raw Materials	17,382,165	23,997,714
Packing Materials	843,685	421,098
Works In Progress	11,712,822	14,209,944
Finished Goods	3,479,094	29,707,379
Total	<u>33,417,766</u>	<u>68,336,135</u>
Note R : Trade receivables		
Debts outstanding for a period exceeding six months -		
Unsecured, considered good	23,446,503	24,166,451
Unsecured, Considered doubtful	-	-
Other debts		
Unsecured, considered good	67,669,398	57,517,849
Unsecured, considered doubtful	-	-
	<u>91,115,901</u>	<u>81,684,300</u>
Less: Provision for doubtful debts	-	-
Total	<u>91,115,901</u>	<u>81,684,300</u>
Note S : Cash and cash equivalents		
Cash on hand	1,079,458	159,453
Balances with Scheduled banks :		
in current accounts	3,904,141	1,587,519
in deposits accounts (Fixed deposits with maturity more than three months	4,806,000	4,806,000
Total	<u>9,789,599</u>	<u>6,552,972</u>

Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Balance Sheet

	March 31,2021 Amount	March 31,2020 Amount
Note T : Short-term loans and advances		
(Unsecured, Considered good unless otherwise stated)		
Advances recoverable in cash or in kind for value to be received		
Loans and Advances To Related Parties (Refer note 11.2)	-	-
Advances to suppliers	-	-
Loans and Advances to Staff	324,601	395,178
(Secured to the extent of Rs. Nil (Previous Year: Rs. Nil)		
Income tax refund - F.Y 13-14	260,045	260,045
Income tax refund - F.Y 14-15	423,151	423,151
Income tax refund - F.Y 17-18	220,337	4,272,190
Income tax refund - F.Y 18-19	-	4,732,543
Income tax refund - F.Y 19-20	300,000	300,000
Advance tax - F.Y 20-21	-	-
TDS Deducted by Customers, Banks	692,656	494,896
Balances with Customs, Port Trust, Excise etc. GST Receivables	50,089,416	41,718,234
Deposit others	-	-
Prepaid Expenses	2,571,651	695,282
Total	54,881,857	53,291,519
Note U : Other Current Assets		
Others	308,594	308,594
Total	308,594	308,594

Vadivarhe Speciality Chemicals Limited

Notes To and Forming Part of the Profit and Loss Accounts

	March 31,2021 Amount	March 31,2020 Amount
Note 1 : Revenue from operations		
Sales of Goods (Gross)	256,134,786	301,401,556
Less - Excise Duty	-	-
	<u>256,134,786</u>	<u>301,401,556</u>
Service Income	8,564,980	(15,588,597)
	<u>264,699,766</u>	<u>285,812,959</u>
Note 2 : Other income		
Interest on		
- NSC, FD and Others	1,301,242	1,066,029
- Income Tax, Sales Tax and Others	-	-
Dividend Received	-	50,000
Discount Received	90	7,484
Exchange Diference (Gain)	-	-
Insurance Claim Received	-	-
Export- Rebate (MEIS) & Duty Drawback Incentive	1,338,843	1,213,539
Miscellaneous Income	570,501	-
Total	<u>3,210,676</u>	<u>2,337,052</u>
Note 3 : Cost of Materials consumed		
Raw Materials		
Opening stock	23,997,714	18,359,194
Purchases during the year	125,579,941	208,214,898
Inventory Gain/(Loss)/Others	(5,981,258)	(3,216,647)
Closing stock	17,382,165	23,997,714
Raw material consumed	<u>126,214,233</u>	<u>199,359,731</u>
Packing Materials		
Opening stock	421,098	545,200
Purchases during the year	1,040,348	1,728,294
Closing stock	843,685	421,098
Packing material consumed	<u>617,761</u>	<u>1,852,396</u>
R&D and other Material Consumed	2,580,899	1,364,349
Total	<u>129,412,892</u>	<u>202,576,476</u>
Note 4 : Purchase of Stock-in-Trade		
Trading goods purchased	-	-
	<u>-</u>	<u>-</u>
Note 5 : Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade		
Work-In-Progress		
Opening Stock	14,209,944	22,238,301
Less: Closing Stock	11,712,822	14,209,944
	<u>2,497,121</u>	<u>8,028,357</u>
Finished Goods		
Opening Stock	29,707,379	24,825,613
Less: Closing Stock	3,479,094	29,707,379
	<u>26,228,285</u>	<u>(4,881,766)</u>
Stock-in-Trade		
Opening Stock	-	-
Less: Closing Stock	-	-
	<u>-</u>	<u>-</u>
	<u>28,725,407</u>	<u>3,146,591</u>

