

30th Annual Report 2020-2021



VADILAL CHEMICALS LIMITED





Storage Tank at Por

PLANTS / BRANCHES:

- Vatva = Plot No.: 2504, Phase IV, G.I.D.C, Vatva , Ahmedabad - 382445 (Gujarat)
- Vapi = 40, Shed Area, Plot No.: 799, G.I.D.C. Estate, Vapi Dist.: Valsad - 396195 (Gujarat)
- Panoli = Plot No.: 615, G.I.D.C. Estate, Panoli, Dist.: Bharuch - 394116 (Gujarat)
- Mumbai = D-397, M.I.D.C., TTC Ind. Area, Turbhe, Next to HPCL, Navi Mumbai - 400705 (Maharashtra)
- Hyderabad = Plot No. : 18-A, Phase II, IDA, TSIC Ind. Estate, Patancheru, Hyderabad - 502319 (Telangana)
- Khushkhera = Plot No. : E-43 (B), RIICO Ind. Estate, Khushkhera, Tal.:Thijara,Dist.:Bhiwandi - 301707 (Rajasthan)
- Por = Plot No. : 139,G.I.D.C.Estate , POR Ramangamdi, Dist.:Baroda - 391243 (Gujarat)
- Indore = 39, Sector-A, Industrial Area, Opp Polo Ground, Indore - 452003 (M.P.)
- Pune = Gate No : 52, At Post Chimbli Phata, Tal.: Khed, Dist.: Pune - 410501 (Maharashtra)

VADILAL CHEMICALS LIMITED
(CIN:L24231GJ1991PLC015390)**30th ANNUAL REPORT 2020-21**
CORPORATE INFORMATION**BOARD OF DIRECTORS:****Executive Directors:**

Mr. Rajesh R. Gandhi - Chairman & Managing Director
Mr. Devanshu L. Gandhi - Managing Director

Non Executive & Non Independent Directors:

Mr. Kalpit R. Gandhi
Mrs. Deval D. Gandhi

Independent Directors:

Mr. Rohit J. Patel
Mr. Ashish H. Modi
Mr. Udayan R. Patel

OTHER KEY MANAGERIAL PERSONNEL:

Mr. Dipal Soni - Chief Financial Officer
Mr. Soham Raval - Company Secretary

AUDITORS

: M/s. RRS & Associates,
Chartered Accountants,
Ahmedabad.

BANKERS

: IDBI Bank
Bank of Baroda
HDFC Bank
Kalapur Bank

REGISTERED OFFICE

: 503-504, Aditya Building,
Nr. Sardar Patel Seva Samaj,
Mithakhali, Navrangpura,
Ahmedabad- 380 006.
Ph.: 079-48936937-38-39
Fax: 079-48936940.
E-Mail: cs.vcl@vadilalgroup.com
Website: <https://vadilalchemicals.in>

**REGISTRAR AND SHARE
TRANSFER AGENT:**

: Big Share Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East) Mumbai 400059.
E-Mail: investor@bigshareonline.com,
Ph: 022 62638200/69/7045770080

30th ANNUAL GENERAL MEETING

DAY : Saturday

DATE : 18th September, 2021

TIME : 01.00 p.m.

MODE : through Video Conferencing ("VC") or other Audio Visual Means("OAVM")

Content Sequence for reference:

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NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of **VADILAL CHEMICALS LIMITED** will be held on **Saturday, 18th September, 2021 at 01.00 p.m.** through Video Conferencing ("VC") or other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To Consider and adopt the audited financial statement of the company for the financial year ended on 31st March, 2021, the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kalpit R. Gandhi (DIN: 02843308) who retires by rotation as per provision of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Registered Office:
503-504, Aditya Building,
Nr. Sardar Patel Seva Samaj,
Mithakhali, Navrangpura,
Ahmedabad- 380 015.
CIN : L24231GJ1991PLC015390
Website : <https://vadilalchemicals.in>
Phone: (079) 489 369 37/38/39
Dated: 13th August, 2021.

**By Order of the Board
For Vadilal Chemicals Limited**

**Rajesh R. Gandhi
Chairman and Managing Director
(DIN: 00009879)**

NOTES:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General circulars No. 02/2021 issued on 13th January, 2021 read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, 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 hereto.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote through VC/ OAVM on their behalf at the Meeting.
4. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
5. As there is no Special Business to be transacted at the AGM, a Statement pursuant to Section 102 of the Companies Act, 2013 is not required to be provided.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Company has notified closure of Register of Members and Share Transfer Books from **Saturday, 11th September, 2021 to Saturday, 18th September, 2021** (both days inclusive) for the purpose of Annual General Meeting of the Company.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in the case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holding to dematerialize form. Members can contact Company or Share Transfer Agent- M/s. Big Share Services Private Limited in this regard.
9. Dispatch of Annual Report through E-mail:

In accordance with the MCA Circulars and the said SEBI Circular, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2021, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. Big Share Services Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2021 shall also be available on the websites of the Company viz., <http://vadilalchemicals.in>. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility i.e. www.evotingindia.com).

10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically for that Members can contact Company or Share Transfer Agent- M/s. Big Share Services Private Limited.
11. Transfer of Unclaimed/ Unpaid Amounts to Investors Education and Protection Fund (IEPF):
Members are requested to note that the amount of dividend for the financial year ended on 31st March, 2017, 31st March, 2018 and 31st March, 2019 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 6th November, 2024, 6th November, 2025 and 30th October, 2026 respectively.
Members, who have so far not encashed their dividend warrants for the said financial years, are requested to approach the Company for revalidation or duplicate dividend warrants.
12. Pursuant to SEBI Regulations, the Shareholders who are holding shares in physical form are mandatorily required to furnish the PAN and complete Bank account details with the Company or Registrar and Share Transfer Agent i.e. Big Share Services Private Limited.
Further, In terms of SEBI, Gazette Notification Shares in Physical Form will not be transferred. Hence, Shareholders holding shares in physical form are advised to get their shares converted into demat form at the earliest.
13. The Company's shares are listed at Calcutta Stock Exchange Limited, Delhi Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Madras Stock Exchange Limited.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at cs.vcl@vadilalgroup.com
15. Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company Secretary at the registered office of the Company at least 10 days before the date of the meeting.
16. At this Annual General Meeting, Mr. Kalpit R. Gandhi shall retire by rotation and being eligible, offer himself for re-appointment.

