

CORRIGENDUM TO NOTICE OF 16TH ANNUAL GENERAL MEETING

Vadivarhe Speciality Chemicals Limited

CIN: L24100MH2009PLC190516

Dear Shareholder,

This is with reference to the Notice dated September 6, 2025 convening the 16th Annual General Meeting (AGM) and Annual Report 2025 of Vadivarhe Speciality Chemicals Limited for the Financial Year 2024–25, scheduled at 02:30 P.M. (IST) on Monday, September 29, 2025 through Video Conference / Other Audio-Visual Means.

Certain additions, modifications, and clarifications are required in relation to **Agenda Item No. 5** and **The Independent Auditor's Report** forming part of the 16th Annual Report circulated with the AGM Notice.

Accordingly, the AGM Notice shall be read in conjunction with this Corrigendum, which is also being uploaded on the Company's website <https://vscl.in/>, the NSDL e-voting portal www.evoting.nsdl.com, the website of the National Stock Exchange of India Limited www.nseindia.com, and that of the Registrar & Share Transfer Agent.

1. Amendment to Agenda Item No. 5

Original Text:

"To approve remuneration of Ms. Meena Sunil Pophale (DIN: 00834085), Whole-Time Director"

Corrected Text:

"To approve remuneration of Ms. Meena Sunil Pophale (DIN: 00834085), Whole-Time Director:

To consider and, if thought fit, to pass the following as a SPECIAL RESOLUTION: RESOLVED THAT..."

Reason for Correction:

The type of resolution was inadvertently omitted in the original notice. As per the applicable provisions of the Companies Act, 2013, this item requires approval by Special Resolution.



Vadivarhe Speciality Chemicals Ltd.

Corporate Office : K.K. Chambers, Sir P.T. Road, Fort, Mumbai - 400 001, India Tel : 022-22072526 Fax : 022-26740371
Registered Office & Factory : Gat No. : 204, Nashik - Mumbai Highway, VTC Phata, Wadivarhe, Taluka - Igatpuri, Dist. : Nashik - 422403, India Tel : 02553-691200 / 238 / 252
Email : sales@vscl.in Website : www.vscl.in
CIN:L24100MH2009PLC190516

2. Corrections to Independent Auditor's Report (dated March 31, 2025) and Annual Report 2025.

Based on clarifications received from our Statutory Auditors, S.R. Rahalkar & Associates, Chartered Accountants (FRN: 108283W), the following corrections are made:

A. Independent Auditor's Report

- **Original Text:** In para "*Emphasis of Matter*", reference was made to *Note No. B*
- **Corrected Text:** In para "*Emphasis of Matter*", the correct reference should be **Note No. 3**

B. Annexure A to Independent Auditor's Report

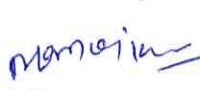
- **Original Text:** In Clause (i)(c), reference was made to *Note Nos. K, L and M*
- **Corrected Text:** In Clause (i)(c), the correct reference should be **Note Nos. 12, 13 and 14**

Important Notes

1. Except for the corrections specified above, all other contents of the AGM Notice remain unchanged.
2. This Corrigendum forms an integral part of the AGM Notice and should be read accordingly.
3. The corrected Notice and the revised Independent Auditor's Report are updated in the Annual Report enclosed herewith.
4. Members are kindly requested to take note of these corrections while participating in the AGM scheduled on September 29, 2025.

Thanking You,

For **Vadivarhe Speciality Chemicals Limited**


Manoj Kumar

Company Secretary & Compliance Officer
Membership No. A56992



Date: September 24, 2025

Place: Mumbai

Vadivarhe Speciality Chemicals Ltd.

Corporate Office : K.K. Chambers, Sir P.T. Road, Fort, Mumbai - 400 001, India Tel : 022-22072526 Fax : 022-26740371
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ANNUAL REPORT 2025



FY 2024 -2025

Vadivarhe Speciality Chemicals Limited



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Investor Information:

CIN	L24100MH2009PLC190516
NSE Symbol	VSCL
Website	http://vscl.in/
AGM Date	September 29, 2025
AGM Venue/Mode	VC/OAVM

Chairman's Address to Stakeholders



We remained resolute in our commitment to expand our operations, aiming to bolster our capabilities and progressively amplify the contribution of Active Pharmaceuticals Ingredients (APIs) and specialty chemicals to our overall portfolio in the foreseeable future.”

At VSCL we Believe in Value creation through investment in Intangible assets and that is why we Invest in research and Development– **giving us the resiliency for long term success.**

Dear Shareholders,

Greetings from Vadivarhe Speciality Chemicals Family!

It gives me great pleasure to present the **16th Annual Report** of Vadivarhe Speciality Chemicals Limited (VSCL).

The year under review was one of the most testing periods for businesses worldwide. Geopolitical tensions, particularly the prolonged Russia–Ukraine conflict, global supply chain disruptions, volatile shipping conditions, sharp fluctuations in commodity prices, and persistent inflationary pressures created an environment of uncertainty. These challenges came on top of the lingering aftereffects of the COVID-19 pandemic, which industries across the globe were still recovering from.

Yet, amidst these headwinds, we at VSCL remain resilient and forward-looking. We firmly believe that in the medium to long term, companies that are cost competitive, innovation-driven, and committed to sustainable practices will emerge

stronger. By focusing on continuous product development, R&D-led efficiencies, and the introduction of new offerings, VSCL is laying the foundation to not only retain market share in key products but also to expand customer trust and create new growth opportunities.

OUR PHILOSOPHY

At VSCL, we believe that long-term value creation lies in intangible investments—particularly Research & Development (R&D). Our continued focus on R&D enables us to reduce costs, improve efficiency, and develop products that are sustainable and globally competitive. This approach forms the foundation of our strategy to progressively increase the contribution of Active Pharmaceutical Ingredients (APIs) and specialty chemicals to our overall portfolio.

PERFORMANCE REVIEW

During FY 2024–25, the Company reported:

- **Revenue from Operations:** ₹3,817.45 lakh (₹4,056.57 lakh in FY 2023–24)
- **EBITDA:** ₹(6.15 crore) (vs. positive ₹4.52 crore in the previous year)
- **Loss Before Tax:** ₹926.53 lakh (Profit Before Tax of ₹150.69 lakh in FY 2023–24)
- **Profit After Tax:** ₹(926.53 lakh) (vs. ₹6.15 lakh in FY 2023–24)

The decline reflects elevated input costs, global volatility, and our strategic investments in capacity building and R&D. While these have weighed on near-term profitability, they are necessary to build a **robust foundation for long-term growth**.

GROWTH INITIATIVES

Amid the challenges, VSCL achieved a significant milestone by **commencing commercial production of over 10 APIs**, catering to global formulation manufacturers. This expansion not only strengthens our manufacturing capabilities but also diversifies our product mix, marking our entry into the pharmaceutical value chain.

OUTLOOK

Looking ahead, our priorities remain clear:

- **Scaling API production and commercial supplies**
- **Broadening specialty chemicals offerings**
- **Improving cost efficiency through R&D**
- **Responsible capacity expansion with financial prudence**
- **Sustainable and compliant manufacturing practices**

With these focus areas, we are confident of overcoming short-term challenges and positioning VSCL for sustainable growth in the medium to long term.

GRATITUDE

On behalf of the Board of Directors, I extend my sincere appreciation to our shareholders, employees, customers, partners, and stakeholders for their trust, support, and encouragement. Their contributions inspire us to continue our journey with determination.

CLOSING NOTE

FY 2024–25 tested our resilience but also strengthened our resolve. With continued investments in APIs, specialty chemicals, and R&D, we are confident of delivering a brighter future and stronger performance in the years to come.

Warm Regards,

Sunil H. Pophale
Chairman

About VSCL:

Vadivarhe Speciality Chemicals Ltd. (NSE listed company) is incorporated in 2009. VSCL is globally active, Indian chemical producer, focused on organic chemicals and custom synthesis and primarily engaged in manufacturing of Speciality chemicals, Active Pharmaceutical ingredients, intermediate and personal care ingredients.

Vadivarhe Speciality Chemicals with more than a decade experience in servicing customers across Speciality Chemical and API segment enters transformative phase where VSCL is committed to pioneering innovation in API industry.

This Year represents a pivotal shift for the company as we expand our manufacturing capabilities and introduce new products. By doing so, we position ourselves to meet the evolving demand of the industry.

VSCL has also received WHO- GMP Certificate for Manufacturing, Marketing & Supply of Active Pharma Ingredients i.e. API's and intermediates. The manufacturing facility is located at Vadivarhe, Nashik which is about 20 Km from Nashik towards Mumbai and around 150 Km from Mumbai:

INDUSTRIES & CLIENTS:

- | | |
|---|-------------------------------------|
| 1. Fine Corporation. Japan, Limited, | 7. DPB Pharmaceuticals |
| 2. Glaxo Smithkline Pharmaceuticals Ltd, | 8. Encube Ethicals Pvt Ltd, |
| 3. USV Ltd, | 9. Hetero Labs Ltd, |
| 4. Mankind Pharma Limited, INC, | 10. Chem-Impex International |
| 5. D C Fine Chemicals, | 11. Micro Labs Ltd. |
| 6. Macleods Pharmaceuticals Ltd | |

BOARD OF DIRECTORS & MANAGEMENT

1. MR. SUNIL HARIPANT POPHALE

Chairman and Executive Director

Graduated from the Indian Institute of Technology (I.I.T.), Powai, '79, Sunil is an entrepreneur with a wealth of over 44 years experience in brand building. He has a proven track record as a founder and chief promoter of Fem Care Pharma Ltd, listed with the Bombay Stock Exchange in 1994, and successfully monetized his stake in 2009.

2. MRS. MEENA SUNIL POPHALE

Whole Time Director

She holds a graduation degree in Bachelor of Arts by qualification. She has been the Director of the Company since incorporation and further re designated as Whole time Director of the Company on November 10, 2016. She is having around 30 years experience and presently looking after Human Resources and Admin matters of the Company.

3. PRASANNA PRABHAKAR REGE

Independent Director

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.

4. RAVINDRA KESHAV PARANJPE

Independent Director

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.

5. UTTARA ADWAIT KHER

Independent Director

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.

CORPORATE INFORMATION

Board Of Directors

Mr. Sunil H Pophale

Chairman and Executive Director

Mrs. Meena Pophale

Whole Time Director

Mr. Prasanna Prabhakar Rege

Independent Director

Mrs. Uttara Adwait Kher

Independent Director

Mr. Ravindra Keshav Paranjpe

Independent Director

Key Managerial Person

1. Chief Financial Officer

Mr. Madhukar Suvarna

(Note: Mr. Madhukar Suvarna has joined as Chief Financial Officer from 27th August 2025.

Mr. Laxmikant Potdar had resigned from the post of CFO of company with effect from 01st June 2025)

2. Company Secretary and Compliance Officer

Mr. Manoj Kumar

Registered office

Gat No. 204, Vadivarhe, Igatpuri, Maharashtra, India – 422403

Statutory Auditors

M/s. S .R Rahalkar & Associates

Chartered Accountants

Secretarial Auditors

M/s. Prajot Vaidya & Co.,

Practicing Company Secretaries

DIRECTORS' REPORT**VADIVARHE SPECIALITY CHEMICALS LIMITED****FOR THE FINANCIAL YEAR 2024-25**

To,

The Members of

Vadivarhe Speciality Chemicals Limited

Gat No. 204, Vadivarhe, Igatpuri – 422 403

Your Directors are hereby presenting the 16th Directors Report of the Company together with the Audited Statement of Accounts for the financial year ended March 31, 2025.

1. FINANCIAL STATEMENTS & RESULTS:**Financial Results**

The Company's financial performance during the year ending March 31, 2025, as compared to the previous financial year, is summarized as below:

(Rs. in Lacs)

Particulars	For the financial year ended 31st March, 2025	For the financial year ended 31st March, 2024
Income	3817.45	4056.57
Less: Expenses	4749.73	3905.88
Prior Period Income	-	-
Profit before exceptional and extraordinary items and tax	(932.27)	150.69
Exception Income	5.75	-
Exception expenditure	-	-
Profit/ (Loss) before tax	(926.53)	150.69
Less: Provision for tax	-	-
Deferred Tax Expense/(Benefits)	-	-
MAT Credit entitlement	-	-
MAT Credit Utilized	-	-
MAT Credit Reversed	-	144.53
Income Tax of earlier years w/off		
Profit after Tax	(926.53)	6.15
<u>APPROPRIATION</u>		

Interim Dividend	-	-
Final Dividend	-	-
Tax on distribution of dividend	-	-
Transfer of General Reserve	-	-
Balance carried to Balance sheet	(926.53)	6.15

2. TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve account during the financial year under review.

3. OPERATIONS:

This is the sixteenth year of operation, and your Company has achieved sales of Rs. 3817.45 Lacs and incurred loss of Rs. 926.53 Lacs as compared to previous year's sales of Rs. 4367.86 Lacs and Profit of Rs. 6.15.

4. CHANGE IN NATURE OF BUSINESS, IF ANY:

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

The Company is making efforts to increase its productivity by making an optimum use of its production capacity, developing new products to fetch more revenue and minimization of the cost of production.

b. Marketing and Market environment

No significant changes in Market environment in API and Intermediates.

c. Future Prospects including constraints due to Government policies

There are no significant changes in Government policies in API and Intermediates.

6. DIVIDEND:

Company has suffered from huge losses, and your directors have decided not to recommend any dividend for the financial year under review.

7. UNPAID DIVIDEND & IEPF:

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF; established by the Government of India, after completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

However, your Company has never declared any dividend in its lifetime and consequently did not have any funds lying unpaid or unclaimed for a period of seven years in an Unpaid Dividend Account. Therefore, there were no funds which were required to be transferred to Investor Education and Protection fund ("IEPF").

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

During the year under review, it is not applicable to the Company as 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 to the company.

10. LOAN FROM DIRECTORS:

During the financial year under review, the Company has taken a loan from Mr. Sunil Haripant Pophale, Promoter & Executive Director and Mrs. Meena Pophale, Whole time Director of the Company and thus both has given the declaration in writing to the Company stating that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others. 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 outstanding as on March 31, 2025
Mr. Sunil Haripant Pophale	Rs. 16,40,63,400/-
Mrs. Meena Sunil Pophale	Rs. 1,00,44,800/-

11. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

All the related party transactions/contracts/arrangements that were 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 year under review were on an arm's length basis and were in compliance with the applicable provisions of the Act and the Listing Regulations.

The Board, with oversight from the Audit Committee, has ensured that all related party transactions, if any, received the necessary approvals in accordance with the Company's policies and regulatory requirements.

There are no materially significant related party transactions entered into by the Company with its Promoters, Directors, KMP's, or Senior Management Personnel that may have a potential conflict with the interest of the Company at large. All related party transactions as required under AS-18 are reported in the notes to the financial statement of the Company. Related party transactions covered under sub-section (1) of section 188 of the Companies Act, 2013 are enclosed as **"ANNEXURE I"**.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required have been taken. The company makes all the efforts towards conservation of energy, protection of environment and ensuring safety. The Company has not absorbed any technology.

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.

13. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the copy of The Annual Return for the financial year 2024-25, prepared in accordance with Section 92(3) of the Companies Act, 2013, will be made available on the website in due course, once the same is filed with the Registrar of Companies will be placed on the website of the company at the following web address: <https://www.vscl.in/investor/annual-returns.php>

14. SHARE CAPITAL

During the Financial Year 2025-24, there were no changes in the share capital of the Company. The existing share capital of the Company is as stated below: -

A. Authorized Share Capital

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

B. Issued, subscribed and paid-up share capital

The issued, subscribed, and paid-up share capital of the Company is Rs. 12,78,27,500 as at March 31, 2025, comprising of 1,27,82,750 Equity Shares of Rs. 10 each fully paid-up.

15. 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 ("ICSI") on Meetings of the Board of Directors and General Meetings.

