



July 28, 2018

Dear Stakeholders,

Subject: Chairman's Speech for the 9th Annual General Meeting to be held on Thursday, August 02, 2018

We wish to inform you that 9th Annual General Meeting ("AGM") of the company will be held on Thursday August 02, 2018 at 11.00 A.M. at The Gateway Hotel situated at P-17, MIDC Ambad, Mumbai Agra Road, Nashik, Maharashtra 422010.

As a voluntary disclosure please find enclosed herewith the text of the Chairman's Speech for the 9th Annual General Meeting.

Thank You.

Yours faithfully,
For **Vadivarhe Speciality Chemicals Limited**

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

Vadivarhe Speciality Chemicals Ltd.

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CHAIRMAN'S SPEECH

Welcome to the Ninth and after listing the first Annual General Meeting of Vadivarhe Speciality Chemicals Ltd. This is a significant event, the first of many to come with an even larger family of shareholders.

You are the founding shareholders and we look forward to seeing you for a long time to come.

The year ending 31st March 2018 has been the worst year as we did not receive our regular order of USD 2 million from Fine Organics Ltd, UK. Although we partially compensated for the loss, it was not enough.

From January 2017, we have embarked on program which will allow us to grow every quarter as well as take care of market variations.

We have since taken the following steps

- A) Set up our own Research & Development which develops new products and optimizes processes of the existing ones.
- B) Purchased a plot opposite the existing factory to be used for solvent storage.
- C) We have initiated a growth plan that has us committing to a capital expenditure of approximately Rs.18 crores to be spent in the next 2 years.
- D) During the course of this financial year we have commenced manufacturing and selling 9 APIs, details of which are available on our website.
- E) As we manufacture these API's from basic raw material, we offer the intermediates of these API's for exports or for sale to domestic parties. They in turn use it to manufacture API's for the regulatory market, details of which are available on our website.
- F) We generate, manufacture and export bespoke Specialty Chemicals. These products are manufactured against specific requirement of specific parties and generally would not be supplied to others. Further details are available on our website.
- G) The effect of this 17-month effort can be seen in the improvement of results in the financials (provisional) of the first quarter. This is further backed by the order book position as on 1st August 2018

All the above steps are designed to keep improving our performance every quarter.

We will be submitting quarterly financials to the NSE and they will also be posted on our website for all to see.

If you have any specific queries / suggestions, feel free to write to investor@vscl.in

They shall be duly answered.

Thanking You

Sincerely

Sunil H Pophale

(Chairman and Executive Director)