As required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per requirement of Secretarial Standard-2 given below are the details of the above Director to be re-appointed/appointed as Director of the Company :-

Brief Profile of Mr. Kalpit R. Gandhi, Director who retires by rotation is given below:

Mr. Kalpit Gandhi's highest degree is Master in Business Administration from IESE Business School Barcelona (Spain), which is one of the top universities globally ranked as 5th as per Economist and 7th as per Financial Times and have numerous accolades in field of executive education. He is a graduate from University of Southern California with BSC in Administration & Accounting and carrying wide experience in Finance and Marketing functions with international exposure. He had served reputed organization like Godrej Consumer Products Limited, Financial Technologies (India) Ltd in various capacities and had also exposure in international company named Akin Bay in USA which strengthen his business acumens. He do not take any remuneration from the company apart from sitting fees. He has attended 4 board meetings during the year 2020-21.

Mr. Kalpit R. Gandhi is not Member of any Committee of the Company. He is not a Member of any Committee of other Companies. Mr. Kalpit R. Gandhi holds 17290 shares in Vadilal Chemicals Limited in his individual capacity. Mr. Kalpit R. Gandhi is Director in the following other companies:

Directorship:

- Vadilal Industries Limited
- Vadilal International Private Limited
- Vadilal Marketing Private Limited
- Vadilal Delights Limited

Relationship between the Directors :-

Mr. Kalpit R. Gandhi is the son of Mr. Rajesh R. Gandhi.

None of the other directors are related to Mr. Kalpit R. Gandhi, Director of the Company.

Process and Manner for availing remote e-voting facility

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 20/2020 dated 5th May, 2020 and Circular No. 02/2021 dated 13th January, 2021. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. 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 MCA Circulars, 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 Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. 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 atleast 1000 members on first come first served basis. This will not include 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. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://vadilalchemicals.in> The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.
9. The Board of Directors of the company has appointed Mr. Manoj R. Hurkat of M/s. Manoj Hurkat & Associates, Practicing Company Secretary, Ahmedabad as Scrutinizer to scrutinize remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
10. The Scrutinizer after Scrutinizing the votes cast will not later than three days of conclusion of the Meeting, make a scrutinizer's report and submit the same to the chairman. The results declared shall be placed on the website of the Company <http://vadilalchemicals.in> and on the website of CDSL viz. <http://www.evotingindia.com>. The results shall simultaneously be communicated to the stock exchange.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on **Wednesday, 15th September, 2021 (9.00 a.m.) and ends on Friday, 17th September, 2021 (5.00 p.m.)** E-Voting facility will be available at the time of meeting also. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date 11th September, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users of who have opted for CDSL's 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 URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is 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 3) 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
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. After successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider's website 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. CDSL and NSDL

Login type	Helpdesk details
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 and 22-23058542-43.
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

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company Name <VADILAL CHEMICALS LIMITED> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting
- 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 helpdesk.evoting@cdslindia.com.
 - 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@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs.vcl@vadilalgroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are 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 available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like 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 Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), 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 Company/RTA email id.



If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Registered Office:
503-504, Aditya Building,
Nr. Sardar Patel Seva Samaj,
Mithakhali, Navrangpura,
Ahmedabad- 380 015.
CIN : L24231GJ1991PLC015390
Website : <https://vadilalchemicals.in>
Phone: (079) 489 369 37/38/39
Dated: 13th August, 2021.

**By Order of the Board
For Vadilal Chemicals Limited**

**Rajesh R. Gandhi
Chairman and Managing Director
(DIN: 00009879)**

DIRECTORS' REPORT

To,
The Members,
VADILAL CHEMICALS LIMITED
Ahmedabad.

FINANCIAL HIGHLIGHTS:

Your Directors have pleasure in presenting herewith the 30th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2021.

(₹ In lacs)

Sr. No	Particulars	Year ended on 31-03-2021	Year ended on 31-03-2020
(a)	Income from Operations	4795.85	5444.51
(b)	Other Income	33.44	51.03
(c)	Total Expenditure	4624.73	5406.16
(d)	Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	418.45	332.72
(e)	Finance Cost	115.39	118.86
(f)	Depreciation and amortization expenses	98.50	124.48
(g)	Profit before Tax	204.56	89.38
(h)	Tax Expenses:		
	- Current Tax	43.40	34.06
	- Deferred Tax	7.22	(12.46)
	Total Tax Expenses	50.62	21.60
(i)	Profit for the year	153.94	67.78
(j)	Other Comprehensive Income:		
	Items not to be reclassified to statement of profit & Loss:		
	- Remeasurements of the defined benefit plans	0.20	(6.21)
	- Income Tax relating to items that will not be reclassified to profit & loss	(0.05)	1.56
	Total Other Comprehensive Income	0.15	(4.65)
(k)	Total Comprehensive Income for the year	154.09	63.13
(l)	Surplus in the Statement of Profit and Loss:		
	Balance as per last Financial Statements	238.13	233.76
	Profit for the year	153.94	67.78
	Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of income tax	0.15	(4.65)
	Less : Payment of dividend on equity shares (incl. tax on dividend):	0.00	(58.76)
	Net Surplus in the statement of Profit and Loss	392.22	238.13

STATE OF COMPANY'S AFFAIRS:

The Company has earned Revenue from operations of ₹ 4795.85 lacs during the year ended on 31st March, 2021 as against ₹ 5444.51 lacs earned during the previous year ended on 31st March, 2020. The company has also earned other income of ₹ 33.44 lacs during the year under review as against ₹ 51.03 lacs earned during the previous year.

The Company has earned Profit before Interest, Tax, Depreciation and Amortisation (EBITDA) of ₹ 418.45 lacs during the year ended on 31st March, 2021 as compared to profit of ₹ 332.72 lacs incurred during the previous year ended on 31st March, 2020.