16. 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. Company has not made any investment during the covered under the provisions of Section 186 of the Companies Act, 2013 however, full particular of investments made by company has been furnished in 15 of the Notes to Accounts which forms part of the financials of the Company.

17. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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 the date of this report.

18. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are sound & 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 designed 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 to the Audit Committee that reviews the adequacy of the controls implemented by the Management.

19. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Board of Directors

The composition of Board of Directors of Vadivarhe Speciality Chemicals Limited ("VSCL") is an optimum mix of Executive and Non-Executive Directors. They show active participation at the board and committee meetings, which enhances the transparency and adds value to their decision making. The Board of the Company is headed by an Executive Chairman. Chairman takes the strategic decisions, frames the policy guidelines and extends wholehearted support to Executive Directors, business heads and associates.

The Board of Directors of the Company as on March 31, 2025, 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. Anil Ganpat Suryavanshi	Executive Director	10052423 *

*** Mr. Anil Suryavanshi had resigned from the post of Whole time Director with effect from 09th June 2025.**

(i) Appointment

During the Year under review, there were no new appointments made on the Bord of the Company.

(ii) Retirement by rotation

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Sunil H. Pophale is liable to retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, offers 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 his pursuant to Section 164(2) of the Companies Act, 2013. Your directors recommend his re-appointment as Director of the Company.

b) Key Managerial Personnel

During the year under review, Mr. Manoj Kumar was appointed as Company Secretary and Compliance Officer of the Company with effect from May 27, 2024.

The Key Managerial Personnel (KMP) of the Company as on March 31, 2025, are as follows:

Name	Designation	Date of appointment
Mr. Manoj Kumar	Company Secretary & Compliance Officer	27/05/2024
Mr. Laxmikant Potdar	Chief Financial Officer	24/03/2017*
Mr. Susheel Koul	Chief Executive Officer	22/01/2024*

*** Mr. Laxmikant Potdar had resigned from the post of Chief Financial Officer w.e.f. June 01, 2025.**

*** Mr. Susheel Koul had resigned from the post of Chief Executive Officer w.e.f. April 30, 2025.**

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 that they meet the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 and do

not suffer from any disqualifications specified under the Act. Such declarations were placed in the Board meeting 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.

20. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a) Board meetings

The Board of Directors met 6 (Six) times during the financial year ended March 31, 2025, in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The details of the same are as mentioned under:-

Name of the Director	April 10, 2024	May 27, 2024	September 06, 2024	September 21, 2024	November 14, 2024	February 12, 2025
Mr. Sunil Haripant Pophale	✓	✓	✓	✓	✓	✓
Mrs. Meena Sunil Pophale	✓	✓	✓	✓	✓	✓
Mr. Prasanna Prabhakar Rege	✓	✓	✓	✓	✓	✓
Mr. Ravindra Keshav Paranjpe	✓	✓	✓	✓	✓	✓
Mrs. Uttara Adwait Kher	✓	✓	✓	✓	✓	✓
Mr. Anil Ganpat Suryavanshi	✓	✓	Absent	✓	✓	✓

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 is duly constituted in accordance with Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. It adheres to the terms of reference which are prepared in compliance with Section 177 of the Companies Act, 2013.

The Audit Committee comprises:

Name of the Members	Designation
Mr. Prasanna Prabhakar Rege	Chairman & Independent Director
Mr. Ravindra Keshav Paranjpe	Member & Independent Director
Mrs. Uttara Adwait Kher	Member & Independent Director

The Audit Committee met 6 (Six) times during the financial year ended March 31, 2025. The details of the same are as mentioned under:-

Name of the Director	April 10, 2024	May 27, 2024	September 06, 2024	November 14, 2024	February 12, 2025	March 11, 2025
Mr. Ravindra Keshav Paranjpe	✓	✓	✓	✓	Absent	✓
Mrs. Uttara Adwait Kher	✓	✓	✓	✓	✓	✓
Mr. Prasanna Rege	✓	✓	✓	✓	✓	✓

The scope and terms of reference of the Audit Committee have been framed in accordance with the Act read with 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, and no personnel has been denied access to the Audit Committee.

c) Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in accordance with Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. The scope and terms of reference of the Nomination & Remuneration Committee have been framed in accordance with the Act.

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 of Directors, Key Managerial Personnel and other employees. The Policy has been placed on the Website of the Company at <https://vscl.in/uploads/pdf/NRC%20Policy.pdf>.

The composition of the Committee is as under:

Name of the Members	Designation
Mr. Prasanna Prabhakar Rege	Chairman & Independent Director
Mr. Ravindra Keshav Paranjpe	Member & Independent Director
Mrs. Uttara Adwait Kher	Member & Independent Director

The Nomination & Remuneration Committee met 3 (Three) times during the financial year ended March 31, 2025. The details of the same are as mentioned under: -

Name of the Director	May 27, 2024	September 06, 2024	February 12, 2025
Mr. Ravindra Keshav Paranjpe	✓	✓	Absent
Mrs. Uttara Adwait Kher	✓	✓	✓
Mr. Prasanna Rege	✓	✓	✓

d) Stakeholders Relationship Committee

The Stakeholder's Relationship Committee is constituted in accordance with Section 178 of the Companies Act, 2013.

The composition of the Committee is as under:

Name of the Members	Designation
Mr. Prasanna Prabhakar Rege	Chairman & Independent Director

Mr. Ravindra Keshav Paranjpe	Member & Independent Director
Mrs. Uttara Adwait 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, 2025, during the financial year ended March 31, 2025. The details of the same are as mentioned under:

Name of the Director	February 12, 2025
Mr. Prasanna Prabhakar Rege	✓
Mr. Ravindra Keshav Paranjpe	Absent
Mrs. Uttara Adwait Kher	✓

During the year under review, the Company has not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2025.

e) Independent Directors meeting

In Compliance with Clause VII of Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Independent Directors Meeting of the Company was held on January 22, 2025. Independent Directors Meeting considered the performance of Non-Independent Directors and Board as a whole, reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

Whenever any new Independent Director is appointed, he/she is made familiar to the business and its operations and also about his/her role and duties through presentations/programmes by Chairman, Managing Director and Senior Management.

The independent directors present at the meeting held on February 12, 2025, are as follows:

Name of the Directors	Position	Status
Mr. Prasanna Rege	Chairman	Independent Director
Mrs. Uttara Adwait Kher	Member	Independent Director

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.

The Whistle Blower Policy of the Company is also available on the website of the company at the link: <https://vscl.in/uploads/pdf/Whistle%20Blower%20Policy.pdf>

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 the 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 III”*** and forms part of this Directors’ Report.

21. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

Mr. Susheel Koul being the Chief Executive Officer, Mr. Laxmikant Potdar being the Chief financial officer and Mr. Manoj Kumar being the Company Secretary of the Company belong to the Senior Management along with other senior management personnel of the Company.

Mr. Susheel Koul, Chief Executive Officer, resigned with effect from 30th April 2025.

Mr. Laxmikant Potdar, Chief Financial Officer, resigned with effect from 01st June 2025.

22. 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:

Name of the Members	Designation
Mr. Sunil Haripant Pophale	(Chairman & Executive Director)
Mrs. Meena Sunil Pophale	Whole-Time Director
Mr. Uttara Adwait Kher	Independent Director

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 2025-24.

23. AUDITORS AND REPORTS

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

a. STATUTORY AUDITOR & AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2025

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. S R Rahalkar & Associates (Firm registration No: 108283W), 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 2028-29.

The Statutory Audit report does not contain any observations/ qualifications/ disclaimers/ adverse remarks from the auditors for the financial year ended March 31, 2025.

b. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2025

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended March 31, 2025, read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

c. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2025

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 M/s Prajot Vaidya & Co., Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2024-25.

The secretarial audit report issued by M/s Prajot Vaidya & Co., Practicing Company Secretaries, in Form MR-3 for the financial year 2024-25, forms part of the Directors Report as “ANNEXURE IV”.

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

d. INTERNAL AUDITOR

M/s Yatin & Associates, Chartered Accountants (FRN: 112100W) were appointed as the Internal Auditor of the Company for the financial year 2024-25 based on the recommendation of the Audit Committee of the Company.

e. 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.

f. 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.

24. INSURANCE

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

25. INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the financial year under review, the Company maintained a robust and stable financial position, with no applications initiated or proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016). This reflects the Company's steadfast commitment to prudent financial management, operational resilience, and adherence to its obligations, ensuring that no circumstances arose necessitating recourse to the provisions of the aforementioned Code.

Furthermore, no such proceedings were brought before the National Company Law Tribunal or any other judicial or quasi-judicial authorities during this period. The absence of such applications or proceedings underscores the Company's strong governance framework and its ability to navigate the financial landscape effectively, fostering confidence among stakeholders regarding its fiscal health and sustainability.

26. ONETIME SETTLEMENT AND VALUATION

During the year under review, the Company did not enter into any one-time settlement agreements with any banks or financial institutions, and consequently, no valuation was conducted for such purposes. Similarly, no valuation was required or performed in relation to loans obtained from banks or financial institutions. Hence, there are no differences to report between valuations done at the time of one-time settlement and those done while availing loans, as no such activities occurred during the year.

27. 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 SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which could have an 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 March 31, 2025, the Board of Directors hereby confirms that:

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. 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 March 31, 2025 and of the loss of the Company for that year;
- iii. 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;
- iv. The annual accounts of the Company have been prepared on a going concern basis;
- v. Internal financial controls were followed by the Company and such internal financial controls are adequate and are operating effectively; and
- vi. 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), (t) 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 ("Listing Regulations") is not applicable to the Company. However, the Company consistently strives to ensure that the 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. HUMAN RESOURCES

Your Company treats its “Human Resources” as one of its most important assets. Your Company continuously invests in the attraction, retention, and development of talent on an ongoing basis. A number of programs that provide focused people’s attention are currently underway. Your Company’s thrust is on the promotion of talent internally through job rotation and job enlargement.

As on March 31, 2025, there were a total of 75 employees. The Company has all the required policies under the Indian laws for the time being in force and as required under the Companies Act, 2013 and SEBI LODR Regulations, 2015 to protect and safeguard the interest of the employees.

i. PARTICULARS OF REMUNERATION TO EMPLOYEES

The particulars of remuneration to directors and employees and other related information required to be disclosed under Section 197 (12) and sub rule 1 of rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Companies Act, 2013 and the Rules made thereunder are given in “ANNEXURE V” to this Report.

Further the Company has no employee who is in receipt of remuneration of INR. 8,50,000/- per month or INR 1,02,00,000/- per annum and hence the Company is not required to give information under sub-rule (2) and 3 of rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The details for the top ten employees of the Company are also mentioned in “ANNEXURE V” to this report.

j. 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 workplace.

Particulars	No. of Complaints
Complaints as on April 1, 2024	Nil
Complaints filed during Financial Year 2024-25	Nil
Complaints disposed-off during Financial Year 2024-25	Nil

Complaints pending for a period exceeding Ninety Days. Nil

Complaints pending as on March 31, 2025 Nil

k. MATERNITY BENEFIT COMPLIANCE:

The Company reaffirms its unwavering commitment to the health, dignity, and well-being of its women employees by ensuring full compliance with the provisions of the Maternity Benefit Act, 1961 and the rules framed thereunder.

In line with the statutory framework, the Company provides all eligible women employees with maternity leave benefits, including paid leave, job protection, and continued access to applicable medical and other statutory entitlements. These benefits are extended with the objective of supporting women during a crucial phase of life and ensuring a smooth transition between personal responsibilities and professional commitments. Further, the Company has adopted a proactive approach to build a gender-sensitive and inclusive workplace, going beyond mere statutory requirements. Adequate internal policies are in place to create awareness, sensitize teams, and ensure timely redressal of any concerns related to maternity entitlements. Periodic reviews are also undertaken to ensure strict adherence to the law and promote a culture of empathy and support. The Board places on record its assurance that the Company has maintained a compliant and supportive environment in accordance with the spirit and intent of the Maternity Benefit Act, and will continue to enhance employee-centric practices that promote diversity, equity, and inclusion across the organization.

l. 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 V**” to this Director’s Report.

m. DISCLOSURE PURSUANT TO PART II, SECTION II OF SCHEDULE V OF THE COMPANIES ACT, 2013

Particulars	Details		
Name of Person & Designation to whom Remuneration is paid as per Section II of Schedule V	Anil Suryavanshi (Whole-time Director)	Sunil Haripant Pophale (Executive Director)	Meena Sunil Pophale (Whole-time Director)

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	1. <u>Salary exclusive of all allowances</u> Rs. 2,31,550/- per month. The Whole time Director shall be entitled to such increment from time to time as the Board may by its discretion determine. 2. <u>Perquisites and allowances in addition to salary</u> A. House Rent Allowance: The Company will pay House Rent Allowance of Rs. 46,310/- 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 D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month. E. Medical Allowance: The Company will pay Medical Allowance of Rs. 19,296/- Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes. Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee. 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.	3. <u>Salary exclusive of all allowances- NIL</u>	4. <u>Salary exclusive of all allowances- NIL</u>
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Details of fixed component and performance linked incentives along with the performance criteria	Fixed Component: 3,33,956/- Performance linked incentives: There is no such criteria formulated by the Company.	Fixed Component: NIL Performance linked incentives: There is no such criteria formulated by the Company.	Fixed Component: NIL Performance linked incentives: There is no such criteria formulated by the Company.
Service contracts, notice period, severance fees	As per the Company's Policy	As per the Company's Policy	As per the Company's Policy
Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	N/A	N/A	N/A

28. DISCLOSURE OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT.

29. DISCLOSURE OF REASON FOR DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE TIME SETTLEMENT

There were no instance of onetime settlement with any Bank or Financial Institution.

30. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

The Company has not made any disclosure under clause 5A of paragraph A of Part A of Schedule III of these regulations.

31. 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

SD/-
Sunil Haripant Pophale
Director
DIN: 00064412

SD/-
Meena Sunil Pophale
Whole-time Director
DIN: 00834085

Date: 26.08.2025

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 Companies Act, 2013 including certain arms length transactions under third proviso thereto:

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

a	Name of the related party and nature of relationship -	Not Applicable
b	Nature of contracts/arrangements/ transactions	
c	Duration of the contracts / arrangements/transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any	
e	Justification for entering into such contracts or arrangements or transactions	
f	Date(s) of approval by the Board	
g	Amount paid as advances, if any:	
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:
Zenvision Pharma LLP AAE-2082	Sale of goods	As Mutually agreed,	As Mutually agreed,	22 nd Jan 2024	-
Respect Labs LLP AAG-6413	Purchase of goods	As Mutually agreed,	As Mutually agreed,	22 nd Jan 2024	

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	• A total outlay of Rs. 400 Lacs has been made on Conservation of Energy.
Steps taken by the company for utilizing alternate sources of energy	• Installation of 193 Kwh Solar Power Plant, same is being upgraded.
Capital investment on energy conservation equipment	• 3000 Liter per day capacity Solar Water Heater Plant. • The Company uses LED light systems wherever required.

(B) Technology absorption:

Efforts made towards technology absorption	• 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	• As a result of sustained efforts, we have entered into the prestigious western market. • Moreover, we are also being looked upon as a potential R&D center for their offshore R&D activity.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	

Details of technology imported	Nil
Year of import	Not Applicable
Whether the technology has been fully absorbed	Not Applicable
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, 2024 to March 31, 2025	April 01, 2023 to March 31, 2024
	Amount in Rs.	Amount in Rs.
Actual Foreign Exchange earnings	9,99,20,800	28,79,40,100
Actual Foreign Exchange outgo	1,64,68,200	3,15,70,948

For and on behalf of the Board
Vadivarhe Speciality Chemicals Limited

Sd/-
Sunil Haripant Pophale
Director
DIN: 00064412

Sd/-
Meena Sunil Pophale
Whole time Director
DIN: 00834085

Date: 26.08.2025

Place: Mumbai

ANNEXURE IIII**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 has been in the industry for the last 14 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 pharmaceuticals, agro-chemicals and personal cares.