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

	March 31,2021 Amount	March 31,2020 Amount
Note 6 : Employee Benefit Expense		
Salaries, Wages and Bonus (Including Directors Remuneration, Refer Note 11 [10.7])	33,529,677	44,878,308
Contribution to Provident and other funds	2,652,492	3,453,239
Gratuity Expenses (Refer Note 11.05)	281,564	963,094
Workmen and Staff Welfare Expenses	1,667,480	3,044,776
Total	38,131,213	52,339,416
Note 7 : Financial Expenses		
Interest		
- On Term Loan from Axis Bank/SIDBI/Unsecured Loan	7,942,491	6,479,031
- On Bank Cash credit facility	4,237,462	5,798,417
- On Loan from NBFC	207,276	330,542
Total	12,387,229	12,607,990
Note 8 : Depreciation and Amortization Expenses		
Depreciation on Tangible Fixed Assets	17,690,912	17,133,461
Depreciation on Intangible Fixed Assets	379,861	346,533
Total	18,070,773	17,479,994
Note 9 : Manufacturing Expenses		
Consumption of Consumables, Stores and Spares	2,588,549	4,555,210
Labour Charges	18,385,731	19,947,193
Job Work Charges	3,620,501	17,418,568
Power and Fuel	17,668,681	25,434,908
Rates and Taxes	2,830,616	5,222,163
Repairs and Maintenance of Plant and Machinery	6,338,403	9,410,688
Total	51,432,481	81,988,730
Note 10 : Other Expenses		
Repairs and Maintenance of:		
- Building	175,897	676,525
- General and Others	896,273	1,755,459
Insurance	1,289,196	1,192,769
Exchange Difference (Loss)	(503,327)	3,290,582
Printing and Stationery	231,603	362,764
Communication Costs	377,107	902,769
Travelling and Conveyance	3,063,991	4,968,202
Legal and Professional Charges	4,746,551	9,466,147
Bank Charges	589,929	1,061,037
Rent	501,500	414,700
Interest /Penalties	183,027	41,761
Auditors' Remuneration (Refer Note 11 [10.8])	115,000	125,000
Freight and Forwarding Charges	4,999,003	3,800,837
Advertisement and Sales Promotion	431,347	14,175
Commission	1,968,414	1,080,167
Security Charges	2,300,600	2,464,605
Loss on Sale of Asset	-	97,001
Corporate Social Responsibility Expenses	13,500	610,651
Inventory Written off	-	-
Insurance Claim Receivable & Others Written off (Net)	(247,872)	1,946,274
Doubtfull Debts	-	1,232,877
Testing, sampling EHS safety Expenses	1,059,604	1,723,133
Administration Expenses	1,008,381	2,046,357
Total	23,199,724	39,273,793

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 11

01 Segment Information

I. Business Segments

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

II. Geographical Segments

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

Geographical Segments

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

Particulars	March 31, 2021 Amount	March 31, 2020 Amount
Sales Revenue by Geographical Market (including Service Income)		
India	110,053,088	177,491,710
Outside India	154,646,678	108,321,248
Total	264,699,766	285,812,959

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, 2021 Amount	March 31, 2020 Amount
Carrying amount of Segment Assets and Intangible Assets		
India	259,770,783	252,000,252
Outside India	-	-
Total	259,770,783	252,000,252
Additions to Fixed Assets including Capital Work In Progress		
India	26,326,404	24,207,365
Outside India	-	-
Total	26,326,404	24,207,365

Notes to the accounts

Note 11

02 Related Parties

Related party disclosures:

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

Key Management Personnel	Director	Mr. Sunil H. Pophale
	Director	Mrs. Meena S. Pophale
	Director	Mr. Pramod W Gajare
Enterprises over which key management personnel exercise significant influence		1 Zenvision Pharma LLP
		2 ReecordCure Enterprises
		3 Reelabs Pvt Ltd
		4 Starkut Media & Entertainment pvt Ltd
		5 Respects Lab LLP

a) Related party transactions:

Particulars	Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Purchase of goods	-	-	3,889,481	8,589,873	3,889,481	8,589,873
Sale of goods	-	-	529,257	7,484,202	529,257	7,484,202
Services Provided	-	-	-	-	-	-
Services Taken	-	-	450,000	3,210,115	450,000	3,210,115
Security Deposit Given	-	-	-	-	-	-
Security Deposit Returned	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Loan taken	44,500,000	4,660,000	-	-	44,500,000	4,660,000
Loan given	-	-	-	-	-	-
Loan repaid to	5,209,605	22,739,961	-	-	5,209,605	22,739,961
Loan repaid by	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Managerial remuneration *	4,869,872	4,869,872	-	-	4,869,872	4,869,872
Closing Outstanding Balances:						
Receivables	-	-	528,224	4,721,772	528,224	4,721,772
Payables	79,138,578	37,484,231	2,617,765	5,715,589	81,756,343	43,199,820

* 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, 2021	March 31, 2020
Managerial remuneration:		
Director -Mrs. Meena S Pophale	1,200,000	1,200,000
Director -Mr.Sunil H Pophale	1,200,000	1,200,000
Director -Mr.Pramod W Gajare	2,469,872	2,469,872
Total	4,869,872	4,869,872
Loan taken :		
Director -Mr.Sunil H Pophale	44,500,000	3,260,000
Director -Mr. Pramod W Gajare	-	1,400,000
Total	44,500,000	4,660,000
Loan repaid to :		
Director -Mr.Sunil H Pophale	4,809,605	22,739,961
Director -Mr. Pramod W Gajare	400,000	-
Total	5,209,605	22,739,961
Goods purchased from:		
Zenvision Pharma LLP	-	-
Respect Labs LLP	3,711,891	8,589,873
Reelabs Pvt Ltd	177,590	-
Total	3,889,481	8,589,873
Goods sold to:		
Zenvision Pharma LLP	-	-
Respect Labs LLP	415,661	7,484,202
Reelabs Pvt Ltd	113,596	-
Total	529,257	7,484,202
Services taken from:		
Zenvision Pharma LLP	450,000	1,800,000
Respect Labs LLP	-	1,410,115
Reelabs Pvt Ltd	-	-
Total	450,000	3,210,115

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 11

	March 31, 2021	March 31, 2020
	Amount	Amount
03 Capital Commitments		
Estimated amount Of contracts remaining to be executed on capital account and not provided for	-	572,911

04 Provisions and Contingencies

Bank Gaurantee provided to Maharshtra Pollution Control Board of Rs 2,26,82,000/-

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 11

05 Gratuity and other post-employment benefit plans

(i) Defined Benefit Plans –

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

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

	March 31, 2021 Amount	March 31, 2020 Amount
Profit and Loss Account		
Net employee benefit expense (recognized in Employee Cost)		
Current service cost	725,997	846,236
Interest cost on benefit obligation	341,491	299,327
Expected Return on plan assets	(172,860)	(206,653)
Net Actuarial (gain)/ loss recognized in the year	(463,881)	702,787
Net benefit expense	430,747	1,641,697
Actual return on plan assets	172,860	206,653
Balance Sheet		
Net liability recognised in the balance sheet		
Defined benefit obligation	5,568,172	5,286,608
Fair value of plan assets	2,468,821	2,618,004
Plan (Liability)	(3,099,351)	(2,668,604)
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligations	5,286,608	4,323,514
Interest cost	341,491	299,327
Current service cost	725,997	846,236
Benefits paid	318,241	892,451
Actuarial (gain)/Loss on obligations	(467,683)	709,982
Closing defined benefit obligations	5,568,172	5,286,608
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	2,618,004	3,296,607
Expected return on plan assets	172,860	206,653
Contributions by employer	-	-
Benefits paid	318,241	892,451
Actuarial (gain)/Loss on Plan Assets	(3,802)	7,195
Closing fair value of plan assets	2,468,821	2,618,004

Notes to the accounts

Note 11

05 Gratuity and other post-employment benefit plans

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

Category of Assets	March 31, 2021 %	March 31, 2020 %
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	6.77%	6.66%
Expected rate of return on assets	7.03%	7.25%
Withdrawal rate	1.00%	1.00%
Expected rate of Salary increase	5.00%	5.00%
Mortality Pre-retirement	IALM(2012-14) Ultimate	IALM(2012-14) Ultimate

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

(ii) Defined Contribution Plans –

Amount of Rs. 26,52,492/- (Previous Year: Rs.34,53,239/-) is recognized as an expense and included in Note 6 - "Contribution to Provident and other funds" in the Profit and Loss account.