The Company has earned Net Profit of ₹ 154.09 lacs for the year ended on 31st March, 2021 after providing Finance Cost and Depreciation and Amortization expenses and after making Provision for Deferred Tax Charge and other adjustments, as compared to profit of ₹ 63.13 lakhs incurred by the Company during the previous year ended on 31st March, 2020.

DIVIDEND:

To Conserve Resources for future development, the Directors do not recommend dividend for the financial year-2020-21.

TRANSFER TO RESERVE:

The Company does not propose to transfer any amount to General Reserve for the financial year 2020-21.



EXTRACT OF ANNUAL RETURN:

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for FY 2020-21 is uploaded on the website of the Company <http://vadilalchemicals.in>

FINANCE:

The Company has availed Term Loan of ₹ 10 Crore from Kalupur Commercial Co-operative Bank during the year. The Company has made regular repayment of outstanding Loan/ Overdraft Facility and interest and there is no any overdue payment to Banks and Fls.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report is annexed herewith as **Annexure – I** to this Report.

DETAILS OF PUBLIC DEPOSITS:

The Company has not accepted any deposit from Members/ Public as per provision of Section 73 of the Companies Act, 2013.

SUBSIDIARY/ ASSOCIATES/ JOINT VENTURE COMPANY:

The Company do not have any subsidiary/ associate/ Joint Venture Company during the year, no company has become or ceased to be a subsidiary/ associate/ joint venture.

CONSOLIDATE FINANCIAL STATEMENT:

Pursuant to the requirement of Section- 129(3) read with Schedule-III of the Companies Act, 2013 Consolidated Financial Statement is not applicable to the Company, as the Company do not have any subsidiary, associate or Joint Venture Company.

CORPORATE GOVERNANCE:

Provisions of Corporate Governance Regulations as specified under Chapter IV of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for regulation 17 to 27 and clauses (b) to (l) of Sub Regulation 2 of Regulation 46 and Para C, D and E of Schedule V is not applicable to the Company as the company neither has paid up capital of ₹ 10 crore nor has net worth exceed ₹ 25 crore at the last day of previous financial year.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(C) and 134(5) of the Companies Act, 2013 and confirm :

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS:

The Independent Directors of the company have submitted Declaration of Independence at the first Board meeting of financial year pursuant to the provision of section 149 (6) of the Companies Act, 2013.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended vide Notification No. GSR.774(E), dated 18.12.2020, since all the Independent Directors of the Company have served as Directors for a period of more than three (3) years on the Board of Listed Company as on the date of inclusion of their names in the database, they are not required to undertake online proficiency self-assessment test. All the Independent Directors have informed the Company that they will not required undertake the online assessment test before due date.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

During the year 2020-21, The Company has not given any loans/ guarantees/ securities or company has not made any investment which falls under section 186 of the companies act, 2013.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

Information on transactions with related parties pursuant to Section 134(3)(h) of the act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure- II** in the prescribed Form AOC-2 and the same forms part of this report, the said Related Party Transactions are duly approved by the Audit Committee of the Company.

Your Directors draw attention of the members to Note No. 31 to the financial statement which sets out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

There is no change in the constitution of the Board of Directors of the company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Kalpit R. Gandhi, Director of the Company shall retire by rotation at this Annual General Meeting and being eligible, offer himself for re-appointment.

The retiring by rotation of Mr. Kalpit R. Gandhi, as aforesaid and his re-appointment shall not be termed as discontinuation in his office as a Director of the Company. The Members are requested to consider his re-appointment as Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

BOARD EVALUATION:

Annual Evaluation of the performance of the Board, its committees and individual directors has been made pursuant to the provisions of the Act.

The performance of the Board was evaluated by the Board on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board of Directors have reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role at the Board Meeting held on 11th February, 2021.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed and found it satisfactory.

COMMITTEES OF DIRECTORS:

The details of various committees of Directors constituted under various provisions of Companies Act, 2013 and Rules made thereunder are as under:

AUDIT COMMITTEE:

As on 31-3-2021, Audit Committee comprises the following Directors:-

Sr. No.	Name of the Member	Designation	Category
1	Mr. Udayan R. Patel	Chairman	Independent Director
2	Mr. Devanshu L. Gandhi	Member	Managing Director
3	Mr. Rohit J. Patel	Member	Independent Director

The constitution of the Audit Committee fulfills the requirements of Section 177 of the Companies Act, 2013 and Rules made thereunder. The members of audit committee are financially literate and having accounting or related financial management expertise.

One audit committee meetings was held during the year-2020-21 on 26th June, 2020.

Mr. Soham Raval, Company Secretary is the Secretary to the Audit Committee.



NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises the following Directors of the Company, as on 31st March, 2021, namely:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Rohit J. Patel	Chairman	Independent Director
2	Mr. Udayan Patel	Member	Independent Director
3	Mr. Ashish Modi	Member	Independent Director

The constitution of the Nomination and Remuneration Committee fulfills the requirements of Section 178 of the Companies Act, 2013 and Rules made there under.

One Nomination and Remuneration Committee meeting held on 11th February, 2021 during the year 2020-21.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee comprises the following Directors of the Company, as on 31st March, 2021, namely:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Rohit J. Patel	Chairman	Independent Director
2	Mr. Rajesh R. Gandhi	Member	Chairman and Managing Director
3	Mr. Devanshu L. Gandhi	Member	Managing Director

The constitution of Stakeholders' Relationship Committee fulfills the requirements of Section 178 of the Companies Act, 2013 and Rules made thereunder.

The Committee, inter alia, approves transmission of Shares, issue of duplicate Share Certificates, splitting and consolidation of Shares. The Committee also looks after redressal of Shareholder's complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends, etc. The Board of Directors have delegated the power of approving transfer of Shares etc. to the Stakeholders' Relationship Committee.

There was no stake holder relationship committee meeting held during the year.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility is not applicable to the Company for the year-2020-21.

As Corporate Social Responsibility was applicable in the Previous Year 2019-20 in terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a committee of the Directors of the Company was constituted on 12th February, 2020 as Corporate Social Responsibility Committee, comprising the following Directors:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Rohit J. Patel	Chairman	Independent Director
2	Mr. Rajesh R. Gandhi	Member	Chairman and Managing Director
3	Mr. Devanshu L. Gandhi	Member	Managing Director

The Corporate Social Responsibility Committee has,—

1. Formulated and recommended to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
2. Recommended the amount of expenditure to be incurred on the activities referred to in clause (a);
3. The Committee is required to Monitor the Corporate Social Responsibility Policy of the company from time to time and;
4. Institute a transparent mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.