The Company has a good clientele base, which is well diversified all 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. However, the total revenue from the operations for the year ended March 31, 2025, declined to Rs. 3817.45 Lakhs as against Rs. 4,056.57 Lakhs in the previous financial year.

Market and Outlook

Your company has a healthy order book position. The Company's R&D programs are focused on new products development & successfully added a range of products to its basket. The newly developed products will contribute to a significant growth in revenue in coming years and have 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 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

The extreme volatility of the exchange rate of rupee against US dollar is having significant impact on Raw Material cost of the Company. Approximately 10% 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 the 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, 2025, declined to Rs. 3790.53 Lakhs as against Rs. 4007.55 Lakhs in the previous financial year.

Although the revenue has decreased in the current financial year as compared to the previous financial year, the Company has incurred a loss of Rs. 926.53 Lakhs in year ended March 31, 2025, as compared to a profit of Rs. 6.15 lakhs in the previous 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.

Although Company has incurred significant loss in FY 2024-25, company was able to secure Sales order to be executed in First half of FY 2025-26 which could turnaround the company in FY 2024-25. Also, Company is working on various new products and technologies which will give company good sales and margin in FY 2025-26.

Human Resources

Human Resources are always the most important and valuable asset to the Company. The Company has 75 permanent employees as on March 31, 2025, 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	31.03.2025	31.03.2024
Debtor Turnover	5.19	8.35

Inventory Turnover	2.88	2.51
Interest Coverage Ratio	-5.98	2.17
Current Ratio	0.90	1.14
Debt Equity Ratio	12.99	4.05
Operating Profit Margin (%)	-20.94	6.97
Net Profit Margin (%)	-24.44	0.15

Return on Net Worth

The return on net worth decreased to Negative as against 0.95% in the previous year.

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. A 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**

Sd/-

Sunil Haripant Pophale

Director

DIN: 00064412

Sd/-

Meena Sunil Pophale

Whole time Director

DIN: 00834085

Date: 26.08.2025

Place: Mumbai

ANNEXURE IV

Prajot Vaidya & Co.

Office No. 602, Rajhans Annex, Opp. to Gaondevi Bus-Stand, Thane West-400602

Email id: csprajotvaidya@gmail.com M: 9029872189

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2025

[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

I 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 my opinion thereon.

Auditor’s Responsibility:

My responsibility is to express an opinion on compliance with the applicable laws and maintenance of records based on the audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by the Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Based on my 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 the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 (**‘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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Overseas Direct Investment (Foreign Direct Investment and External Commercial borrowings are not applicable to the Company during the audit period); (**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) 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 and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the audit period**)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**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, 2021 (**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**)

(i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The 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, Standards, etc. mentioned above except to the extent mentioned below:

I further report that:

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings and agenda items are sent at least seven days 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 either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I 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 laws applicable specifically 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
- Factories Act, 1948 and
- Maharashtra Prevention of Water Pollution Act, 1969 & Air (Prevention & Control of Pollution) Act, 1981.

As informed by the company the Industry specific laws/ general laws as applicable to the company has been complied with. The management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines as are specifically applicable to the Company relating to Industry/Labour etc., have been complied with.

I 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 Prajot Vaidya & Co
Company Secretaries

Sd/-

Prajot Vaidya

Proprietor

Membership No. A38969

C.P. No: 24558

Peer Review No: 4055/2023

UDIN: A038969G001075510

Place: Thane

Date: 25/08/2025

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

‘Annexure – A’

To,

The members,

VADIVARHE SPECIALITY CHEMICALS LIMITED

GAT NO. 204, VADIVARHE, IGATPURI, 422403

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

1. Maintenance of secretarial and other records under applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
2. I have followed the audit practices and processes as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period and in few instances, procedural delay, not material, has been noticed in compliance of the provisions of the Companies Act, 2013.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of Management. My examination was limited to the verification of procedures on a test-check basis for the purpose of issue of the Secretarial Audit Report.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

SD/-

Prajot Vaidya
Proprietor
Membership No. A38969
C.P. No: 24558
Peer Review No: 4055/2023
UDIN: A038969G001075510

Place: Thane
Date: 25/08/2025

ANNEXURE V

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 2024-25, 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. 2024-25 (in Rs.)	% Increase in remuneration for financial year 2024-25	Ratio of remuneration of Director to median remuneration of employees
1.	Mrs. Meena Pophale	Whole-time Director	-	-	-
2.	Mr. Sunil H. Pophale	Executive Director	-	-	-
3.	Mr. Anil Suryavanshi	Whole-time Director	48,01,480	-	9.60%
4.	Mr. Laxmikant Potdar	Chief Financial Officer	19,79,919	10%	3.96%
5.	Mr. Manoj Kumar	Company Secretary & Compliance Officer	12,50,436	-	2.50%
6.	Mr. Susheel Koul	Chief Financial Officer	1,01,23,229	-	20.44%

- II. The median remuneration of employees during the financial year was Rs. 5,75,004/- p.a. (For calculating the median remuneration of employees, only the remuneration paid to employees who have served throughout the financial year 2024-25 has been considered.
- III. There were 73 permanent employees on the rolls of the Company as on March 31, 2025.
- IV. In the financial year there was an increase of **50%** in the median remuneration, largely contributed by appointment of KMPs.
- V. Average increase made in the salaries of employees of the Company was less than the managerial personnel in the financial year 2024-

25 was 50% and average increase in the managerial remuneration w.r.t the managerial personnel for the financial year 2024-25 was 5%

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.

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. Anil G. Suryawanshi	Executive Director	48,01,480	Director	01-02-2023	51	Siddhivinayak Chemicals	MSc Organics	No
2	Mr. Susheel C. Koul	Chief Executive Officer	1,01,23,229	KMP	22-01-2024	59	Enaltec Labs Pvt Ltd	BSc, Diploma in Marketing Management	No
3	Mr. Dinesh N. Malpe	Sr. Manager-Production	21,45,017	Employee	07-09-2021	43	Kasyap Sweetners Ltd	BE Chemicals	No
4	Mr. Laxmikant S. Potdar	Chief Financial Officer	19,79,919	KMP	13-07-2011	51	Jyoti Structures Ltd	MCom	No
5	Mr. Sambhaji S. Powar	Manager-ADL	17,86,725	Employee	08-03-2018	42	Macleods Pharmaceuticals Ltd	Msc Analytical Chemistry	No
6	Mr. Satish P. Paithankar	Manager-Stores & Excise	16,08,069	Employee	01-07-2012	52	Dabur India Ltd	BA	No
7	Mr. Sachin A. Bichave	Sr. Manager-Maintenance	15,40,076	Employee	09-08-2021	53	Megafine Pharma Pvt Ltd	BE Electrical	No
8	Mr. Manoj Kumar	Company Secretary	12,50,436	KMP	27-05-2024	32	Leo Da Vinci Exports Limited	Company Secretary & LL.B	No
9	Mr. Krishnarao L. Patil	Manager-Production	10,73,891	Employee	03-07-2009	54	Fem Care Pharma Ltd	BSc	No
10	Mr. Chandrakant B. Patil	Manager-QC	9,79,652	Employee	23-10-2018	42	Lupin Ltd	Msc Organic	No

For and on behalf of the Board

Vadivarhe Speciality Chemicals Limited

Sd/-
Sunil Haripant Pophale
Director
DIN: 00064412

Sd/-
Meena Sunil Pophale
Whole time Director
DIN: 00834085

Date: 26.08.2025

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To

The Members of **Vadivarhe Speciality Chemicals Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Vadivarhe Speciality Chemicals Limited** ("the company") which comprise the Balance Sheet as at March 31, 2025 and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended and notes to the Financial Statements including a summary of the significant accounting policies and other explanatory information (herein referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid 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 Accounting Standards prescribed under section 133 of the Act read with rule 3 of the Companies (Accounting Standards) Rules, 2021 and other the accounting principles generally accepted in India of the state of affairs of the company as at March 31 2025 and **loss** and cash flows for the year then ended.

Basis for Opinion

We conducted our audit of financial statements 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 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 financial statements under the provisions of the Act and the Rules thereunder 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 on the financial statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Revenue recognition (refer note 3 Significant Accounting Policies)

The Key Audit Matter	How the matter is addressed in our audit
Revenue is recognized when the control over the underlying products has been transferred to the customer.	Our audit procedures included: - Focusing on the Company's revenue recognition for compliance with AS 9; - 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.

Emphasis of Matter

Note No 3 of the Balance Sheet indicates that the company has accumulated losses and its net worth has been fully eroded, and the company's current liability exceeds its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, the management of the company has represented that there are confirmed orders in hand that are expected to generate substantial cash flows and improve the financial position in the coming periods. Accordingly, the financial statements of the company have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

Other Matter

We draw attention to the following points-

- a. The turnover for the year ending 31/03/2025 is Rs. 37,90,53,100/- (In Rupees (Nearest Hundred)) which is below the targeted turnover. This situation has been persistently occurring in last three years.
- b. It is observed that there is an operating cash flow of Rs. 7,15,27,000/- (In Rupees (Nearest Hundred)) at the year ending as on 31/03/2025, as against a positive operating cash flow at the financial year ending on 31/03/2024 Rs. 2,25,85,300/- (In Rupees (Nearest Hundred)).

Information Other Than the Financial Statements and Auditors' Report Thereon

The company's board of directors is 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 financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in section 134(5) of the act with respect to the preparation of these financial statements that give a true and fair view of the **state of affairs, loss and cash flows** of the company in accordance with the accounting principles generally accepted in India.

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 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 Board of Directors is 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 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 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 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 financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the

economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of audit and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 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 2020 ("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.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 3 of the Companies (Accounting Standards) Rules, 2021.

e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors none of the directors

is disqualified as on 31 March 2025 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" to this report.

g) 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 2025 on its financial position in its financial statements, details of pending legal cases which are filed by the Company are mentioned in Note 32-5 of Notes attached to and forming part of Financial Statements for the year ended 31st March 2025 ;

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, there are no derivative contracts;

iii. There were no amounts to be transferred to the Investor Education and Protection Fund by the Company.

iv.

(i) The management has represented that, to the best of its knowledge and belief other than as discussed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether,

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries")

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief other than as discussed in the notes to accounts, no funds have been received by the company from any person(s) or entity (ies), including foreign entities. ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries")

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared/proposed any interim and final dividend for the Financial Year 2024-25.

3. 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.

4.

a) Based on our examination, the company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility.

b) The payroll records maintained by the company through Payroll software did not have audit trail feature throughout the year.

c) Further during the course of our audit we did not come across any instance of an audit trail feature (wherever we were able to access) being tampered with.

d) The audit trail has been preserved by the company as per the statutory requirements for record retention.

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

Sd/-
S.R. Rahalkar
Partner

UDIN: 25014509BMNXNZ8899

Place: Nashik
Date: 29/05/2025

Annexure A to the Independent Auditor's Report 31st March, 2025

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the **Vadivarhe Speciality Chemicals Limited** on the Financial Statements for the year ended 31st March, 2025, we report the following:

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) A. The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

B. The company has maintained proper records showing full particulars, of intangible assets.

(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. However, during the year, the company has not physically verified the property, plant and equipment.

(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 12, 13 & 14 to the Financial Statements, are held in the name of the Company

(d) The company has not revalued any of its Property, Plant and Equipment (include right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the company as at March 31st 2025 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules thereunder.

- (ii) (a) 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.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the monthly returns or statements filed by the Company with such banks or financial

institutions are not in agreement with the books of account of the Company. The differences on quarterly basis are as follows:

Amounts in Rs (Nearest to Hundreds)

Inventories				
Month	As per stock statement submitted to Bank	As per Books	Difference	Reason for Difference
June	10,07,81,800	10,07,81,800	0.00	NIL
September	12,06,45,900	12,06,45,900	0.00	
December	11,24,59,100	11,24,59,100	0.00	
March	9,71,87,200	9,71,87,200	0.00	

Amounts in Rs (Nearest to Hundreds)

Trade Receivables				
Month	As per statement submitted to Bank	As per Books	Difference	Reason for Difference
June	3,02,65,900	1,95,66,600	1,06,99,300	Debtors Balance of DPB Pharma of Rs.103.84 Lakh & Siddhi Pharma of Rs. 3.09 Lakh adjusted against their Creditors Balance
September	3,20,95,400	3,24,59,400	(3,64,000)	Exchange Diff journal passed after submission of Statement
December	3,58,24,600	3,66,33,600	(8,09,000)	Rs. 7.90 Lakh IGST on Export Journal passed after submission of Statement
March	9,03,31,700	9,10,62,300	(7,30,600)	Exchange Diff journal passed after submission of Statement

- (iii) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore reporting under clause 3(iii)(a), (b), (c), (d), (e) and (f) of the Order is not applicable.

- (iv) 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) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 or rules made thereunder. Hence, reporting under clause 3 (v) of the Order is not applicable.
- (vi) 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. Hence, reporting under clause 3 (vi) of the Order is not applicable.
- (vii) In respect of statutory dues,
 - (a) According to the information and explanations given to us no undisputed amounts payable in respect of provident fund employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.
 - (b) 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, 2025, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, reporting under clause 3(viii) is not applicable
- (ix) (a) The Company has not defaulted in repayment of loans or borrowings to banks and financial institutions.
 - (b) The company has not been declared as a willful defaulter by any bank or financial institution or other lender or government or any government authority.
 - (c) The Company has been regular in repayment of the Term Loans.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the company.
 - (e) The company has no subsidiaries, associates or joint ventures. Hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable
- (x) (a) The company has not raised by way of initial public offer or further

public offer (including debt instruments) during the Financial Year 2024-2025 and hence reporting under clause 3(x) (a) of the Order is not applicable.

(b) The company has not raised by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence reporting under clause 3(x) (b) of the Order is not applicable.

(xi) (a) No material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.

(b) No report under sub-Section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government, during the year and up to the date of this report.

(c) There are no whistle-blower complaints received by the company during the year.

(xii) The Company is not a Nidhi company and hence reporting under clause 3(xii) (a), (b) and (c) of the Order is not applicable.

(xiii) The Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) The company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) The company has not entered into non-cash transactions with directors or persons connected with the director during the year and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The company is not required to be registered as Non Banking Financial Company or Housing Finance Company as per Reserve Bank of India Act, 1934.

(c) There is no core investment company within the group (as defined in the Core Investment Companies (Reserve Bank)

Directions, 2016. Hence reporting under clause 3(xvi)(a), (b),(c) and (d) of the order is not applicable.

- (xvii) The company has incurred cash loss of Rs 7,15,27,000/- (In Rupees (Nearest Hundred)) during Financial Year 2024-25 and incurred cash profits in the immediately preceding financial year i.e. Financial Year 2023-24
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment off in financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, except the non-achievement of projected sales/turnover nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The provisions of Section 135 of The Companies Act, 2013 are not applicable to the Company for Financial Year 2024-25. Hence, reporting under clause 3(xx) (a) and (b) of the Order is not applicable.
- (xxi) The reporting under Clause 3(xx) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For S.R.Rahalkar & Associates
Chartered Accountants
FRN – 108283W

Sd/-
S.R. Rahalkar
Partner
Membership Number - 014509
UDIN: 25014509BMNXN28899

Date : 29/05/2025
Place: Nashik

Annexure - B to the Auditors' Report

Refer to Para (2)(f) under Heading 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report of the even date to the members of Vadivarhe Specialty Chemicals Limited on financial statements for the year ended 31st March 2025

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 reporting of **Vadivarhe Speciality Chemicals Limited** as of 31 March 2025 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 2025 , 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 S.R.Rahalkar & Associates
Chartered Accountants
Firm Registration Number – 108283W

Sd/-

S.R. Rahalkar

Patner

Membership Number - 014509

UDIN: 25014509BMNXNZ8899

Date : 29/05/2025

Place: Nashik

Note No 1 - Notes forming part of Financial Statements for the year ended 31st March 2025

A) Corporate Information

Vadivarhe Speciality Chemicals Limited (the company) is an entity incorporated in India. The registered office of the company is at Gat No. 204, Vadivarhe, Igatpuri-422403.