06 Derivative Instruments and Un-hedged Foreign Currency Exposure

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

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

Particulars	Currency	March 31, 2021		March 31, 2020	
		Foreign Currency	Amount	Foreign Currency	Amount
Export Debtors	USD	351,040	25,685,597	183,420	13,824,365
Advance from Customers	USD	-	-	17,100	1,288,827
Import Creditors	USD	63,165	4,621,783	369,100	27,819,067
Advance to Import Creditors	USD	-	-	-	-
FCTL from Banks	USD	-	-	62,763	4,730,462
PCFC from Axis Bank	USD	-	-	382,804	28,851,950
EEFC account in Axis Bank	USD	2,742	200,620	19,390	1,461,454

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 11

07

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

08 Earning Per Share (EPS)

Particulars	March 31, 2021 Amount	March 31, 2020 Amount
Basic and Diluted earning per share		
Profit after tax attributable to equity shareholders (in Rs.)	(27,604,737)	(98,387,523)
<u>Calculation of Weighted Average number of Equity Shares</u>		
Number of equity shares at the beginning of the year	12,782,750	12,782,750
Number of shares issued during the year	-	-
Number of equity shares outstanding at the end of the year	12,782,750	12,782,750
Weighted average number of equity shares outstanding during the year	12,782,750	12,782,750
Basic and diluted earnings per share (in Rs.)	(2.16)	(7.70)
Face Value per share (in Rs.)	10	10

*Note :The company has split the Equity shares of denomination of Rs 100 to Denomination of Rs 10/- on 17/08/2016.

The Company has declared bonus shares in the ratio of 3:2 (3 share bonus for Every 2 shares held in Company) on 27/02/2017 to all existing shares holders.

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

Particulars	March 31, 2021 Amount	March 31, 2020 Amount
Principal amount outstanding as at March 31, 2021	782,348	555,525
Interest due as on March 31, 2021	-	-

The information has been given in respect of such vendors to the extent they could be identified as “Micro and Small Enterprises” enterprises on the basis of information available with the Company

The Company deals with various Micro and Small Enterprises on mutually accepted terms and conditions. Accordingly, no interest is payable if the terms are adhered to by the Company. Consequently, no interest has been paid or is due and no provision for interest payable to such units is required or has been made under Micro, Small and Medium Enterprises Development Act, 2006.

Notes to the accounts

Note 11

10 Additional Information pursuant to the provisions of paragraphs 3, 4, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.**10.1 Licensed capacity, Installed Capacity and Actual Production**

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

Particulars	Units	Installed Capacity *		Actual Production **	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Quantity	Quantity	Quantity	Quantity
Chemicals	Tons	150	150	99	110

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

** Including Jobwork Manufactured Quantity

10.2 Details of Finished Goods

Opening stocks (including inventory acquired):

Particulars	Units	March 31, 2021		March 31, 2020	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	12.63	29,707,379	4.60	24,825,613
		12.63	29,707,379	4.60	24,825,613

Closing Stocks:

Particulars	Units	March 31, 2021		March 31, 2020	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	1.98	3,479,094	12.63	29,707,379
		1.98	3,479,094	12.63	29,707,379

10.3 Sales

Particulars	Units	March 31, 2021		March 31, 2020	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	94.72	256,134,786	110.29	301,401,556
		94.72	256,134,786	110.29	301,401,556