The Company has a Policy on Corporate Social Responsibility and the same has been posted on the website of the Company <http://vadilalchemicals.in>

As CSR is not applicable to the Company for the year-2020-21, There is no CSR Committee Meeting conducted during the year and CSR Report as per Section 135(8) is not required to be enclosed.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Nomination and Remuneration Committee have recommended and Board of Directors, at its meeting held on 31st March, 2015 have adopted the Policy on appointment and remuneration of Directors in terms of the provisions of Section 178 of the Companies Act, 2013 at the meeting held on 31st March, 2015 and applicable provisions of applicable Listing Regulations.

The Policy on Directors' appointment and remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors is available on the company's website at <https://vadilalchemicals.in>.

CONSTITUTION OF BOARD OF DIRECTORS:

Sr. No.	Name of the Director	Designation	Category
1	Mr. Rajesh R. Gandhi	Chairman & Managing Director	Executive
2	Mr. Devanshu L. Gandhi	Managing Director	Executive
3	Mr. Kalpit R. Gandhi	Director	Non Executive & Non Independent
4	Mrs. Deval D. Gandhi	Director	Non Executive & Non Independent
5	Mr. Ashish H. Modi	Director	Independent
6	Mr. Rohit J. Patel	Director	Independent
7	Mr. Udayan R. Patel	Director	Independent

NUMBER OF BOARD MEETINGS:

During the year under review, Five Meetings of Board of Directors were held on 26th June, 2020, 10th August, 2020, 9th November, 2020, 11th February, 2021 and 24th March, 2021.

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

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules 2014 is annexed in the **Annexure –III** attached herewith and forming part of the Directors' Report.

RISK MANAGEMENT:

The Company is exposed to various business risks from time to time. Risk management involves handling appropriately risk that are likely to harm an organization. There are various types of risks associated with conducting business of the Company. The ultimate goal of risk management is the preservation of physical and human assets of the organization for successful continuation of its operations. The Board periodically reviews the risk assessment and minimization procedure in relation to the business of the Company.

Risk management Policy as per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the company.

INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

AUDITORS AND AUDITORS' REPORT:

In accordance with Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. RRS & Associates, Chartered Accountants, Ahmedabad (Firm Reg. No. 118336W) were Re-appointed as Statutory Auditors of the Company for the period of four years at the 28th annual general meeting of the Company for the year 2018-19 till the Conclusion of 32nd Annual General Meeting of the Company 2022-23.

There is no qualification/ reservation/ adverse remark raised by statutory auditors of the company which are required to be clarified in the directors' report on the affairs of the company for the financial year 2020-21.

SECRETARIAL AUDITOR:

Pursuant to the Provision of Section 204 of the Companies Act, 2013, the Company has appointed M/s. SPAN & Co., Company Secretaries, LLP to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith marked as **Annexure- IV** to this Report.

1. In respect of the qualification in the secretarial audit report regarding not maintaining 25% Public holding, the Board clarifies that the Company is in the process of taking actions as required under SEBI regulations.
2. In respect of qualification regarding non-maintainance of Promoter Shares in Demat form, In this regard, the Board Clarifies that the Company is in the process of Dematerialization of Shares of Promoter Group.

INSURANCE:

All insurable interests of the Company including buildings, plant and machinery, furniture & fixtures and other insurable interest are adequately insured.

PARTICULARS OF EMPLOYEES:

The Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed with this report as **Annexure - V**.



The Statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company including Managing Directors was in receipt of remuneration in excess of the limits set out in the said rules.

WHISTLE BLOWER POLICY / VIGIL MECHANISM:

The Company has adopted Vigil mechanism and Whistle blower policy under which the employees are free to report any act of serious misconduct or wrongful activity being occurred or suspected to occur within the organization, to his immediate HOD or the HR Head or directly to the concern Managing Director of the Company, as he may desire. No employee of the Company is denied access to the Audit Committee.

The Audit Committee has approved and Board of Directors has adopted Policy of Vigil Mechanism in their Meeting held on 14th August, 2014. The Whistle Blower Policy has been posted on the Website of the Company <http://vadilalchemicals.in>

MATERIAL INFORMATION:

- A Company petition (being Company Petition No. 34 of 2017) has been filed by Vortex Ice-Cream Private Limited and others against Vadilal Chemicals Limited and Others before the National Company Law Tribunal, Ahmedabad ("NCLT") under Sections 241 and 242 of the Companies Act, 2013. In Connection to the said Company Petition No. 34 of 2017, the case has been heard on 27th July, 2021 and the matter has been adjourned to 4th October, 2021.
- Impact of Covid-19: In view of the unprecedented COVID-19 pandemic, the management has made a detailed assessment of its liquidity position for the next one year and recoverability of Property, Plant and Equipment, Investments, Trade Receivables and Inventories. In assessing the recoverability, the Company has considered internal and external information and has concluded that there are no material impact on the operations and the financial position of the Company upto the date of the report. However, the actual impact of the global health pandemic may be different from that estimated. The Company will continue to closely monitor any material changes to the economic environment and its impact on the business in the times to come.

GENERAL:

- 1 During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31st March, 2021 till the date of this report.
2. During the year under review, there was no significant and/or material order passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.
3. The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013 does not require.
4. During the year under review, no Director or Managing Director of the Company has received any remuneration or commission from subsidiary of the Company in terms of provisions of Section 197(14) of the Companies Act, 2013.
5. The Directors state that the Company has complied Secretarial Standards applicable to the Company.
6. The Company has complied with provisions relating to Sexual Harassment of woman at work place (prevention, prohibition and redressal) Act, 2013.
7. The disclosure in terms of Rule – 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.

ACKNOWLEDGEMENT:

The Directors place on record the appreciation and gratitude for the co-operation and assistance extended by various departments of the Union Government, State Government, Bankers and Financial Institutions.