The company is engaged in manufacturing of Organic Chemicals with a core focus on Intermediates, Personal Care Products, and Speciality Chemicals.

B) Significant Accounting Policies

1. Basis of preparation of Financial Statements & Accounts

The financial statements & accounts are prepared under historical cost convention in accordance with the mandatory Accounting Standards as specified under section 133 of the Companies Act 2013, read with Rule 3 of the Companies (Accounting Standards) Rules, 2021 and the relevant provisions of the Companies Act, 2013.

The Company has adopted accrual basis of accounting.

Accounting policies except specifically referred to, are consistent and in consonance with generally accepted accounting policies.

2. Use of Estimates

The preparation and presentation of financial statements in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities, revenues and expenditures and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as on the date of financial statements. Difference between the actual results and estimates are recognized in the period in which results materialize/ are known. Future results could differ from these estimates.

3. Revenue Recognition

- i. Revenue is recognized at the time of dispatch of goods to the customer along with sales invoice and e-way bill (wherever applicable) to that extent AS 9 has not been complied.
- ii. Sale of services are recognized when services are delivered to the customer and are recorded net of Duties, Taxes and Trade Discounts & Rebates.
- iii. Interest Income is recognized on a time proportion basis
- iv. Dividend Income is recognized on receipt basis.
- v. Subsidies, Duty Drawback Incentive are recognized on receipt basis.

4. Property Plant And Equipment

Tangible Assets

Tangible assets, capital work in progress are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes (except taxes of which input credit is been claimed), freight, and installation and allocated incidental expenditure during the construction/ acquisition.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (Major Components) of property, plant and equipment. Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a WDV basis commencing from the date the asset is available to the Company for its use.

During the financial year, intangible assets have been totally amortized.

5. Depreciation and Amortization

Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on Straight Line Method (SLM) Method. Depreciation is provided based on useful life of assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/ discard from tangible assets is provided for up to the date of sale, deduction or discard of tangible assets as the case may be.

6. Inventories

Inventories are valued at cost and no net realizable value is calculated. Cost of Inventories comprises of purchase costs, and other cost incurred in bringing the inventories to their present location and condition. The cost is determined as under.

- i. Raw materials on FIFO Basis
- ii. Finished Products - at raw material plus conversion cost
- iii. Work-in-Progress at raw material cost plus proportionate conversion cost

7. Cash flow statement

Cash flows are reported using the indirect method as specified under Accounting Standard - 3, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

8. Government grants

Grants and subsidies or incentives from the government are being recognized on receipt basis.

During the year, the company has received DIC PSI-2013 Incentive of Rs 5,74,500/- for F.Y.2022-23 (In Rupees (Nearest Hundred)) which has been showed as exceptional item.

9. Investments

Investments are valued at cost except where there is a permanent decline in the value of investments.

Non-current investment includes Bank Shares

10. Taxes on Income

Income Tax for the period is provided as per the provisions of the Income Tax Act, 1961 after considering various deductions available under the Act. However, due to loss for the year, there is no current tax liability.

Deferred Tax Expense/Income is recognized for "timing differences" between the accounting income and the taxable income using the tax rates and laws that are enacted or substantially enacted as on the Balance Sheet date. The Deferred Tax Assets is recognized and carried forward only to the extent there is a reasonable certainty that the asset will be realized in future.

During the year, deferred tax has not recognized since there is no virtual certainty for set off of losses.

11. Employee Benefits

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

Defined Contribution Plan

The company is having defined contribution plan for post-employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the company contributes to a Government administered Provident Fund on behalf of employees. The company has no further obligation beyond making the Contribution.

Defined Benefit Plan

The company has made provision for payment of Gratuity and Leave Encashment to its employees. The cost of providing gratuity and leave encashment under this plan is determined on the basis of actuarial valuation at year end.

12. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognized as expenditure in the period in which they are incurred.

13. Impairment of Assets

In accordance with AS-28, in the opinion of management, there is no impairment loss to the company.

14. Provisions and Contingent Liabilities

Provisions involving judgments and estimation in measurement of expenses are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources.

15. 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 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.

16. Earning Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period for all periods presented is adjusted for events, such as bonus shares, that have changed the number of equity shares outstanding, without corresponding change in the resources.

In Rupees (Nearest Hundred)			
Particulars	Note No	Figures As at 31st March, 2025	Figures As at 31st March, 2024
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	127,827,500	127,827,500
(b) Reserves and Surplus	3	(155,588,600)	(62,935,400)
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	228,233,500	188,699,000
(b) Deferred tax liabilities (Net)	5	-	-
(c) Other Long term Liabilities	6	-	409,700
(d) Long Term Provisions	7	4,676,700	4,235,600
(3) Current Liabilities			
(a) Short-term borrowings	8	132,086,800	73,086,200
(b) Trade payables	9	74,993,400	71,470,500
(c) Other current liabilities	10	1,852,800	2,497,900
(d) Short-term provisions	11	13,249,300	10,848,200
Total		427,331,400	416,139,200
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipments and Intangible Assets			
(i) Property, Plant & Equipments	12	224,314,000	215,922,500
(ii) Intangible assets	13	-	1,600
(iii) Capital work-in-progress	14	784,600	15,588,500
(iv) Intangible assets under development		-	-
(b) Non-current investments	15	500,000	510,000
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	16	210,700	1,427,500
(e) Other non-current assets	17	2,558,700	2,669,300
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	18	97,187,100	85,790,500
(c) Trade receivables	19	82,636,700	49,406,100
(d) Cash and cash equivalents	20	5,686,800	5,152,900
(e) Short-term loans and advances	21	13,347,600	39,158,000
(f) Other current assets	22	105,200	512,300
Total		427,331,400	416,139,200

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date.

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

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

S R Rahalkar
Partner
Membership No.014509

Sunil H Pophale
Chairman and Executive Director
DIN -00064412

Anil G Suryawanshi
Additional Whole-time Director
DIN -10052423

Laxmikant S Potdar
Chief Financial Officer

Manoj Kumar
Company Secretary

Place : Nashik
Date : May 29, 2025

Vadivarhe Speciality Chemicals Limited

Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,

CIN: L24100MH2009PLC190516,

Email id: accounts@vscl.in Website: www.vscl.in

Phone : 02553 691200 Fax :022 26740371

Statement of Profit and Loss for the year ended 31st March 2025

In Rupees (Nearest Hundred)

Particulars	Note No	Figures for Year ended 31st March, 2025	Figures for Year ended 31st March, 2024
I. Revenue from operations	23	379,053,100	400,754,600
II. Other Income	24	2,692,300	4,902,700
III. Total Income (I +II)		381,745,400	405,657,300
IV. Expenses:			
Cost of materials consumed	25	185,109,100	222,117,600
Purchase of Stock-in-Trade	26	102,436,800	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(8,040,300)	(6,549,600)
Employee benefit expense	28	57,183,500	45,837,500
Financial costs	29	13,270,900	12,849,800
Depreciation and amortization expense	30	18,476,300	17,351,000
Other Expenses	31	106,536,800	98,982,000
IV. Total Expenses		474,973,100	390,588,300
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(93,227,700)	15,069,000
VI. Exceptional Items - DIC PSI-2013 Incentive		574,500	-
VII. Profit before extraordinary items and tax (V - VI)		(92,653,200)	15,069,000
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(92,653,200)	15,069,000
X. Tax expense:			
(1) Current tax		-	-
(2) Income Tax of earlier years		-	-
(3) Deferred tax		-	-
(4) MAT Credit entitlement		-	-
(5) MAT Credit Reversed		-	14,453,800
XI. Profit/(Loss) for the period (IX - X)		(92,653,200)	615,200
No. of Shares Outstanding at the end of the period		12,782,750	12,782,750
XII. Earning per equity share:			
(1) Basic		(7.25)	0.05
(2) Diluted		(7.25)	0.05

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date.

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

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

S R Rahalkar
Partner
Membership No.014509

Sunil H Pophale
Chairman and Executive Director
DIN -00064412

Anil G Suryawanshi
Additional Whole-time Director
DIN -10052423

Laxmikant S Potdar
Chief Financial Officer

Manoj Kumar
Company Secretary

Place : Nashik
Date : May 29, 2025

Vadivarhe Speciality Chemicals Limited

Gat No. 204, Vadivarhe, Igatpuri, Maharashtra 422403,
CIN: L24100MH2009PLC190516,
Email id: accounts@vscl.in Website: www.vscl.in
Phone : 02553 691200 Fax :022 26740371

Cash Flow statement for the Year ended 31st March, 2025

In Rupees (Nearest Hundred)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Cash flows from operating activities		
Profit before taxation	(92,653,200)	15,069,000
Adjustments for:		
Depreciation	18,476,300	17,351,000
Dividend Income	(35,000)	(35,000)
Interest Received	(234,800)	(394,100)
Interest expense	13,270,900	12,849,800
(Profit) / Loss on the sale of property, plant & equipment	1,420,800	185,700
Operating Profits before Working Capital Changes	(59,755,000)	45,026,400
Working capital changes:		
(Increase) / Decrease in trade receivables	(33,230,600)	8,310,100
(Increase) / Decrease in inventories	(11,396,600)	(43,900)
(Increase) / Decrease in Other receivables	26,328,100	10,498,100
(Increase) / Decrease in Long term Loans and advances*	1,216,800	14,482,600
Increase / (Decrease) in trade payables	3,522,900	(31,854,200)
Increase / (Decrease) in other payables	1,787,400	(9,380,000)
Cash generated from operations	(71,527,000)	37,039,100
Income taxes paid(MAT credit reversed)	-	(14,453,800)
Net cash from operating activities (A)	(71,527,000)	22,585,300
Cash flows from investing activities		
Purchase of Fixed Assets	(13,996,000)	(9,031,700)
Proceeds from sale of equipment	513,100	3,550,000
Investments write off	10,000	-
Adjusted against accumulated balances write off	-	-
Dividend income	35,000	35,000
Interest Received	234,800	394,100
Net cash used in investing activities(B)	(13,203,100)	(5,052,600)
TOTAL (A+B)	(84,730,100)	17,532,700
Cash flows from financing activities		
Increase / (Decrease) in Short term Borrowings - Cash credit facility, Packing Credit, Current maturity of Long Term Borrowings	59,000,600	(33,654,100)
Proceeds from issue of share capital	-	-
Proceeds from Term loan	13,930,300	32,065,000
Interest on Loan	(13,270,900)	(12,849,800)
Proceed from unsecured loan from Director	25,604,200	(6,006,500)
Net cash used in financing activities [C]	85,264,400	(20,445,400)
Net increase in cash and cash equivalents (A+B+C)	533,900	(2,912,500)
Cash and cash equivalents at beginning of period	5,152,900	8,065,400
Cash and cash equivalents at end of period	5,686,800	5,152,900
Components of Cash and cash equivalents		
Cash in hand	93,400	188,700
Balances with Scheduled banks :		
in current accounts	635,400	4,964,200
in deposits accounts	4,958,000	-
Cash and cash equivalents in Cash Flow Statement	5,686,800	5,152,900
Notes:		
1 The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3, "Cash Flow Statement" notified under section 133 of the Companies Act, 2013,		
2 Notes to the financial statements are an integral part of the cash flow statement.		

As per our Report attached of even date.

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

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

S R Rahalkar
Partner
Membership No.014509

Sunil H Pophale
Chairman and Executive Director
DIN -00064412

Anil G Suryawanshi
Additional Whole-time Director
DIN -10052423

Laxmikant S Potdar Manoj Kumar
Chief Financial Officer Company Secretary

Place : Nashik
Date : May 29, 2025

Place : Mumbai
Date : May 29, 2025

Notes To and Forming Part of the Financials

March 31,2025
AmountMarch 31,2024
Amount

Note 2 : 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

Terms / rights attached to equity shares

The company has single class of equity shares having face value of Rs.10 per share. The voting rights of shareholders in proportion to its share of paid up equity capital of the company. The Equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Disclosure related to Outstanding share detail

Particulars	March 31,2025		March 31,2024	
	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	12,782,750	127,827,500	12,782,750	127,827,500
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12,782,750	127,827,500	12,782,750	127,827,500

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	7.83%	1,001,000	62.84%	8,032,625
Ms. Aditi S Pophale	11.73%	1,500,000	11.73%	1,500,000
Mrs. Meena S Pophale	47.24%	6,038,000	0.00%	-
TOTAL		8,539,000		9,532,625

Shares held by Promoters at end of the year

Promoter Name	No of Shares		% of total Shares		% Change during the year
	FY 24-25	FY 23-24	FY 24-25	FY 23-24	
Mr. Sunil H Pophale	1,001,000	8,032,625	7.83%	62.84%	-55.01%
Ms. Aditi S Pophale	1,500,000	1,500,000	11.73%	11.73%	0.00%
Mrs. Meena Sunil Pophale	6,038,000	5,375	47.24%	0.04%	47.19%
Ms. Manasi Sunil Pophale	250	250	0.00%	0.00%	0.00%

Note 3 : Reserves and Surplus

Securities Premium Account

Opening Balance	59,579,900	59,579,900
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	59,579,900	59,579,900

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 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	(122,515,300)	(123,130,500)
Profit / (Loss) of the current year	(92,653,200)	615,200
Closing balance	(215,168,500)	(122,515,300)
Total	(155,588,600)	(62,935,400)

Notes To and Forming Part of the Financials

Note 4: Long-term borrowings

(a) Secured Loan

1) Term Loans

	March 31,2025 Amount	March 31,2024 Amount
From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled on 30/07/2024 Balance Sheet date 31/03/2025)	-	-
From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled on 31/03/2024 Balance Sheet date 31/03/2024)	-	-
From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled on 30/06/2024 Balance Sheet date 31/03/2025)	-	-
From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled on 21/08/2024 Balance Sheet date 31/03/2025)	-	195,000
From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled as on 03/09/2024 Balance Sheet date 31/03/2025)	-	33,333,300
From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled as on 03/09/2024 Balance Sheet date 31/03/2025)	-	6,666,700
From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled on 21/08/2024 Balance Sheet date 31/03/2025)	-	-
From Bank of India (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan settled on 21/08/2024 Balance Sheet date 31/03/2025)	-	-
From Bank of Maharashtra (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 13/08/2028 Balance Sheet date 31/03/2029) Number of Installment due 40 of Rs.2,09,000/- & 1 of Rs. 1,79,000/-)	6,100,200	-
From Bank of Maharashtra (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 01/09/2028 Balance Sheet date 31/03/2029) Number of Installment due 41 of Rs.8,33,334/- & 1 of Rs. 8,03,644/-	24,989,500	-
From Bank of Maharashtra (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 01/09/2026 Balance Sheet date 31/03/2027) Number of Installment due 17 of Rs.4,17,000/- & 1 of Rs. 4,08,911/-	2,554,100	-
From Bank of Maharashtra (Secured by Plant & Machinery and charge on the assets and personal guarantee of directors) (Above term loan will be settled as on 01/08/2031 Balance Sheet date 31/03/2032) 12 Months Moratorium, Then Number of Installment due 72 Rs.4,86,112/-	18,258,800	-

Notes To and Forming Part of the Financials

Note 4: Long-term borrowings**2) Car & Bus Loans**

	March 31,2025 Amount	March 31,2024 Amount
From Bank of India (Secured by Car) (Above term loan will be settled as on 02/05/2029 Balance Sheet date 31/03/2030) Number of Installment due 43 Rs.9,608/- (Inclusive of Finance Charges)	429,500	-
From Bank of India (Secured by Bus & by CGMST) (Above term loan will be settled as on 30/05/2029 Balance Sheet date 31/03/2030) Number of Installment due 43 Rs.63,006/- (Inclusive of Finance Charges)	1,793,200	-
(b) Unsecured Loans		
Loan from Promotor Director Mr.Sunil H Pophale	164,063,400	148,504,000
Loan from Director Mrs. Meena S Pophale	10,044,800	-
	228,233,500	188,699,000

Note 5 : 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

	(26,406,500)	(27,346,100)
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Gross Deferred Tax Liability

Deferred Tax Assets

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

	4,402,800	3,886,500
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Unabsorbed Depreciation and Business Loss	52,082,100	50,701,000
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Provision for Bonus	271,000	270,500
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Provision for Leave Encashment	463,300	478,600
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Provision for Gratuity and LTA	915,300	699,600
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Gross Deferred Tax Assets	58,134,500	56,036,200
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Less : Not recognised since no virtual certainty for set off of losses

	31,728,000	28,690,100
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Net Deferred tax liability	-	-
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Note 6: Other Long term Liabilities

Trade Payables	-	-
Payables on purchase of fixed assets	-	409,700
	-	409,700

Note 7: Long Term Provisions

Provision for Employee Benefits :

Provision for Gratuity	3,176,800	2,539,900
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Provision for Leave Encashment	1,499,900	1,695,700
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4,676,700	4,235,600
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Notes To and Forming Part of the Financials

Note 8: Short-term borrowings

Secured Loan

Cash Credit Facility

From Bank of India - 47,753,200
(Secured by an exclusive charge by way of hypothecation of Stock & Book Debts)

From Bank of Maharashtra 60,836,200 -
(Secured by an exclusive charge by way of hypothecation of Stock & Book Debts)

Packing Credit

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

From Bank of Maharashtra 49,456,500 -
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)

Current maturities of long-term debt

Term Loans

From Bank of India - 2,690,100
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)

(Above term loan settled on 30/07/2024 Balance Sheet date 31/03/2025) ...

