

Date: October 04, 2019

To,
National Stock Exchange of India Limited
Exchange Plaza, BKC
Bandra-Kurla Complex,
Bandra (East), Mumbai- 400 051

Symbol: VSCL

Subject: Disclosure of reasons for encumbrance by promoter along with PACs pursuant to Regulation 31(1) read with Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations")

Sir / Madam,

Pursuant to Regulation 31(1) read with Regulation 28(3) of Takeover Regulations, the promoter of every listed company shall specifically disclose detailed reasons for encumbrance if the combined encumbrance by the promoter along with PACs with him equals or exceeds:

- a) 50% of their shareholding in the company; or
- b) 20% of the total share capital of the company,

Considering the same we hereby disclose the details of shares encumbered by promoter along with Person Acting in Concert (PAC).

Kindly take the same on your records.



Sunil Haripant Pophale
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CC:

Vadivarhe Speciality Chemicals Limited
GAT No. 204,
Vadivarhe Igatpuri,
Maharashtra 422403

ANNEXURE - 1

Disclosure by the Promoter(s) to the stock exchanges and to the Target Company for encumbrance of shares / invocation of encumbrance/ release of encumbrance, in terms of Regulation 31(1) and 31(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Name of the Target Company(TC)		Vadivathe Speciality Chemicals Limited	
Names of the stock exchanges where the shares of the target company are listed		National Stock Exchange of India Limited	
Date of reporting		October 04, 2019	
Name of the promoter or PAC on whose shares encumbrance has been created/ released/ invoked		Mr. Sunil Haripant Pophale Mrs. Meena Sunil Pophale Ms. Manasi Sunil Pophale Ms. Aditi Sunil Pophale	
Details of the creation of encumbrance:			
Name of the promoter (s) or PACs With him*	Promoter holding in the target company (1)	Promoter holding already encumbered (2)	Details of events pertaining to encumbrance (3)
	Number: % of total share capital:	Number % of total share capital	Type of event (creation / release / invocation): Date of creation/ release/ invocation of encumbrance: Type of encumbrance (pledge/ lien/ non disposal undertaking/ others): Reasons for encumbrance **: Number: % of share capital: Name of the entity in whose favor shares encumbered ***: Post event holding of encumbered shares {creation [(2)+(3)] / release [(2)-(3)] / invocation [(1)-(3)]}
	Number: % of total share capital:	Number % of total share capital:	Number: % of total share capital:

Mr. Sunil Haripant Pophale	8032625	62.84%	8032625	62.84%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	8032625	62.84%
Mrs. Meena Sunil Pophale	5375	0.04	5375	0.04	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	5375	0.04
Ms. Manasi Sunil Pophale	250	0.00	250	0.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	250	0.00
Ms. Aditi Sunil Pophale	1500000	11.73	1500000	11.73	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1500000	11.73



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*The names of all the promoters, their shareholding in the target company and their pledged shareholding as on the reporting date should appear in the table irrespective of whether they are reporting on the date of event or not.

** For example, for the purpose of collateral for loans taken by the company, personal borrowing, third party pledge, etc.

***This would include name of both the lender and the trustee who may hold shares directly or on behalf of the lender.

Annexure - II

Format for disclosure of reasons for encumbrance

Name of listed company	Vadivarhe Speciality Chemicals Limited
Name of the recognized stock exchanges where the shares of the company are listed encumbered	National Stock Exchange of India Limited
Name of the promoter(s)/PACs whose shares have been encumbered	1. Mr. Sunil Haripant Pophale 2. Mrs. Meena Sunil Pophale 3. Ms. Manasi Sunil Pophale 4. Ms. Aditi Sunil Pophale
Total promoter shareholding in the listed company	9538250
No. of shares % of total share capital	74.62%
Encumbered shares as a % of promoter shareholding	9538250 74.62%
Whether encumbered share is 50% or more of promoter shareholding	Yes
Whether encumbered share is 20% or more of total share capital	Yes

Details of all the existing events/ agreements pertaining to encumbrance

	Encumbrance 1 (Date of creation of encumbrance: 16-09-2016	Encumbrance 2 (Date of creation of encumbrance: 24-05-2017
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)	Undertaking w.r.t. non-withdrawal of Share Capital by promoters.	Lock in of shares
No. and % of shares encumbered (*Refer clarification attached herewith)	95,38,250 74.62%	26,84,000 33.41%
Specific details about the encumbrance	Name of the entity in whose favor shares encumbered (X)	Small Industries Development Bank of India (SIDBI)
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No,	Yes
		N.A.

	provide the nature of the business of the entity.		
	Names of all other entities in the agreement	N.A.	N.A.
	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	N.A.	N.A.
Security Cover / Asset Cover (*Refer clarification attached herewith)	Value of shares on the date of event / agreement (A)	Rs.17,31,19,238/-	N.A.
	Amount involved (against which shares have been encumbered) (B)	Rs.2,00,00,000/-	N.A.
	Ratio of A / B	1 : 8.66	N.A.
End use of money	Borrowed amount to be utilized for what purpose - (a) Personal use by promoters and PACs (b) For the benefit of listed company Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc. (a) Any other reason	The shares were encumbered for the loan of Rs. 2,00,00,000/- availed by the Company for procuring plant and machinery worth Rs. 3,00,00,000/-. The repayment schedule of the said loan as agreed was as follows: 1. Term Loan - 81 monthly installments, first	N.A.

	(please specify)	80 installment being of Rs. 220000/- and last 1 installment of Rs.400000/- after a moratorium of 3 months. 2. Soft Loan - 81 monthly installments, first 80 installment being of Rs. 24000/- and last 1 installment of Rs.80000/- after a moratorium of 3 months.	
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***Clarification**


The Company had entered into an arrangement with Small Industries Development Bank of India (SIDBI) in the year 2016 for procuring plant and machinery worth Rs. 3,00,00,000/-. The sources of funds for the said procurement was divided into two parts, vis. Rs.1,00,00,000/- to be brought in by way of promoter contribution and further, a loan of Rs. 2,00,00,000/- availed from SIDBI.

Adequate charge on the assets of the Company was created against the loan availed and the shares of the promoters were not pledged to ensure the repayment of the said loan. However, as a condition mentioned in the sanction letter for availing of the said loan, an undertaking was to be provided by the promoters for non-withdrawal of Share Capital.

At the time of availing the loan, the promoters together held 4,83,750 Equity Shares of the Company of Rs. 100/- each. As on September 30, 2019, the promoters of the Company held 95,38,250 Equity Shares of Rs. 10/- each.

This disclosure is being made pursuant to the amendment in the definition of encumbrance vide notification dated July 29, 2019 ("Notification"). The values entered against "No. and % of shares encumbered" and "Value of shares on the date of event / agreement (A)" in this disclosure are taken as on September 30, 2019. Kindly take cognizance of the Notification information given herein while interpreting the details provided in this disclosure.

Thank you.



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