The Directors also place on record their appreciation of dedicated and sincere services of the employees of the Company at all levels.

The Company will make every effort to meet the aspirations of its Shareholders and wish to sincerely thank them for their whole hearted co-operation and support at all times.

Registered Office:
503-504, Aditya Building,
Nr. Sardar Patel Seva Samaj,
Mithakhali, Navrangpura,
Ahmedabad- 380 015.
Dated: 13th August, 2021.

**By Order of the Board
For Vadilal Chemicals Limited**

**Rajesh R. Gandhi
Chairman and Managing Director
(DIN: 00009879)**

ANNEXURE – I TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is one of the leading suppliers (Manufacturer/ Trader) of Industrial Gases in the western India since 1992. Industrial Gases find usage in almost all major Industrial sectors and are directly linked with Industrial growth of the country. In the current scenario of good Industrial growth and open economy resulting in increased export potential, the demand for Industrial gases also increased especially in steel, pharma and automobile industry.

FUTURE STRATEGY:

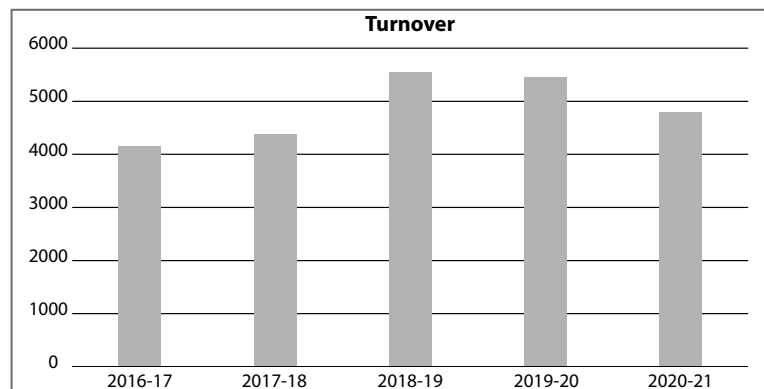
FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has earned Revenue from operations of ₹ 4795.85 Lacs during the year ended on 31st March, 2021 as against ₹ 5444.51 Lacs earned during the previous year ended on 31st March, 2020 giving a decrease of 11.91 % as compared to previous year.

After adding thereto the other income of ₹ 33.44 Lacs earned by the Company, the Company has earned total income of ₹ 4829.29 Lacs during the year under review. The Company has incurred total expenses of ₹ 4624.73 Lacs including Finance cost of ₹ 115.39 Lacs and Depreciation and Amortization expenses of ₹ 98.50 Lacs, during the year under review.

The Company has earned profit before tax of ₹ 204.56 Lacs during the current year in comparison to ₹ 89.38 Lacs earned by the Company during previous year ended on 31st March, 2020. During the current year ended on 31st March, 2021, the company has earned profit for the year of ₹ 153.94 Lacs after deducting Current Tax of ₹ 43.40 Lacs and Deferred Tax of ₹ 7.22, as compared to Profit of ₹ 67.78 Lacs incurred by the company during the previous year ended on 31st March, 2020.

Turnover History	
₹ In Lacs	
Financial Year	Turnover
2016-17	4156.13
2017-18	4378.50
2018-19	5546.68
2019-20	5444.51
2020-21	4795.85



Details of significant changes in key financial ratios are as given below:

Sr. No.	PARTICULARS	UOM	F.Y. 2019-20	F.Y. 2020-21	Growth YOY
1	Revenue Growth	%	-1.84	-11.91	-10.07
2	EBITDA	Lakhs	332.72	418.46	85.74
3	EBITDA Margin	%	6.11	8.73	2.62
4	PBT	Lakhs	89.38	204.56	115.18
5	PAT	Lakhs	67.78	153.94	86.16
6	Net Worth	Lakhs	962.97	1117.07	154.1
7	ROE %	%	13.91	31.58	17.67
8	Net Debt	Lakhs	-108.15	-262.98	-154.83
9	Working Capital Ratio	Times	3.27	2.78	-0.49
10	Fixed Assets Turnover Ratio	Times	7.18	6.26	-0.92
11	Debtors Turnover Ratio	Times	5.60	5.05	-0.55
12	Inventory Turnover Ratio	Times	33.32	27.57	-5.75
13	Interest Coverage Ratio	Times	1.75	2.77	1.02



OPPORTUNITIES AND THREATS

As mentioned above, due to booming economy and major steps towards Industrial and Infrastructure development in the country, there is a good opportunity for Industrial gas industry to cater the increased demand and grow proportionately. However, aggressive competition in the market and presence of major Multinationals will continue to exert pressure on prices and margins. In addition, small industrial Gas units in unorganised sector having small plants and low overheads continue to dominate local markets which is very Price sensitive and expects extended Credits.

PRODUCT WISE PERFORMANCE

Due to sustained growth in Steel and Automobile Industry and over infrastructure development, the Gas Industry has witnessed sized growth in Argon and Argon based mixtures. Nitrogen, Hydrogen sales have also increased due to boost in Pharmaceuticals sector and Petrochemical complexes. New projects in Gujarat have helped in pure Gases and gas mixtures has also received good and encouraging response from the market and are acceptable by all major Petrochemical, steel & Cement and Pharma Companies.

OUTLOOK

Overall Outlook of Industrial Gas Industry is very bright and promising due to Sustained Industrial growth, Infrastructure developments and new projects coming up in the country. With the economic reforms and positive steps towards globalization, the overall Industrial growth shall continue resulting in increased demand for various industrial gases and their applications. New manufacturing sectors, Research and Developments centers and thrust in Automobile and Pharma product outsourcing shall also help boost the consumption of various gases.

RISKS AND CONCERNS

Through the Overall growth of Indian economy, especially the manufacturing sector has increased the potential of Gas Industry, there is certain risk from import in certain sectors due to reduction in import duties as part of globalization.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate system of Internal Control Commensurate with the size and the nature of its business, which ensures that transaction are recorded, authorised and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and removal.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATION FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED.

The Company has manpower strength of about 49 employees & continue to enjoy cordial relationship with them and not even a single man day has been lost due to strike/lockout.