From Bank of India - -
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)
(Above term loan settled on 31/03/2024 Balance Sheet date 31/03/2024)

From Bank of India - 667,100
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)
(Above term loan settled on 30/06/2024 Balance Sheet date 31/03/2025)

From Bank of India - 2,220,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)
(Above term loan settled on 21/08/2024 Balance Sheet date 31/03/2025)

From Bank of India - 10,000,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)
(Above term loan settled as on 03/09/2024 Balance Sheet date 31/03/2025)

From Bank of India - 5,000,000
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)
(Above term loan settled as on 03/09/2024 Balance Sheet date 31/03/2025)

From Bank of India - 3,496,500
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)
(Above term loan settled on 21/08/2024 Balance Sheet date 31/03/2025)

From Bank of India - 1,259,300
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)
(Above term loan settled on 21/08/2024 Balance Sheet date 31/03/2025)

From Bank of Maharashtra 2,508,000 -
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)
(Above term loan will be settled as on 13/08/2028 Balance Sheet date 31/03/2029)
Number of Installment due 40 of Rs.2,09,000/- & 1 of Rs. 1,79,000/-)

From Bank of Maharashtra 10,008,000 -
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)
(Above term loan will be settled as on 01/09/2028 Balance Sheet date 31/03/2029)
Number of Installment due 41 of Rs.8,33,334/- & 1 of Rs. 8,03,644/-

From Bank of Maharashtra 5,004,000 -
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)
(Above term loan will be settled as on 01/09/2026 Balance Sheet date 31/03/2027)
Number of Installment due 17 of Rs.4,17,000/- & 1 of Rs. 4,08,911/-

From Bank of Maharashtra 3,402,800 -
(Secured by Plant & Machinery and charge on the assets and personal guarantee of directors)
(Above term loan will be settled as on 01/08/2031 Balance Sheet date 31/03/2032)
12 Months Moratorium, Then Number of Installment due 72 Rs.4,86,112/-

Notes To and Forming Part of the Financials

March 31,2025 March 31,2024
Amount Amount

Note 8: Short-term borrowings**2) Car & Bus Loans**

From Bank of India (Secured by Car) (Above term loan will be settled as on 02/05/2029 Balance Sheet date 31/03/2030) Number of Installment due 43 Rs.9,608/- (Inclusive of Finance Charges)	115,300	-
From Bank of India (Secured by Bus & by CGMST) (Above term loan will be settled as on 30/05/2029 Balance Sheet date 31/03/2030) Number of Installment due 43 Rs.63,006/- (Inclusive of Finance Charges)	756,000	-
Unsecured Export Packing Credit Funding from Drip Capital	-	-
	132,086,800	73,086,200

Note 9: Trade Payable

Creditors for Goods	61,957,200	57,898,800
Other Creditors	10,773,600	13,410,400
Payables on purchase of fixed assets	2,262,600	161,300
	74,993,400	71,470,500

(Please refer Notes to Accounts, Note No 32.10 for Due to micro and small enterprises)

Ageing of Trade Payables

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)MSME	264,000	-	-	-	264,000
Previous Year	54,000	-	-	-	54,000
(ii)Others	74,729,400	-	-	-	74,729,400
Previous Year	69,640,070	-	1,776,430	-	71,416,500
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note 10: Other Current Liabilities**Other Payables**

Advance from Customers	293,700	59,000
Statutory Dues	1,234,600	2,002,000
Retention Amount Payable	-	-
Interest Accrued and due	324,500	436,900
	1,852,800	2,497,900

Note 11: Short Term Provisions**Provision for Employees Benefit**

Provision for L.T.A.	-	-
Provision for Bonus	1,076,900	1,074,900
Provision for Gratuity	459,900	240,000
Provision for Leave Encashment	340,900	206,000
Salary and Other Payables (including director remuneration payable)	5,623,400	6,542,300

Provision Others

Provision for Tax	-	-
Provision for Tax for earlier years	-	-
Provision for Expences	5,748,200	2,785,000
Others	-	-

Notes To and Forming Part of the Financials

Notes 12, 13, 14 : Property, Plant & Equipments and Intangible Assets

Amounts in Rs (Nearest to Hundreds)

Description	Gross block				Depreciation / Amortization				Net block	
	As at April 1, 2024	Additions	Deletions / Adjustments	As at March 31, 2025	As at April 1, 2024	For the Year	Deletions / Adjustments	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Note 12 :Property, Plants & Equipments										
Freehold land	12,802,300	-	-	12,802,300	-	-	-	-	12,802,300	12,802,300
Buildings	88,002,300	-	-	88,002,300	33,652,400	2,742,100	-	36,394,500	51,607,800	54,349,900
Air Conditioners	2,077,900	144,400	-	2,222,300	1,362,900	156,800	-	1,519,700	702,600	715,000
Office Equipments	4,866,900	45,200	-	4,912,100	4,233,100	103,300	-	4,336,400	575,700	633,800
Plant and machinery	125,458,100	14,928,700	(5,191,800)	135,195,000	62,460,000	5,468,300	(3,341,000)	64,587,300	70,607,700	62,998,100
Solar Power & Water Heater Plant	29,972,400	-	-	29,972,400	14,151,500	1,913,500	-	16,065,000	13,907,400	15,820,900
R & D Lab & Equipments	5,167,100	-	-	5,167,100	1,713,800	240,800	-	1,954,600	3,212,500	3,453,300
Q.C. Equipments	38,924,500	34,300	-	38,958,800	16,783,600	1,725,300	-	18,508,900	20,449,900	22,140,900
ETP	21,642,200	3,046,000	-	24,688,200	6,243,500	1,198,300	-	7,441,800	17,246,400	15,398,700
Utility	32,207,000	3,583,500	-	35,790,500	16,420,000	1,454,900	-	17,874,900	17,915,600	15,787,000
Electrical installation	14,539,100	3,336,000	(898,500)	16,976,600	12,666,400	497,800	(853,500)	12,310,700	4,665,900	1,872,700
Computers	4,203,900	38,500	-	4,242,400	3,834,900	67,100	-	3,902,000	340,400	369,000
Furniture and fixtures	17,699,900	-	-	17,699,900	10,251,300	1,472,800	-	11,724,100	5,975,800	7,448,600
Vehicles	10,693,100	3,643,300	(761,800)	13,574,600	8,560,800	1,433,500	(723,700)	9,270,600	4,304,000	2,132,300
Total	408,256,700	28,799,900	(6,852,100)	430,204,500	192,334,200	18,474,500	(4,918,200)	205,890,500	224,314,000	215,922,500
Note 13 :Intangible Assets										
Computer Softwares	3,301,400	-	-	3,301,400	3,299,800	1,600	-	3,301,400	-	1,600
ERP Software	739,400	-	-	739,400	739,400	-	-	739,400	-	-
Total	4,040,800	-	-	4,040,800	4,039,200	1,600	-	4,040,800	-	1,600
Note 14 :Capital Work-in-Progress										
Capital Work-In Progress	12,279,300	-	(11,989,700)	289,600	-	-	-	-	289,600	12,279,300
Capital Advances	3,309,200	-	(2,814,200)	495,000	-	-	-	-	495,000	3,309,200
Total	15,588,500	-	(14,803,900)	784,600	-	-	-	-	784,600	15,588,500
Grand Total	427,886,000	28,799,900	(21,656,000)	435,029,900	196,373,400	18,476,100	(4,918,200)	209,931,300	225,098,600	231,512,600
Grand Total	423,813,200	9,031,700	(4,958,900)	427,886,000	180,245,400	17,351,200	(1,223,200)	196,373,400	231,512,600	243,567,800

Note : Title deeds of the above mentioned immovable properties are held in the name of Company only.

Ageing Schedule of Capital work in progress

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	-	289,600	-	-	289,600
Projects temporarily suspended	-	-	-	-	-

Note: No CWIP projects has been overdue from its expected date

Notes To and Forming Part of the Financials

March 31,2025 **March 31,2024**
Amount **Amount**

Note 15: Non-Current Investments

Unquoted Investments

Investments in Govt Securities

6 years National Saving Certificate VIII issue

- 10,000

Investment in equity instruments (unquoted)

Equity Shares of NKGSB Co-Op Bank Ltd

500,000 500,000

500,000 **510,000**

As on 31.03.2025

Name of the body corporate	No. of shares	Quoted/ Unquoted	Partly paid/ Fully paid	Extent of Holding (%)	Amount (in Rs.)	Whether stated at cost or not Yes/No
1	2	3	4	5	6	7
NKGSB Co-op Bank Ltd	50000	Unquoted	Fully paid of Rs 10/- each	NA	500,000	Yes

Note 16: Long-term loans and advances

Advance to Suppliers

- 33,700

Income tax refund - F.Y 13-14

- 260,000

Income tax refund - F.Y 15-16

- 423,200

Income tax refund - F.Y 18-19

- 177,100

Income tax refund - F.Y 19-20

- 221,400

Income tax refund - F.Y 23-24

- 214,100

TDS/TCS Deducted by Customers, Banks - FY 23-24

- 98,000

TDS/TCS Deducted by Customers, Banks - FY 24-25

210,700 -

210,700 **1,427,500**

Note 17: Other non-current assets

Deposit - Bharat Commercial Corporation

107,500 107,500

Deposit - MSEB

2,146,900 2,146,100

Deposit - Telephone

- 10,400

Deposit - Waste Management

- 20,000

Deposit - Jayson Chemicals

- 56,000

Deposit - MEPL Aurangabad

260,000 260,000

Deposit - Sales Tax

- 25,000

Deposit - G. J. Mullti Gases P Ltd

40,000 40,000

Deposit - NMRDA For Gat No 207/2

4,300 4,300

2,558,700 **2,669,300**

Note 18 : Inventories (at lower of cost and net realisable value)

Raw Materials

34,120,700 30,675,900

Packing Materials

364,800 453,300

Works In Progress

29,930,100 11,013,800

Finished Goods

13,915,400 43,647,500

Trading Goods

18,856,100 -

Total

97,187,100 **85,790,500**

Notes To and Forming Part of the Financials

March 31,2025	March 31,2024
Amount	Amount

Note 19 : Trade receivables

(a) Trade Receivables considered good - Secured		
(i) Related parties	-	-
(ii) Other than related parties	-	-
(b) Trade Receivables considered good - Unsecured		
(i) Related parties	5,317,000	-
(ii) Other than related parties	77,319,700	49,406,100
(c) Doubtful		
(i) Related parties	-	-
(ii) Other than related parties	7,988,700	-
Less: Provision for doubtful debts	7,988,700	-
Total	82,636,700	49,406,100

Trade Receivable Ageing Schedule

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivable-Considered Good	74,648,000	-	7,988,700	-	-	82,636,700
Previous Year	40,309,959	98,571	8,997,570	-	-	49,406,100
(ii) Undisputed Trade Receivable-Considered Doubtful	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
iii) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Consider Doubtful	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-

Note 20 : Cash and cash equivalents

Cash on hand	93,400	188,700
Balances with Scheduled banks :		
in current accounts	635,400	447,200
in deposits accounts (Fixed deposits with maturity more than three months	4,958,000	4,517,000
Total	5,686,800	5,152,900

Note 21 : 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 32.2)	-	-
Advances to suppliers	1,011,500	-
Loans and Advances to Staff	92,600	213,300
(Secured to the extent of Rs. Nil (Previous Year: Rs. Nil)		
Balances with Customs, Port Trust, Excise etc. GST Receivables	10,447,000	37,684,600
Deposit others	-	-
Prepaid Expenses	1,796,500	1,260,100
Total	13,347,600	39,158,000

Note 22 : Other Current Assets

Interest accrued but not received on NSC, FD and Others	43,200	203,700
Others	62,000	308,600
Total	105,200	512,300

Note 23 : Revenue from operations

	March 31,2025 Amount	March 31,2024 Amount
Sales of Goods (Gross)	378,379,200	400,132,900
Less - Excise Duty	-	-
	378,379,200	400,132,900
Service Income	673,900	621,700
	379,053,100	400,754,600

Note 24 : Other income

Interest on		
- NSC, FD and Others	234,800	394,100
- Income Tax, Sales Tax and Others	-	-
Dividend Received	35,000	35,000
Discount Received	1,600	-
Exchange Difference (Gain)	-	-
Insurance Claim Received	-	-
Export- Rebate (MEIS) & Duty Drawback Incentive	2,420,900	4,469,800
Miscellaneous Income	-	3,800
Total	2,692,300	4,902,700

Note 25 : Cost of Materials consumed

Raw Materials		
Opening stock	30,675,900	37,230,900
Purchases during the year	187,004,000	200,361,800
Inventory Gain/(Loss)/Others	(980,200)	12,035,700
Closing stock	34,120,700	30,675,900
Raw material consumed	182,579,000	218,952,500
Packing Materials		
Opening stock	453,300	404,000
Purchases during the year	991,600	1,253,100
Closing stock	364,800	453,300
Packing material consumed	1,080,100	1,203,800
R&D and other Material Consumed	1,450,000	1,961,300
Total	185,109,100	222,117,600

Note 26 : Purchase of Stock-in-Trade

Trading goods purchased	102,436,800	-
	102,436,800	-

Note 27 : Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade

Work-In-Progress		
Opening Stock	11,013,800	27,550,000
Less: Closing Stock	29,930,100	11,013,800
	(18,916,300)	16,536,200
Finished Goods		
Opening Stock	43,647,500	20,561,700
Less: Closing Stock	13,915,400	43,647,500
	29,732,100	(23,085,800)
Stock-in-Trade		
Opening Stock	-	-
Less: Closing Stock	18,856,100	-
	(18,856,100)	-
	(8,040,300)	(6,549,600)

Notes To and Forming Part of the Financials

	March 31,2025 Amount	March 31,2024 Amount
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Note 28 : Employee Benefit Expense

Salaries, Wages and Bonus (Including Directors Remuneration, Refer Note 32 [11.7])	50,160,800	38,984,200
Contribution to Provident and other funds	3,263,700	3,002,200
Gratuity Expenses (Refer Note 32[05])	1,456,800	1,287,200
Workmen and Staff Welfare Expenses	2,302,200	2,563,900
Total	57,183,500	45,837,500

Note 29 : Financial Expenses

Interest		
- On Term Loan from Axis Bank/SIDBI/Unsecured Loan	6,641,500	6,745,300
- On Bank Cash credit facility	6,337,200	6,104,500
- On Loan from NBFC	292,200	-
Total	13,270,900	12,849,800

Note 30 : Depreciation and Amortization Expenses

Depreciation on Tangible Assets	18,474,700	17,344,400
Depreciation on Intangible Assets	1,600	6,600
Total	18,476,300	17,351,000