Notes to the accounts

Note 11

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

10.4 Consumption of Raw Materials

Particulars	Units	March 31, 2021		March 31, 2020	
		Quantity	Amount	Quantity	Amount
Methanol	Tons	388.15	11,369,525	233.17	6,695,851
Palladium Acetate	Tons	0.00	7,756,476	0.00	6,043,128
1,4-Diamino Anthraquinone	Tons	3.30	7,571,299	4.24	10,217,024
{S,S} -2,8-Diazabicyclo-{4,3,0} 1	Tons	0.36	7,061,753	-	-
6-(E)-2-(4-(4-Fluorophenyl)-6 -Is	Tons	0.27	5,301,855	-	-
1-Nitroanthraquinone	Tons	3.90	4,928,082	14.40	19,587,840
1-Cyclo Propyl-6,7 Di Fluoro-1,4	Tons	0.97	3,560,758	-	-
Ethyl Acetate	Tons	48.71	3,551,891	151.65	10,796,430
2-Chlorotriptyl Chloride	Tons	2.25	3,454,386	30.09	54,791,031
Hexane / N-Hexane / Mintroleum	Tons	31.77	3,280,543	157.88	13,754,261
(4R Cis)-1 1-Dimethylethyl-6-Cy	Tons	0.40	3,129,000	-	-
Mono Chloro Benzene (Mcb)	Tons	47.87	2,948,607	69.58	4,418,358
2-[3-Cyano-4-(2-Methylpropoxy)	Tons	0.40	2,860,000	-	-
Toluene	Tons	45.66	2,773,362	58.86	4,147,882
Anhydrous Hcl (Ahcl) Cylinder	Tons	189.56	5,539,880	3.91	2,151,579
Others		139.56	51,126,817	178.35	66,756,346
Total			126,214,233		199,359,731

10.5 Value of imports calculated on CIF basis

Particulars	March 31, 2021 Amount	March 31, 2020 Amount
Raw Material	45,756,192	100,909,355
Capital Goods	-	-
Total	45,756,192	100,909,355

10.6 Imported and indigenous raw materials consumed

Particulars	March 31, 2021		March 31, 2020	
	Amount	%	Amount	%
a) Imported	39,716,122	31.47	116,142,480	58.26
b) Indigenously obtained	86,498,111	68.53	83,217,251	41.74
Total	126,214,233	100.00	199,359,731	100.00

Vadivarhe Speciality Chemicals Limited

Notes to the accounts

Note 11

10.7 Directors' Remuneration

	March 31, 2021 Amount	March 31, 2020 Amount
To Executive Directors:		
Salaries	4,718,648	4,727,048
Perquisites	-	-
Contribution to Provident and Other funds	151,224	151,224
Other allowances including Commission	-	-
(includes directors' sitting fees of Nil (Previous Year: Rs. Nil))		
	4,869,872	4,878,272

10.8 Auditors' Remuneration

	March 31, 2021 Amount	March 31, 2020 Amount
Statutory audit fees (Inclusive Service Tax)	100,000	100,000
Tax Audit Fees	25,000	25,000
GST Audit Fees	60,000	60,000
Out of pocket expenses	-	-
	185,000	185,000

10.9 Expenditure in foreign currency (on Cash basis)

	March 31, 2021 Amount	March 31, 2020 Amount
Travelling expenses	-	333,680
Business Promotion, Exhibition Expenses (Including Advance/Prepaid)	-	-
Repairs & Maintenance of QC Equipment	-	346,502
Testing Expenses	-	377,510
Legal Expenses	-	-
	-	1,057,692

10.10 Earnings in foreign currency (on Cash basis)

	March 31, 2021 Amount	March 31, 2020 Amount
FOB value of exports	154,646,678	108,321,248
	154,646,678	108,321,248

11 Details of Revenue Expenditure directly related to R&D

Raw material consumed	547,707	1,254,676
Packing Material	-	-
	547,707	1,254,676

12 Note R: Last year, issued Credit Note of Rs. 3,41,38,861/- to Enaltec Labs Pvt Ltd (Loan License Income reversed by Rs. 2,95,25,462/-) & Rs. 12,32,877/- Writte Off as Bad Debts receivable from Enaltec Labs Pvt Ltd., current year NIL

13 Details of CSR spent during the financial year:-

- Total amount to be spent for the financial year – Rs. **NIL**/- @ 2% of the average net profit
- Amount unspent if any – **Nil**
- Amount debited to Profit and Loss - Rs 13,500 towards Promoting Rural Health Services, Out of the above, Rs Nil is towards construction /acquisition of asset that will be owned by Company.

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 attached of even date.

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

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

Bhalchandra D Karve
Proprietor
Membership No.105965

Sunil H. Pophale
Chairman and Executive Director

Pramod W Gajare
Executive Director

Laxmikant S Potdar
Chief Financial Officer

Priyanka Nagda
Company Secretary

Place : Mumbai
Date : June 28, 2021