The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

CAUTIONARY STATEMENT

The Statements made and figures given in the various sections under "Management Discussion and Analysis" are keeping in mind the Company's objectives, estimates and expectations. The Actual results may differ from those expected depending upon the economic conditions, changes in Govt. Regulations, tax regimes and other external and internal factors

For and on Behalf of the Board of Director
Vadilal Chemicals Limited

RAJESH R. GANDHI
Chairman & Managing Director
(DIN: 00009879)

Place: Ahmedabad
Date: 13-08-2021

ANNEXURE-II TO THE DIRECTORS' REPORT

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 transaction under third proviso thereto.

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

NIL

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

VADILAL GASES LIMITED

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vadilal Gases Limited (VGL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.
b)	Nature of contracts/arrangements/transaction	Purchase and Sell of Industrial Gases by the Company to Vadilal Gases Limited.
c)	Duration of the contracts/arrangements/transaction	Transactions for the period of 10 years w.e.f. 2019-20 till 2028-29.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	VCL, in the ordinary course of business, enters into transactions of purchase and sale of industrial Gases from VGL. Approval of Shareholders for the transactions upto ₹ 100 Crore per year for the period of 10 years w.e.f. 2019-20 till 2028-29.
e)	Justification for entering into such contracts or arrangements or transactions'	The Company and VGL, both are engaged in the business of manufacturing of Industrial Gases. VGL is in the business of manufacturing of various grades of Argon & Nitrogen Gases, Calibration Gases, Mixture Gases etc. and sells its products/materials to VCL, while VCL, after re-labelling the products received from VGL, sells in the open market. . During the year- 2020-21, VCL has made purchase of Industrial Gases of ₹ 14,48,42,521/- and sold Industrial Gases of ₹ 4,27,65,592/- Further, the Company has paid Rent to VGL of ₹ 4,24,800/- during the financial year- 2020-21.
f)	Date of approval by the Board	28 th May, 2019
g)	Amount paid as advances, if any	Nil
h)	Date on which the Ordinary resolution was passed in General meeting as required under first proviso to section 188	Resolution was passed in this ensuing 28 th Annual General Meeting for the year-2019-20.

OTHER NON- MATERIAL RELATED PARTY TRANSACTIONS:

I. VADILAL INDUSTRIES LIMITED

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vadilal Industries Limited, a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.
b)	Nature of contracts/arrangements/transaction	There is no formal contract/ arrangement for the transactions. The Company has taken approval of Board of Directors for the transactions of Sell of Industrial Gases by the Company to Vadilal Industries Limited.
c)	Duration of the contracts/arrangements/transaction	The Company has taken approval of Board of Directors of the Company for the Related Party Transactions with Vadilal Industries Limited for the period of 5 years from 2018-19.



Sr. No.	Particulars	Details
d)	Salient terms of the contracts or arrangements or transaction including the value, if any.	The Company, in ordinary course of business and on principal to principal basis, sold Industrial Gases to Vadilal Industries Limited of ₹ 16,58,849/- during the year 2020-21.
e)	Justification for entering into such contracts or arrangements or transactions'	Vadilal Industries Limited requires Industrial Gases for its manufacturing units situated at Pundhra and Bareilly. For that purpose, it purchases Industrial Gases from the Company on regular basis. The Company has taken approval of Board of Directors for the transactions.
f)	Date of approval by the Board	10 th August, 2018
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188.	No such approval is required as the transactions are non material transactions and they are within the threshold limit.

II. VADILAL ENTERPRISES LIMITED

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vadilal Enterprises Limited, a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.
b)	Nature of contracts/arrangements/transaction	There is no formal contract/ arrangement for the transactions. The Company has taken approval of Board of Directors for the transactions of Sell of Industrial Gases by the Company to Vadilal Enterprises Limited.
c)	Duration of the contracts/arrangements/transaction	The Company has taken approval of Board of Directors of the Company for the Related Party Transactions with Vadilal Industries Limited for the period of 5 years from 2018-19.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any.	The Company, in ordinary course of business and on principal to principal basis, sold Industrial Gases to Vadilal Industries Limited of ₹ 8,39,206/- during the year 2020-21.
e)	Justification for entering into such contracts or arrangements or transactions'	Vadilal Enterprise Limited requires Industrial Gases for Machine Maintenance in Refrigeration Service Department (RSD) in various locations all over India. For that purpose, it purchases Industrial Gases from the Company. The Company has taken approval of Board of Directors for the transactions.
f)	Date of approval by the Board	10 th August, 2018
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188.	No such approval is required as the transactions are non material transactions and they are within the threshold limit.

Note: The transaction with the related parties are entered into due to business exigencies and are in the interest of the Company.

Registered Office:

503-504, Aditya Building,
Nr. Sardar Patel Seva Samaj,
Mithakhali, Navrangpura,
Ahmedabad- 380 015.
Dated: 13th August, 2021.

**By Order of the Board
For Vadilal Chemicals Limited**

**Rajesh R. Gandhi
Chairman and Managing Director
(DIN: 00009879)**

ANNEXURE- III TO THE DIRECTORS' REPORT

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ending on 31st March, 2021.

A. Conservation of Energy:

Steps taken or impact on Conservation of Energy:

The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavour to ensure the optimal use of energy with minimum extent possible wastage as far as possible.

The Steps taken by the company for utilising alternate sources of energy:

The Company is continuously monitoring and making effort for optimum utilization of equipments which ensures to conserve energy during routine operations itself.

Capital investment on energy conservation equipment:

There is no specific investment plan for energy conservation.

B. Technology Absorption:

Efforts in brief, made towards technology absorption, adaption and innovation:

N.A.

Benefits derived as a result of the above efforts e.g. product, improvement, cost reduction, product development, import substitution etc:

N.A.

In case of Imported technology (imported during last five years reckoned from the beginning of the financial year) following information to be furnished:

The Company has not imported any technology hence, the questionnaire is not applicable.

The expenditure incurred on Research and Development:

During the year under review, the Company has not incurred expenditure towards Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

There is no foreign exchange earnings and outgo during the year under review.

Registered Office:

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Mithakhali, Navrangpura,
Ahmedabad- 380 015.
Dated: 13th August, 2021.