Note 31 : Manufacturing, Operation, Admin and Other Expenses**Manufacturing Expenses**

Consumption of Consumables, Stores and Spares	2,688,000	2,752,600
Labour Charges	20,187,000	22,138,900
Job Work Charges	300,400	393,200
Power and Fuel	20,384,600	19,001,100
Rates and Taxes	1,673,200	2,457,500
Repairs and Maintenance of Plant and Machinery	11,102,200	12,685,000
	56,335,400	59,428,300

Selling and Distribution Expenses

Insurance	1,421,500	1,539,700
Freight and Forwarding Charges	2,619,200	4,455,400
Advertisement and Sales Promotion	378,400	29,800
Commission	65,200	-
	4,484,300	6,024,900

Admin and Other Expenses

Repairs and Maintenance of Building	284,500	465,000
Repairs and Maintenance of General and Others	991,200	3,109,900
Exchange Difference - Loss	(813,700)	(1,602,300)
Printing and Stationery	444,200	369,300
Communication Costs	462,300	332,600
Travelling and Conveyance	4,066,500	4,824,200
Legal and Professional Charges	9,073,600	10,945,200
Bank Charges	3,607,000	4,917,900
Interest /Penalties	331,900	505,900
Auditors' Remuneration (Refer Note 32 [11.8])	120,000	120,000
Security Charges	2,982,700	2,586,800
Loss on Sale of Asset	1,420,800	185,700
Corporate Social and Environmental Responsibility Expenses (CSR & CER)	751,600	3,760,700
Others Written off (Net)	10,908,700	650,200
Doubtfull Debts	7,988,700	-
Testing, sampling EHS safety Expes	1,935,200	932,600
Administration Expenses	1,161,900	1,425,100
	45,717,100	33,528,800
Total	106,536,800	98,982,000

Note 32

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	Amounts in Rs (Nearest to Hundreds)	
	March 31, 2025 Amount	March 31, 2024 Amount
Sales Revenue by Geographical Market (including Service Income)		
India	279,132,300	112,814,500
Outside India	99,920,800	287,940,100
Total	379,053,100	400,754,600

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	Amounts in Rs (Nearest to Hundreds)	
	March 31, 2025 Amount	March 31, 2024 Amount
Carrying amount of Segment Assets and Intangible Assets		
India	224,314,000	215,924,100
Outside India	-	-
Total	224,314,000	215,924,100
Additions to Fixed Assets including Capital Work In Progress		
India	28,799,900	9,031,700
Outside India	-	-
Total	28,799,900	9,031,700

Note 32

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. Anil G Suryavanshi
	Independent Director	Mr. Prasanna P Rege
	Independent Director	Mrs. Uttara A Kher
	Independent Director	Mr. Ravindra K Paranjpe
	CEO	Mr. Susheel J Koul (w e f 22/01/2024)

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
- 6 CAVITR Ltd

a) Related party transactions:

Amounts in Rs (Nearest to Hundreds)

Particulars	Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Purchase of goods	-	-	10,954,200	12,655,200	10,954,200	12,655,200
Sale of goods	-	-	111,058,400	8,294,800	111,058,400	8,294,800
Services Provided	-	-	-	-	-	-
Services Taken	-	-	-	-	-	-
Security Deposit Given	-	-	-	-	-	-
Security Deposit Returned	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Loan taken	33,049,800	7,299,700	-	-	33,049,800	7,299,700
Loan given	-	-	-	-	-	-
Loan repaid to	7,445,700	13,306,300	-	-	7,445,700	13,306,300
Loan repaid by	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Managerial remuneration *	14,702,400	7,145,100	-	-	14,702,400	7,145,100
Sitting fees to Independent Directors	140,000	220,000	-	-	140,000	220,000
Closing Outstanding Balances:						
Receivables	-	-	5,317,000	11,800	5,317,000	11,800
Payables	176,115,400	150,994,764	8,180,000	3,193,000	184,295,400	154,187,764

* 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.

Note 32

02 Related Parties

Related party disclosures:

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

b) Details of transactions with related parties.

Particulars	Amounts in Rs (Nearest to Hundreds)	
	Key Management Personnel March 31, 2025	March 31, 2024
Managerial remuneration:		
Director -Mrs. Meena S Pophale	-	-
Director -Mr.Sunil H Pophale	-	-
Director -Mr.Anil G Suryawanshi	4,802,400	4,802,400
CEO - Mr. Susheel J Koul	9,900,000	2,342,700
Total	14,702,400	7,145,100
Sitting fees paid to Independent Directors:		
Mr. Prasanna P Rege	50,000	80,000
Mrs. Uttara A Kher	50,000	80,000
Mr. Ravindra K Paranjpe	40,000	60,000
Total	140,000	220,000
Loan taken :		
Director -Mr.Sunil H Pophale	22,005,000	7,299,700
W T Director -Mrs.Meena S Pophale	11,044,800	-
Total	33,049,800	7,299,700
Loan repaid to :		
Director -Mr.Sunil H Pophale	6,445,700	12,306,300
W T Director -Mrs.Meena S Pophale	1,000,000	-
Director -Mr. Pramod W Gajare	-	1,000,000
Total	7,445,700	13,306,300
Goods purchased from:		
Zenvision Pharma LLP	-	-
Respect Labs LLP	10,954,200	12,655,200
ReelLabs Pvt Ltd	-	-
Total	10,954,200	12,655,200
Goods sold to::		
Zenvision Pharma LLP	6,215,000	11,800
Respect Labs LLP	104,843,400	8,283,000
ReelLabs Pvt Ltd	-	-
Total	111,058,400	8,294,800
Outstanding balance :		
Directors remuneration -		
W T Director -Mrs.Meena S Pophale	-	-
Director -Mr.Sunil H Pophale	-	-
Director -Mr.Pramod W Gajare	-	844,000
Director -Mr.Anil G Suryawanshi	476,000	200,000
CEO - Mr. Susheel J Koul	1,405,200	1,284,200
Total	1,881,200	2,328,200
Sitting fees to Independent Directors:		
Mr. Prasanna P Rege	45,000	72,000
Mrs. Uttara A Kher	45,000	54,300
Mr. Ravindra K Paranjpe	36,000	36,300
Total	126,000	162,600
Loan from Directors-		
Director -Mr.Sunil H Pophale	164,063,400	148,504,000
W T Director -Mrs.Meena S Pophale	10,044,800	-
Director -Mr.Pramod W Gajare	-	-
Total	174,108,200	148,504,000
Enterprise- Receivable		
Respect Labs LLP	-	-
Zenvision Pharma LLP	5,317,000	11,800
CEVITR Ltd	-	-
Total	5,317,000	11,800
Enterprise- Payable		
Zenvision Pharma LLP	-	1,303,500
Respect Labs LLP	8,180,000	1,889,500
Total	8,180,000	3,193,000

Notes attached to and forming part of Financial Statements for the year ended 31st March 2025

Note 32

Amounts in Rs (Nearest to Hundreds)

March 31, 2025

March 31, 2024

Amount

Amount

03 Capital Commitments

Estimated amount of contracts remaining to be executed

-

9,181,100

04 Provisions and Contingencies

Bank Guarantee provided to Maharashtra Pollution Control Board of Rs 2,26,82,000/-

05 Legal Claims

Following are the details of pending legal cases which are filed by the Company –

Sr. No.	Defendant (Against whom case filed)	Case No.	Nature	Forum where dispute is pending
1	Oriental Insurance Company Limited	Complaint No 368/2017 dated 24/03/2017	The company has exported goods and goods were damaged in transit. The company lodged the complaint to claim the damages against Export Marine Policy. Oriental Insurance Company Limited rejected the said claim amounting to Rs 19,63,602/-	Court of Hon'ble State Consumer Dispute Redressal Commission Mumbai, at Nashik
2	CMS Enterprises	Filing No 68/2021 dated 21/06/2021 Registration No 51/2021 dated 21/06/2021	The company has made an advance payment of Rs 2,18,300/- for purchase of Machine. After then, CMS Enterprises has neither supplied Machine nor returned advance.	Civil Suit in Hon'ble Court, Igatpuri
3	Shriji International (Proprietor, Mr. Sanjay Coreneliys Suren)	Filing No 389/2023 dated 13/03/2023 Registration No 20/2023 dated 13/03/2023	The company sold goods to Shriji International, Ahmedabad against PDC's. All PDC's were dishonored, amount receivable was Rs 79,88,700	Criminal Case in Hon'ble Court, Igatpuri
4	Acura Labs	Filing No 9342/2024 dated 13/12/2024 Registration No 5356/2024 dated 17/12/2024	The company sold goods to Acura Labs Pvt Ltd, Telangana against PDC's. All PDC's were dishonored amounts to Rs 30,81,750/-	Criminal Case in Hon'ble Court, Nashik

Note 32

06 Gratuity and other post-employment benefit plans

Amounts in Rs (Nearest to Hundreds)

(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, 2025 Amount	March 31, 2024 Amount
Profit and Loss Account		
Net employee benefit expense (recognized in Employee Cost)		
Current service cost	1,186,400	847,700
Interest cost on benefit obligation	387,700	398,500
Expected Return on plan assets	(215,400)	(210,400)
Net Actuarial (gain)/ loss recognized in the year	29,900	251,400
Net benefit expense	1,388,600	1,287,200
Actual return on plan assets	215,400	210,400
Balance Sheet		
Net liability recognised in the balance sheet		
Defined benefit obligation	7,532,300	5,914,300
Fair value of plan assets	3,895,700	3,134,500
Plan (Liability)	(3,636,600)	(2,779,800)
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligations	5,914,300	6,295,500
Interest cost	387,700	398,500
Current service cost	1,186,400	847,700
Benefits paid	-	1,863,400
Actuarial (gain)/Loss on obligations	43,900	236,000
Closing defined benefit obligations	7,532,300	5,914,300
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	3,134,500	2,539,500
Expected return on plan assets	215,400	210,400
Contributions by employer	531,800	2,263,400
Benefits paid	-	1,863,400
Actuarial (gain)/Loss on Plan Assets	14,000	(15,400)
Closing fair value of plan assets	3,895,700	3,134,500

Note 32

06 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, 2025 %	March 31, 2024 %
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	6.89%	7.10%
Expected rate of return on assets	7.31%	7.68%
Withdrawal rate	1% to 3%	1% to 3%
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. 32,63,700/- (Previous Year: Rs. 30,02,200/-) is recognized as an expense and included in Note 6 - "Contribution to Provident and other funds" in the Profit and Loss account.

07 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, 2025		March 31, 2024	
		Foreign Currency	Amount in Rs	Foreign Currency	Amount in Rs
Export Debtors	USD	496,720	42,449,691	412,380	34,367,749
Export Debtors	GBP	-	-	-	-
Advance from Customers	USD	-	-	-	-
Import Creditors	USD	127,638	10,907,901	277,063	23,090,389
Advance to Import Creditors	USD	-	-	-	-
FCTL from Banks	USD	-	-	-	-
PCFC from Banks/Drip Capital	USD	-	-	-	-
EEFC account in Bank	USD	-	-	-	-

Notes attached to and forming part of Financial Statements for the year ended 31st March 2025

Note 32

08

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.

09 Earning Per Share (EPS)

Particulars	March 31, 2025 Amount	March 31, 2024 Amount
Basic and Diluted earning per share		
Profit after tax attributable to equity shareholders (in Rs.(Nearest to Hundreds))	(92,653,200)	615,200
<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.)	(7.25)	0.05
Face Value per share (in Rs.)	10	10

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

Amounts in Rs (Nearest to Hundreds)

Particulars		March 31, 2025 Amount	March 31, 2024 Amount
1	a) The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year	264,000	54,000
2	b) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006 (27 of 2006), along with the amount of the payment beyond the appointed day during the year	-	-
3	c) The amount of interest due and payable for the period of delays in making the payment	-	-
4	d) The amount of interest accrued and remaining unpaid at the end of year	-	-
5	e) The amount of further interest remaining due and payable in the succeeding years.	-	-
	Total	264,000	54,000

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.

Note 32

11 Additional Information - pursuant to the provisions of paragraphs 3, 4, 4C and 4D of Part II of Schedule VI of the earlier Companies Act, 1956.**11.1 Licensed capacity, Installed Capacity and Actual Production**

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

Particulars	Units	Installed Capacity *		Actual Production **	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		Quantity	Quantity	Quantity	Quantity
Chemicals	Tons	150	150	59	57

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

** Including Jobwork Manufactured Quantity

11.2 Details of Finished Goods**Amounts in Rs (Nearest to Hundreds)**

Opening stocks (including inventory acquired):

Particulars	Units	March 31, 2025		March 31, 2024	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	6.28	43,647,500	3.68	20,561,700
		6.28	43,647,500	3.68	20,561,700

Closing Stocks:

Particulars	Units	March 31, 2025		March 31, 2024	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	5.40	32,771,500	6.28	43,647,500
		5.40	32,771,500	6.28	43,647,500

11.3 Sales

Particulars	Units	March 31, 2025		March 31, 2024	
		Quantity	Amount	Quantity	Amount
Chemicals	Tons	70.00	378,379,200	59.21	400,132,900
		70.00	378,379,200	59.21	400,132,900

Note 32

11 Additional Information - pursuant to the provisions of paragraphs 3, 4, 4C and 4D of Part II of Schedule VI of the earlier Companies Act, 1956.**11.4 Consumption of Raw Materials**

Amounts in Rs (Nearest to Hundreds)

Particulars	Units	March 31, 2025		March 31, 2024	
		Quantity	Amount	Quantity	Amount
Palladium Acetate	Tons	0.00	5,243,100	0.00	9,708,600
Methanol	Tons	225.59	7,172,100	276.87	8,250,000
Ethyl Acetate	Tons	72.73	5,611,600	115.23	10,370,300
(S,S) -2,8-Diazabicyclo-{4,3,0} N	Tons	1.13	19,869,400	0.65	13,386,000
1-Nitroanthraquinone	Tons	10.50	6,991,700	8.40	6,169,000
1-Cyclo Propyl-6,7 Di Fluoro-1,4	Tons	2.67	7,993,900	1.75	4,865,900
M-Toluidine	Tons	24.15	4,192,700	35.15	7,209,300
2 Chloro Ethane Sulfonyl Chloride	Tons	0.32	2,398,000	1.01	4,539,800
Toluene	Tons	36.73	3,364,600	38.49	4,034,100
3-(1-Cyanoethyl)Benzoic Acid 98	Tons	3.38	9,923,300	-	-
Nonane Dioic Acid –Tech	Tons	3.50	4,621,000	-	-
Iso Propyl Alcohol	Tons	36.51	4,413,000	19.10	2,174,600
3-Amino-6-Dimethylamino-2-Me	Tons	1.07	4,052,600	5.15	25,582,700
Tetracycline Hcl Ip	Tons	1.21	2,453,400	0.09	195,800
Hexane / N-Hexane / Mintroleum	Tons	19.44	2,275,700	25.43	2,656,600
Others		241.85	92,002,900	331.18	119,809,800
Total			182,579,000		218,952,500

11.5 Value of imports calculated on CIF basis

Amounts in Rs (Nearest to Hundreds)

Particulars	March 31, 2025 Amount	March 31, 2024 Amount
Raw Material	16,468,200	28,778,500
Capital Goods	-	-
Total	16,468,200	28,778,500

11.6 Imported and indigenous raw materials consumed

Amounts in Rs (Nearest to Hundreds)

Particulars	March 31, 2025		March 31, 2024	
	Amount	%	Amount	%
a) Imported	9,791,200	5.36	31,550,500	14.41
b) Indigenously obtained	172,787,800	94.64	187,402,000	85.59
Total	182,579,000	100.00	218,952,500	100.00

Notes attached to and forming part of Financial Statements for the year ended 31st March 2025

Amounts in Rs (Nearest to Hundreds)

Note 32

11.7 Directors' Remuneration

To Executive Directors:

	March 31, 2025 Amount	March 31, 2024 Amount
Salaries	4,469,000	4,469,000
Perquisites	-	-
Contribution to Provident and Other funds	333,400	333,400
Other allowances including Commission	-	-
(includes directors' sitting fees of Nil (Previous Year: Rs. Nil))		

4,802,400

4,802,400

11.8 Auditors' Remuneration

	March 31, 2025 Amount	March 31, 2024 Amount
Statutory audit fees (Exclusive GST)	120,000	120,000
Tax Audit Fees	15,000	15,000
GST Audit Fees	-	-
Out of pocket expenses	-	-

135,000

135,000

11.9 Expenditure in foreign currency (on Cash basis)

	March 31, 2025 Amount	March 31, 2024 Amount
Travelling expenses	496,200	932,100
Commission, Business Promotion, Exhibition Expenses (Including Advance/Prepaid)	43,200	-
Repairs & Maintenance of QC Equipment	298,700	-
R&D, Testing Expenses	119,200	20,448
Legal & Professional Expenses (Including Capitalised)	-	-

957,300

952,548

11.10 Earnings in foreign currency (on Cash basis)

	March 31, 2025 Amount	March 31, 2024 Amount
FOB value of exports	99,920,800	287,940,100

99,920,800

287,940,100

12 Details of Revenue Expenditure directly related to R&D

	March 31, 2025 Amount	March 31, 2024 Amount
Raw material consumed	642,300	721,800
Packing Material	-	-

642,300

721,800

13 Details of CSR spent during the financial year:-

(a) Total amount to be spent for the financial year – Rs. **NIL/-** @ 2% of the average net profit(b) Amount unspent if any – **Nil**(c) Amount debited to Profit and Loss - Rs **Nil**

Out of the above, Rs Nil is towards construction /acquisition of asset that will be owned by Company.

Note 32

14) Additional Regulatory Information

- i) Details of immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company and where such immovable property is jointly held with others, details are required to be given to the extent of company's share

Relevant line Item in the balance Sheet	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company (Also indicate if in dispute)
PPE	Title deeds of the all immovable properties are held in the name of Company only.					
Investment Property						
Non current asset held for sale						
Others						

- ii) There is No revaluation of company's Property, Plant and Equipment as on 31.03.2025 and 31.03.2024.
- iii) There is no any loans and advances in the nature of loans granted to promoters, KMPs, directors and related parties.
- iv) Capital-Work-in-Progress as on 31.03.2025 and 31.03.2024 are disclosed in Schedule KLM
- v) There is no Intangible assets under development as on 31.03.2025 and 31.03.2024
- vi) There is no benami property held by Company as on 31.03.2025 and 31.03.2024.
- vii) Company is not declared as wilful defaulter by any authority
- viii) Company don't have any transactions with companies struck off u/s 248 or 560 of the Companies Act, 2013
- ix) There is a Charge registered with the ROC of the company which is open as on 31st March 2025 as per master records uploaded on Ministry of Corporate Affairs. The details of which are as below:

Assets under charge	Charge Amount	Date of Creation	Charge Id
Immovable property or any interest therein; Movable property (not being pledge); PG of Directors - Bank of Maharashtra, Cuffe Parade Branch, Mumbai	203,500,000	12-08-24	100972938
Immovable property or any interest therein; Movable property (not being pledge); PG of Directors - Bank of Maharashtra, Cuffe Parade Branch, Mumbai	40,000,000	27-02-25	101079752
Movable property- Motor car (not being pledge) - Bank of India , Main Branch, Nashik	600,000	02-04-24	100896391
Movable property- 42 Seater Bus (not being pledge) - Bank of India , Main Branch, Nashik	3,000,000	29-04-24	100911264
	247,100,000		

- x) Compliance with approved scheme of arrangements u/s 230 to 237 of Companies Act,2013 is not applicable to this company.
- xi) There is No any loans/funds advanced to any Intermediaries or funds to be received from Funding Parties.
- xii) The Company has borrowings from Bank or financial institution in the nature of cash credit on the basis of security of stock, book debts, collateral security and personal guarantee of directors. The outstanding balance as on 31st March, 2025

Note 32

14) Additional Regulatory Information

The Company also has following Secured Loans as at 31st March, 2025:

Particulars	Sanctioned Limit	Outstanding Amount as on 31/03/2025
Cash Credit Facility (with sub-limit of packing credit of Rs. 2,00,00,000) with Bank of Maharashtra, Mumbai	81,500,000	75,939,800
Packing Credit from Bank of Maharashtra, Mumbai	40,000,000	34,352,900
Term Loan from Bank of Maharashtra, Mumbai	95,000,000	72,825,400
Bank Guarantee Limit with Bank of Maharashtra, Mumbai	27,000,000	23,082,000
Term Loan from Bank of India, Nashik	3,600,000	3,094,000
TOTAL	247,100,000	209,294,100

xiii) The company has availed working capital facility against security of current assets and the company is required to submit stock statement and book debt statement to the bank on Monthly basis the details of quarterly amounts are as follows:

Month	Closing Stock			Reasons For Material Discrepancies
	Closing Stock as per books of accounts	Closing Stock as per stock statement submitted to bank	Difference	
Jun-24	100,781,793	100,781,793	-	NIL
Sep-24	120,645,883	120,645,883	-	
Dec-24	112,459,091	112,459,091	-	
Mar-25	97,187,156	97,187,156	-	

Month	Sundry Debtors			Reasons For Material Discrepancies
	Debtors as per books of accounts	Debtors as per stock statement submitted to bank	Difference	
Jun-24	30,265,887	19,566,586	10,699,301	Debtors Balance of DPB Pharma of Rs.103.84 Lakh & Siddhi Pharma of Rs. 3.09 Lakh adjusted against their Creditors Balance
Sep-24	32,095,358	32,459,427	(364,069)	Exchange Diff journal passed after submission of Stock Statement
Dec-24	35,824,612	36,633,602	(808,990)	Rs. 7.90 Lakh IGST on Export Journal passed after submission of Stock Statement
Mar-25	90,331,737	91,062,264	(730,527)	Exchange Diff journal passed after submission of Stock Statement

xiv) The Company has Not declared/proposed any interim and final dividend for the year and previous financial year.

xv) As per Rule 11 (e) of Companies (Audit and Auditors) Rules, 2014, the company has not loaned or advanced or invested or received any funds to/from any entity(ies) or person(s) including foreign entities.

xvi) Compliance with number of layers of companies-Not Applicable to the Company

xvii) The Company has not traded or invested in crypto currency or virtual currency during the F.Y. 2024-25.

Note 32

15 Disclosure of significant Ratios :-

Particulars	Numerator	Denominator	March 31, 2025	March 31, 2024	% Change	Reason for change in % where the deviation is more than 25%
Current Ratio	Current Assets	Current Liabilities	0.90	1.14	21.05%	Short term liability of Borrowings increased due to new Borrowings.
Debt-Equity Ratio	Total Debt	Shareholder's Equity	12.99	4.05	-220.74%	Debts increased and also due to Losses, carried forward Profits wipe off & hence Shareholders Equity decreased
Debt Service Coverage Ratio	Earning for Debt Service= Net Profit After Taxes+Non-cash operating Expenses+Finance Cost	Debt service = Interest & Lease Payments + Principal Repayments	-0.22	0.11	300.00%	Because of increase in Debt & increase in lossess
Return on Equity Ratio	Net Profit After Taxes-Preference Dividend	Average Shareholder's Equity	-333.75%	0.95%	35231.58%	Due to Losses, carried forward Profits wipe off & hence Shareholders Equity decreased
Inventory turnover ratio	Cost of Goods Sold	Average Inventory	2.88	2.51	-14.74%	
Trade Receivables turnover ratio	Net Credit Sales=Gross Credit sales-Sales Return	Average Trade Receivable	5.19	8.35	37.84%	Majority of Sales happened in March, Hence Trade Receivable increased
Trade payables turnover ratio	Net Credit purchases=Gross credit purchases-Purchase Return	Average Trade Payables	5.95	4.95	-20.20%	
Net capital turnover ratio	Net Sales=Total Sales-Sales Return	Working capital = Current assets -Current liabilities	-16.33	18.12	190.12%	Short term liability of Borrowings increased due to new Borrowings, hence Net Working Capital decreased
Net profit ratio	Net Profit	Net sales = Total sales - sales	-24.44%	0.15%	16393.33%	Because of lossess
Return on Capital employed	Earnings Before interest & Taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-0.39	0.11	443.97%	Because of lossess
Return on investment	Net Profit After Taxes	Total Assets	-21.68%	0.15%	14553.33%	Because of lossess

- 16 The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Income tax is applicable to the Company is at the basic tax rate of 22% plus applicable surcharge and cess w.e.f F.Y. 2022-2023.

17 Previous year comparatives

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

Signatures to Note No 1 to Note No 32-17 forming part of the financial statements

As per our Report attached of even date.

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

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

S R Rahalkar
Partner
Membership No.014509

Sunil H Pophale
Chairman and Executive Director
DIN -00064412

Anil G Suryawanshi
Additional Whole-time Director
DIN -10052423

Laxmikant S Potdar
Chief Financial Officer

Manoj Kumar
Company Secretary

Place : Nashik
Date : May 29, 2025

Place : Mumbai
Date : May 29, 2025

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH (16TH) ANNUAL GENERAL MEETING OF THE MEMBERS OF VADIVARHE SPECIALITY CHEMICALS LIMITED ('THE COMPANY') WILL BE HELD ON MONDAY, SEPTEMBER 29, 2025 AT 02:30 PM 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 on March 31, 2025, together with the reports of the Board of Directors and Auditors thereon.**
- 2. To appoint Mr. Sunil Haripant Pophale (DIN: 00064412) as a director, who retires by rotation and being eligible offers himself for re-appointment.**

SPECIAL BUSINESS:

- 3. Appointment of M/s. Prajot Vaidya & Co., Practicing Company Secretaries (C.P. No.24558), as the Secretarial Auditors and fix their remuneration.**

To consider and, if thought fit, to pass the following as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, on the recommendation of the board of Director of the Company, M/s. Prajot Vaidya & Co., Practising Company Secretaries (Certificate of Practice No.: 24558), be and is hereby appointed as the Secretarial Auditor of the Company, for a term of five consecutive financial years commencing from April 1, 2025 till March 31, 2030, at such remuneration as may be determined by the Board of Directors of the Company (including its Committee thereof as may be authorised in this regard).

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee thereof), be and are hereby authorised to decide and finalize the terms and conditions of appointment, including the remuneration of the Secretarial Auditors, from time to time, and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

- 4. To approve remuneration of Mr. Sunil Pophale (DIN:00064412) as Chairman & Executive Director:**

To consider and, if thought fit, to pass the following as **SPECIAL RESOLUTION:**

RESOLVED THAT pursuant to the provisions of 196, 197, 198, 203 and Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Audit Committee, Nomination and Remuneration Committee and as approved by the Board of

Directors of the Company, approval of Members of the Company be and is hereby accorded for fixing the remuneration payable to Mr. Sunil Pophale (DIN:00064412), Chairman and Executive Director at Rs. 50,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 1 years with effect from May 01, 2025, subject to the terms and conditions which are given in the Explanatory Statement annexed hereto with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration 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 Mr. Madhukar Suvarna, Chief Financial Officer of the Company, be and is hereby authorised to consider the payment of remuneration to Mr. Sunil Pophale or holding the same taking into consideration the revenue and ability of the Company to pay the remuneration due to market conditions.

RESOLVED FURTHER THAT pursuant to the provisions of Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof from time to time), approval of the members of the Company be and is hereby accorded to pay the Remuneration as mentioned above, to the Chairman and Executive Director of the Company, in the event of inadequacy of profits or no profits in the Company.

RESOLVED FURTHER THAT any of the Director of the Company or the Company Secretary of the Company, be and are hereby severally authorized to file the necessary forms and returns with the Registrar of Companies, and to make necessary entries in the Statutory Registers prescribed under the Companies Act, 2013 and do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To approve remuneration of Ms. Meena Sunil Pophale (DIN: 00834085) as Whole-Time Director:

To consider and, if thought fit, to pass the following as SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 188, 196, 197, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and based on the on the recommendation of the Nomination and Remuneration Committee and audit committee and as approved by the Board of Directors of the Company, approval of Members of the Company be and is hereby accorded for fixing remuneration payable to Ms. Meena Sunil Pophale (DIN: 00834085), Whole-Time Director at Rs.1,00,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 1 years with effect from May 01, 2025 on such terms and conditions as given below:

Term of Remuneration	1 year with effect from May 01, 2025
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 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. 9,849/- per month to the Whole time director.

	B. Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/- per month to the Whole time director. C. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month to the Whole time director. D. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month to the Whole time director. E. Medical Allowance: The Company will pay Medical Allowance of Rs. 4,104/- to the Whole time director. F. Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes. Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee. 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.
Retirement Benefits	A. Gratuity payable shall be in accordance with the rules of the Companies Act and Gratuity Rules. 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.
Other benefits	A. The Whole time 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. 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.
Minimum Remuneration	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. 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.
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RESOLVED FURTHER THAT Mr. Madhukar Suvarna, Chief Financial Officer of the Company, be and is hereby authorised to consider the payment of remuneration to Mrs. Meena Sunil Pophale or holding the same taking into consideration the revenue and ability of the Company to pay the remuneration due to market conditions.

RESOLVED FURTHER THAT pursuant to the provisions of Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof from time to time), approval of the members of the Company be and is hereby accorded to pay the Remuneration as mentioned above, to the Whole Time Director of the Company, in the event of inadequacy of profits or no profits in the Company.

RESOLVED FURTHER THAT any of the Director of the Company or the Company Secretary of the Company, be and are hereby severally authorized to file the necessary forms and returns with the Registrar of Companies, and to make necessary entries in the Statutory Registers prescribed under the Companies Act, 2013 and do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

1. The Ministry of Corporate Affairs ('MCA') has, vide its Circular nos. 20/2020, 14/2020, 17/2020, 02/2021, 02/2022, 10/2022, 09/2023, the latest being 09/2024 dated 19th September, 2024 and the Securities and Exchange Board of India ('SEBI') vide its circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 and other applicable circulars issued in this regard, (hereinafter collectively referred to as 'the Circulars'), have permitted holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC'). Hence, the AGM of the Company is being held through VC. The deemed venue for AGM shall be the registered office of the Company.

2. The Notice of 16th AGM ('Notice') was approved by the Board of Directors in its meeting held on 26th August 2025 and the Company Secretary was authorised to issue the Notice.

3. 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 and SEBI 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.
4. Institutional investors, who are members of the Company, are encouraged to attend the 16th 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 133 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.
5. 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, form integral part of the notice.
6. 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 cs@vscl.in.
7. 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.
8. In the case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
9. 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.
10. 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.
11. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is Adroit Corporate Services Private Limited having their office at 19-20

Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai, Maharashtra, 400 059.

12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their Demat Accounts.

13. 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, January 13, 2021, May 05, 2022, December 28, 2022, September 25, 2023 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.

14. 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 2024-25 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.

15. Members who would like to express their views/ask questions as a speaker at the Meeting may preregister 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 cs@vscl.in between Friday, September 26, 2025 from 09.00 a.m. IST and Sunday, September 28, 2025 till 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.

16. The Company has appointed Mr. Vaibhav Dandawate, (Membership No. A51538) failing him Ms. Deepti Kulkarni (Membership No. A34733), Partners at Makrand M Joshi & Co, to act as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and Mr. Vaibhav Dandawate has communicated his willingness to be appointed and be available for the purpose.

17. 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 authorized by him in writing who shall countersign the same.

18. 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.

19. 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 NSE Limited within 48 hours from the conclusion of the Meeting.

20. Transcript of the meeting shall be made available as soon as possible on the website of the Company www.vscl.in.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING: -

1. The remote e-voting period commences on Friday, September 26, 2025, (09.00 a.m. IST) and Sunday, September 28, 2025 (5.00 p.m. IST). During this period, the members of the Company holding shares either in physical form or in dematerialized form, as on the closure of working hours of cut-off date, i.e. Monday, September 22, 2025, 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. Monday, September 22, 2025, 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. Monday, September 22, 2025 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 meetings 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.	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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. - 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 eVoting period or joining virtual meeting & voting during the meeting. - 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.jsp - 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 eVoting 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 for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers..
Individual Shareholders (holding securities in demat mode) login through their depository participants	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.