By Order of the Board
For Vadilal Chemicals Limited

Rajesh R. Gandhi
Chairman and Managing Director
(DIN: 00009879)



ANNEXURE – IV TO THE DIRECTORS' REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Vadilal Chemicals Limited
503-504 Aditya building,
Nr. Sardar Patel Seva Samaj,
Mithakhali, Navrangpura,
Ahmedabad – 380006, Gujarat, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vadilal Chemicals Limited (CIN: L24231GJ1991PLC015390) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period 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 the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period);
- V. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company during the Audit Period);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period);
- VI. We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:
 - a. Explosive Act, 1884 and rules and regulations made thereunder;
 - b. Hazardous Chemicals Act, 1985 and rules and regulations made thereunder; and
 - c. Hazardous Chemical Substantives Regulations, 1995.

For the purpose of other laws applicable specifically to the Company, we have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliance under other laws as may be applicable specifically to the Company and verification of document and records.

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

- i) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India; and
- ii) The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') and the Listing Agreements entered into by the Company with the following Stock Exchanges viz.:
 - The Ahmedabad Stock Exchange Ltd.
 - The Delhi Stock Exchange Ltd.
 - The Madras Stock Exchange Ltd.
 - The Calcutta Stock Exchange Ltd.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Standards etc. mentioned above subject to the following observations:

1. As per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the Company has not maintained minimum public shareholding of at least twenty five per cent.
2. As required under Regulation 31(2) of LODR Regulations, hundred percent shareholding of promoters and promoter group is not maintained in dematerialized form.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the Audit Period.

Adequate notices were given to all directors to schedule the Board Meetings. Agenda and detailed notes on Agenda were 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes.

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

We further report that during the Audit Period, the Company had no specific events/ actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards etc.

Premnarayan Tripathi,
Designated Partner
SPAN & Co. Company Secretaries LLP
FCS 8851
COP: 10029
UDIN:F008851C000742837
PR:800/2020

Place: Ahmedabad
Date: 05-08-2021

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



Annexure A

To,
The Members,
Vadilal Chemicals Limited
503-504 Aditya building,
Nr. Sardar Patel Seva Samaj,
Mithakhali, Navrangpura,
Ahmedabad – 380 006

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

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

Place: Ahmedabad
Date: 05-08-2021

Premnarayan Tripathi,
Designated Partner
SPAN & Co. Company Secretaries LLP
FCS 8851
COP: 10029
UDIN:F008851C000742837
PR:800/2020

ANNEXURE – V TO THE DIRECTORS’ REPORT**PARTICULARS OF EMPLOYEES:**

The information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

The information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Name of the Managing Directors, Chief Financial Officers and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year	Performance of the company as compare to last year.
Mr. Rajesh R. Gandhi, Chairman and Managing Director	N.A.	Nil	144.08%
Mr. Devanshu L. Gandhi, Managing Director	N.A.	Nil	
Mr. Dipal Soni, Chief Financial Officer	N.A.	Nil	
Mr. Soham Raval, Company Secretary	N.A.	Nil	

- A.** The Managing Directors of the Company are not drawing any remuneration from the Company. The Company does not pay any remuneration to the Non-executive Directors except sitting fees for attending Board and Committee Meetings.
- B.** The percentage increase in the median remuneration of employees in the financial year : 0.00 %
- C.** The number of permanent employees on the rolls of Company: 49
- D.** The explanation on the relationship between average increase in remuneration and Company performance:
There was no increase in the Employee’s Salaries during the year- 2020-21.
- E.** Market capitalization of the Company & price earnings ratio:
The Company’s shares are not frequently traded in the Stock Exchange and hence, the details of Market Capitalization are not provided.
1. The Earning Per Share of the Company as on 31-03-2021 is 3.16 as compared to ₹ 1.39 as on 31-03-2020.
- F.** There was no rise in Employee’s Salaries during the year. The Managing Directors are not drawing any remuneration from the Company and hence, the average percentile increase in the remuneration of employees is not comparable with that of Managing Directors.
- G.** The key parameters for any variable component of remuneration in case of Managing Directors of the Company is linked with the Company performance. In case of other key managerial personnel(s), the same is linked with Company performance and individual performance.
- H.** The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not applicable.
- I.** The Company affirms remuneration is as per the remuneration policy of the Company.
- J.** The Statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company including Managing Directors was in receipt of remuneration in excess of the limits set out in the said rules.

Registered Office:
503-504, Aditya Building,
Nr. Sardar Patel Seva Samaj,
Mithakhali, Navrangpura,
Ahmedabad- 380 015.
Dated: 13th August, 2021.

**By Order of the Board
For Vadilal Chemicals Limited**

**Rajesh R. Gandhi
Chairman and Managing Director
(DIN: 00009879)**



INDEPENDENT AUDITOR'S REPORT

To the Members,
VADILAL CHEMICALS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of VADILAL CHEMICALS LIMITED (the "Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (herein after 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 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit 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. There are no separate key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included Board's Report including Annexure to Board's Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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 during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other 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, management 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 are 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 financial controls 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 system 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 exists, 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone 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 them all 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 auditor's 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 Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of cash flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with Ind AS prescribed under section 133 of the Act.

- e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
The company has not paid Managerial Remuneration to its Directors during the year and hence reporting under section 197 of the Act is not applicable to the Company.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements. (Refer note 20 and 36)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

FOR, R R S & ASSOCIATES

Chartered Accountants
FRN: 118336W

(HITESH V. KRIPLANI)

Partner
Membership No. 140693
UDIN: 21140693AAAAFG6406

Palce: Ahmedabad.
Date : 30-06-2021

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vadilal Chemicals Limited of even date)

Report on the Internal Financial Controls over Financial Reporting 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 Vadilal Chemicals Limited (the "Company") as on March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 or Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "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 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 internal financial controls over financial reporting of the Company 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") issued by the ICAI and the Standard on Auditing prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note require that we comply with the 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 the internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of 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 systems over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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 purpose 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 transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of 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 limitation 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, projection of any evaluation of the internal financial controls over financial reporting to future periods are subjects to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting 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 ICAI.