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
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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

Login Method for e-Voting and joining virtual meetings 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 13***** then your user ID is IN300***13*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 13***** then your user ID is 13*****

	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***
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5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - 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.
 - How to retrieve your 'initial password'?
 - 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'.
 - 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:
- 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.
 - Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - 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.
 - 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.

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

General Guidelines for shareholders

- 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 email to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in.
- 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.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and evoting 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

Step 2: Cast your vote electronically and join the 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.

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 cs@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 (cs@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 meetings 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:

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 eVoting 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. Members 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 eVoting 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 the 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 (cs@vscl.in). The same will be replied by the company suitably.
6. Members will get confirmation on first cum first basis. In the interest of giving more Shareholder Speakers (Speakers) chance to interact, the Speakers registered with the Company will only be allowed to speak at the AGM for a duration up to 3 minutes each.
7. Members will receive “speaking serial number” once they mark attendance for the meeting.
8. Members are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.
9. Please remember your speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
10. Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

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 cs@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 and attend meeting to the Scrutinizer at scrutinisers@mmjc.in and to the Company at the email address viz; cs@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.

EXPLANATORY STATEMENT SETTING OUT ALL MATERIAL FACTS CONCERNING EACH OF THE BUSINESS(ES) TO BE TRANSACTED AT THE 16th ANNUAL GENERAL MEETING AS STATED IN THE NOTICE DATED 06th SEPTEMBER 2025: [Pursuant to Section 102 of the Companies Act, 2013]

Item No. 2: Ordinary Resolution

To appoint Mr. Sunil Haripant Pophale (DIN: 00064412) as a director, who retires by rotation and being eligible offers herself for re-appointment.

In terms of the provisions of Section 152 of the Act at least two-thirds of the total number of directors (excluding independent directors), are liable to retire by rotation, out of which at least one-third of the total number of such directors shall retire at every AGM. In accordance with this requirement, Mr Sunil Pophale, Executive Director of the Company, would be retiring at this AGM and being eligible, has offered himself for re-appointment.

Mr Sunil Pophale has been the Executive Director of the Company since inception. 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.

His re-appointment was approved by the members in the 12th AGM for a period of 5 (five) years, from March 28, 2022 to March 27, 2027, liable to retire by rotation.

Mr. Pophale comes from a humble background in Mumbai's heart. He graduated from Jaihind College in Mumbai after finishing his formal education at Cathedral School in 1972. He also has a B.Tech degree from the **Indian Institute of Technology (I.I.T.) in Powai** (Mumbai). Mr. Pophale is fond of playing Badminton & Chess., Mr. Sunil Pophale is an entrepreneur with a wealth of over 30 years' experience in brand building. He has a proven track record as a founder and chief promoter of Fem Care Pharma Ltd, listed with the Bombay Stock Exchange in 1994, and successfully monetized his stake in 2009.

Based on the performance evaluation, the Board recommends the resolution as set out in item no. 2 for approval of the members as an ordinary resolution.

Except Mr Sunil Pophale and Mrs. Meena Pophale, none of the other directors and key managerial personnel and/ or their relatives are in any way, financially or otherwise, interested or concerned in this resolution except as member to the extent of their shareholding in the Company.

Item No. 3: Ordinary Resolution

Appointment of M/s. Prajot Vaidya & Co., Practicing Company Secretaries (C.P. No.24558), as the Secretarial Auditors and fix their remuneration.

In accordance with the provisions of Regulation 24A of the SEBI Listing Regulations from financial year 2025-26 onwards, the appointment of Secretarial Auditor is required to be approved by the members in the AGM and a term of Secretarial Auditor shall be five years. In compliance with the aforesaid provisions, on the recommendation of the Audit Committee, the Board of Directors recommends the appointment of Ms. Prajot Vaidya & Co., Practicing Company Secretary, C.P. No. 24558 as the Secretarial Auditors for a term of five (5) years commencing from the conclusion of 16th AGM till the conclusion of 21st AGM.

The secretarial audit fees plus applicable taxes and reasonable out-of-pocket expenses are as follows.

Services	Professional Fees
Conducting Secretarial Audit and Issuing Secretarial Audit Report as per section 204 of the Companies Act, 2013 for the financial year 2025-2026.	Rs.80,000 /-
Conducting Secretarial Audit and Issuing Secretarial Audit Report as per section 204 of the Companies Act, 2013 for the financial year 2026-2027.	Rs.85,000 /-
Conducting Secretarial Audit and Issuing Secretarial Audit Report as per section 204 of the Companies Act, 2013 for the financial year 2027-2028.	Rs.85,000 /-
Conducting Secretarial Audit and Issuing Secretarial Audit Report as per section 204 of the Companies Act, 2013 for the financial year 2028-2029.	Rs.90,000 /-
Conducting Secretarial Audit and Issuing Secretarial Audit Report as per section 204 of the Companies Act, 2013 for the financial year 2029-2030.	Rs.90,000 /-

There is no material change in fees paid to auditor for previous financials years.

In addition to the secretarial audit, Prajot Vaidya & Co. may provide such other permissible services from time to time as may be approved by the Board of Directors.

Prajot Vaidya & Co. is a prominent Practicing Company Secretary Firm founded by **CS Prajot Vaidya**, a seasoned professional with over **13 years of expertise** in managing compliance with various corporate laws. His firm is committed to delivering comprehensive solutions that ensure regulatory compliance and help companies achieve operational efficiency.

The firm is registered with the ICSI and hold Peer Review Certificate no. 4055/2023 issued by the Peer Review Board of ICSI.

Prajot Vaidya & Co. have also confirmed their eligibility and independence under regulation 24A of SEBI Listing Regulations and have expressed their willingness to accept the appointment upon approval.

Considering the experience of Prajot Vaidya & Co. in handling audits of large, listed companies, and its expertise the Board recommends the resolution as set out in item no. 3 for approval of the members as an ordinary resolution.

None of the directors and key managerial personnel and/ or their relatives are in any way, financially or otherwise, interested or concerned in this resolution.

The firm has been servicing as the Secretarial Auditor of the Company since FY 2023-24.

Item No. 4: Special Resolution

To approve remuneration of Mr. Sunil Pophale (DIN:00064412) as Chairman & Executive Director:

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 shareholders at the 12th Annual General Meeting (AGM) held on September 28, 2021, approved the appointment of Mr. Sunil 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 at a remuneration of Rs. 12,00,000/- per annum (inclusive of Salary, perquisites, benefits and allowances) for a period of 3 years.

The Board of Directors had at its meeting held on May 29, 2025 subject to necessary approvals, has approved remuneration payable to Mr. Sunil Haripant Pophale (DIN: 00064412) as a Chairman and Executive Director of the Company at a remuneration of Rs. Rs. 50,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 1 years with effect from May 01, 2025 on following terms and conditions:

Salary : Rs. 50,000/- per month (inclusive of Salary, perquisites, benefits and allowances). for a period of 1 years with effect from May 01, 2025.

Commission : NIL.

Perquisites : NIL

Other benefits: The Chairman and 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.

Minimum Remuneration: 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.

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.

Except Mr. Sunil Pophale, Chairman and Executive Director and Mrs. Meena Pophale, Whole Time Director, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends the passing of the Resolution as set out in Item No. 4 as **Special Resolution**.

Item No. 5: Special Resolution

To approve remuneration of Mrs. Meena Sunil Pophale (DIN: 00834085) as Whole-Time Director:

The Members had at their Extraordinary General Meeting, held on November 15 2016, approved the re-appointment Mrs. Meena Sunil Pophale (DIN: 00834085) 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 (DIN: 00834085) as Whole-Time Director of the Company for a term of two years with effect from November 11, 2019.

The shareholders at the 12th Annual General Meeting (AGM) held on September 28, 2021, approved the appointment of Mrs. Meena Sunil Pophale (DIN: 00834085) as 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.

The Board of Directors had at its meeting held on May 29, 2025 subject to necessary approvals, has approved remuneration payable to Mrs. Meena Sunil Pophale (DIN: 00834085) as Whole-Time Director of the Company at at Rs.1,00,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 1 years with effect from May 01, 2025 on such terms and conditions as given below:

Term of Remuneration	1 years with effect from May 01, 2025
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 Board may by its discretion determine
Perquisites and allowances in addition to salary	House Rent Allowance: The Company will pay House Rent Allowance of Rs. 9,849/- per month to the Whole time director.

	Conveyance Allowance: The Company will pay Conveyance Allowance of Rs. 35,000/- per month to the Whole time director. Children Education Allowance: The Company will pay Children Education Allowance of Rs. 200/- per month to the Whole time director. Transport Allowance: The Company will pay Transport Allowance of Rs. 1,600/- per month to the Whole time director. Medical Allowance: The Company will pay Medical Allowance of Rs. 4,104/- to the Whole time director. Any other benefits, facilities, allowance and expenses as may be allowed under Company rules/schemes. Notes: For the purpose of perquisites stated herein above, family means spouse, dependent children and dependent parents of the appointee. 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.
Retirement Benefits	Gratuity payable shall be in accordance with the rules of the Companies Act and Gratuity Rules. 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.
Other benefits	The Whole time 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. 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.
Minimum Remuneration	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.

	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.
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Except Mr. Sunil Pophale, Chairman and Executive Director and Mrs. Meena Pophale, Whole Time Director, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends the passing of the Resolution as set out in Item No. 5 as **Special Resolution**.

The information required in case of inadequate profits under Schedule V of the Companies Act, 2013 for approval of managerial remuneration proposed under Item no. 4 & 5:

I. General Information:

1. Nature of Industry

The Company operates in the **Specialty Chemicals industry**, engaged in manufacturing and supply of specialty chemical products used across multiple industrial applications.

2. Date of Commencement of Commercial Production

The Company commenced commercial production on **23rd February 2009**.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable, since the Company is in operation since 2009.

4. Financial Performance Based on Given Indicators

- The audited financial statements for FY 2024–25 have been placed before the shareholders.
- The Company has incurred losses during the year, primarily due to a decline in the sales realization of its key product arising from increased competition from China, coupled with delays in customer orders, escalation in input costs, and the cyclical nature of the industry. The Board is confident that with strategic cost optimization measures, diversification of product offerings, and strengthening of customer relationships, the Company will be able to overcome these challenges and improve its profitability in the coming years
- During FY 2024–25, while the Company's net revenues and operating performance remained relatively stable, severe margin pressures arising from increased competition, elevated input costs, and adverse market conditions resulted in a significant loss for the year.

5. Foreign Investments or Collaborations, if any

The Company does not currently have any direct foreign investment or collaboration arrangements.

II. Information about the Appointee

(A) Mr. Sunil Haripant Pophale (DIN: 00064412), Chairman & Executive Director

1. Background Details

- Age: 69 years.
- B.Tech (IIT Powai, Mumbai).
- Over 35 years of experience in brand building, product development, sales, and management. Founder of Fem Care Pharma Ltd (listed in 1994, monetized in 2009).

2. Past Remuneration

- Remuneration in FY 2023-2024 and FY 2024-3-25 was **NIL**

3. Recognition or Awards

- Recognized as a successful entrepreneur and promoter with over three decades of contribution in pharma and specialty chemicals.

4. Job Profile and Suitability

- Responsible for overall business management including production, sales, HR, and administration.
- His extensive industry knowledge and promoter-driven leadership make him suitable for the position.

5. Remuneration Proposed

- ₹50,000/- per month (inclusive of salary, allowances, and perquisites) for 1 year w.e.f. May 1, 2025.

6. Comparative Remuneration Profile

- The proposed remuneration is modest compared to industry standards for listed chemical companies of similar size.
- Significantly lower than managerial pay for comparable executive directors in the specialty chemicals segment.

7. Pecuniary Relationship

- Mr. Pophale holds 10,01,000 equity shares in the Company.
- He is spouse of Mrs. Meena Sunil Pophale, Whole-Time Director.
- Apart from this, no other pecuniary relationship with managerial personnel.

(B) Mrs. Meena Sunil Pophale (DIN: 00834085), Whole-Time Director:

1. Background Details

- Age: 66 years.
- Associated with the Company since inception with hands-on managerial responsibilities.

2. Past Remuneration

- Remuneration in FY 2023-2024 and FY 2024-3-25 was **NIL**

3. Recognition or Awards

- Key contributor in Company's operational stability and compliance-driven management.

4. Job Profile and Suitability

- In charge of day-to-day operations, HR, and administrative functions.
- Brings continuity, discipline, and organizational leadership.

5. Remuneration Proposed

- ₹1,00,000/- per month (inclusive of salary, allowances, and perquisites) for 1 year w.e.f. May 1, 2025.

6. Comparative Remuneration Profile

- The remuneration is modest compared to managerial remuneration in companies of similar size in the specialty chemicals sector.

7. Pecuniary Relationship

- Spouse of Mr. Sunil H. Pophale, Chairman & Executive Director.
- Holds equity interest in the Company.
- No other managerial inter-relationships.

III. Other Information:

1. Reasons for Loss or Inadequate Profits

- Volatility in raw material prices.
- Competitive pressure on pricing.
- Temporary slowdown in certain end-user industries and consequent delay in orders from customers.

2. Steps Taken or Proposed for Improvement

- Cost optimization across operations.
- Expanding product portfolio into higher-margin specialty chemicals.
- Strengthening exports and new customer acquisitions.
- Ongoing focus on operational efficiencies and automation.

3. Expected Increase in Productivity and Profits

- With operational improvements and business diversification, the Company expects a **gradual improvement in EBITDA margins**.
- The Board anticipates **double-digit revenue growth** over the next 2–3 years, with sustainable profitability returning once input cost pressures stabilize.

PROFILE OF DIRECTOR

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings]

Name	Mr. Sunil H. Pophale
Age	69 years
Brief resume, Qualifications and Experience	Mr. Sunil Pophale has a B.Tech degree from the Indian Institute of Technology (I.I.T.) in Powai (Mumbai)
Date of first Appointment on the Board	23 rd February, 2009
Expertise in Specific Functional Areas	He is having around 35 years' experience and presently looking after Sales, Product Developments, Production, Human Resources and Admin matters of the Company.
Directorship held in other listed entities	NA
Directorship in other Companies (excluding foreign companies and Section 8 companies)	1. ReeLabs Private Limited 2. MSP Medicines LLP 3. Pophale International LLP
Chairmanship/ Membership of Committees of the Board of Directors of other listed companies	NA
Chairmanship/ Membership of Committees of the Board of Directors of other companies	NA
Number of shares held in the Company	10,01,000 Equity Shares of face value of ₹ 10 each.
Terms and Conditions of Appointment/re-appointment	As agreed between the Board of Directors and Mr. Sunil Pophale
Details of Remuneration sought to be paid	Rs. 50,000/- per month (inclusive of Salary, perquisites, benefits and allowances), for a period of 1 years with effect from May 01, 2025,
Remuneration last drawn	NIL
Number of meetings attended during the year	Six (7) including AGM
Disclosure of relationship between Directors, Key Managerial Personnel inter-se	Mr. Sunil Pophale is the spouse of Mrs. Meena Pophale, Whole Time Director of the Company. He is not related to any other director or Key Managerial Personnel in the Company
Listed companies from which the Director has resigned in the past 3 (three) years	NA

By **Order of the Board of Directors**
Vadivarhe Speciality Chemicals Limited
Sd/-
Manoj Kumar
Company Secretary and Compliance Officer
Membership No. A56992

E-mail: cs@vscl.in

Date: September 06, 2025

Registered Office:

Gat No. 204, Vadivarhe, Igatpuri-422403

Corporate Office:

K.K. Chambers Sir P.T. Road,
Near Cathedral School, Fort,
Mumbai – 400001

CIN: L24100MH2009PLC190516

Website: www.vscl.in