FOR, R R S & ASSOCIATES
Chartered Accountants
FRN: 118336W

(HITESH V. KRIPLANI)
Partner
Membership No. 140693
UDIN: 21140693AAAAFG6406

Palce: Ahmedabad.
Date : 30-06-2021

Annexure - B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vadilal Chemicals Limited of even date)

1. In respect of Fixed Assets:
 - a. The Company has maintained records showing particulars, including situation of its fixed asset, however, certain particulars are in process of being updated.
 - b. According to the information and explanation given to us, the Fixed Assets of the Company have been physically verified by the management at reasonable intervals, in a phased verification programme, which in our opinion is reasonable, having regard to the size of the company and nature of its business.
 - c. According to information and explanations given to us and on the basis of our examination of records of the company the title deeds of immovable properties are held in the name of the company. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 during the year and therefore, the provisions of clause (iii) of the Order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. During the year, the company has not accepted any deposits from public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and therefore, the provisions of clause (v) of the Order are not applicable to the company.
6. According to the information and explanation given to us, the Company has maintained cost records as required under sub-section (1) of the section 148 of the Companies Act. We have however, not carried out any detailed examinations of such records.
7. In respect to statutory dues:
 - a. In our opinion and according to the information and explanations given to us, Company is generally regular in depositing with appropriate authorities undisputed statutory dues of Income tax, Goods and Services tax, Service Tax, Custom duty, Cess, Provident Funds, ESI and any other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at 31st March, 2021 for a period of more than six months from the date on which they became payable
 - b. According to information and explanations given to us, there are no material dues of Goods and Service Tax, Duty of Customs, Cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any disputes. However, according to information and explanation given to us, there are following dues of income tax, sales tax, Excise Duty which has not been deposited by company on account of disputes:

Nature of Statute	Nature of Dues	Amount (in ₹)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act and Sales Tax Acts of Maharashtra	Sales Tax, Interest And penalty	43,840	2008-09	Deputy Commissioner of State Tax - Pune

8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of any dues to a financial institutions and banks. The company has not issued any debentures during the year or in the preceding year.
9. In our opinion and on the basis of information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and the term loans were utilized for the purpose they were raised.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has not paid/provided for managerial remuneration during the year and therefore reporting under clause (xi) of the Order is not applicable.

12. According to the explanation given to us, the company is not a Nidhi Company and therefore the provisions of clause (xii) of the Order are not applicable.
13. According to the information and explanations given to us, and based on our examinations of the records of the company, transactions with related parties are in compliance with section 177 and section 188 of the Act, where applicable and the details of the transaction have been disclosed in Ind AS financial statement as required by the applicable accounting standards.
14. According to the explanation and information given to us, the company has not made preferential allotment of equity shares during the financial year.
15. The Company has not entered into any non cash transactions with Directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Ahmedabad.
Date : 30-06-2021

FOR, R R S & ASSOCIATES
Chartered Accountants
FRN: 118336W

(HITESH V. KRIPLANI)
Partner
Membership No. 140693
UDIN: 21140693AAAAFG6406

**BALANCE SHEET as at 31st March, 2021**

(Amt. in ₹)

Particulars	Notes	As At March 31, 2021	As At March 31, 2020
I. ASSETS:			
(1) Non-Current Assets			
(a) Property, Plants & Equipments	2	7,38,27,560	7,62,67,922
(b) Intangible Assets	2	8,09,854	2,56,994
(c) Right of use assets	2	6,15,783	15,58,742
(d) Financial Assets			
(i) Investments	3	41,87,911	38,48,766
(ii) Other Financial Assets	4	29,20,447	16,56,141
(e) Non-Current Tax Assets	5	15,26,968	11,58,383
(f) Other Non-Current Assets	6	15,20,778	7,35,361
Total Non-Current Assets		8,54,09,301	8,54,82,309
(2) Current Assets			
(a) Inventories	7	1,42,15,419	1,08,46,912
(b) Financial Assets			
(i) Trade receivables	8	9,54,34,206	9,45,99,588
(ii) Cash and Cash Equivalents	9	56,27,293	97,08,567
(iii) Other Balances with Banks	10	2,33,11,756	3,79,40,221
(iv) Other Financial assets	4	2,99,633	12,05,661
(c) Current Tax Assets	5	2,03,866	17,35,290
(d) Other Current Assets	6	3,48,09,382	2,47,79,531
Total Current Assets		17,39,01,555	18,08,15,770
Total Assets		25,93,10,856	26,62,98,080
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	11	4,87,40,000	4,87,40,000
(b) Other Equity	12	6,29,66,883	4,75,57,341
Total Equity		11,17,06,883	9,62,97,341
(2) Liabilities			
(2.1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	7,88,91,675	10,85,68,889
(ii) Other Financial Liabilities	14	2,47,140	8,07,798
(b) Provisions	15	10,72,796	13,29,650
(c) Deferred Tax Liabilities (Net)	16	47,76,091	40,54,066
Total Non-Current Liabilities		8,49,87,702	11,47,60,403
(2.2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	25,85,358	1,26,89,772
(ii) Trade Payables	17	45,26,052	87,38,145
(iii) Other Financial Liabilities	14	4,94,31,252	2,80,07,222
(b) Provisions	15	21,10,719	23,98,050
(c) Other Current Liabilities	18	39,62,890	34,07,147
Total Current Liabilities		6,26,16,271	5,52,40,336
Total Liabilities		14,76,03,973	17,00,00,739
Total Equity & Liabilities		25,93,10,856	26,62,98,080

See accompanying notes to the financial statements
In terms of our report attached

FOR R R S & Associates
Chartered Accountants
(Firm Reg. No.: 118336W)

Hitesh V. Kriplani
(Partner)
Membership No. : 140693

Place : Ahmedabad
Date : 30-06-2021

30 | VADILAL CHEMICALS LIMITED

For and on behalf of the Board of Directors of
Vadilal Chemicals Limited
CIN: L24231GJ1991PLC015390

Rajesh R. Gandhi
Chairman & Managing Director
DIN: 00009879

Dipal J. Soni
Chief Financial Officer

Place : Ahmedabad
Date : 30-06-2021

Devanshu L. Gandhi
Managing Director
DIN: 00010146

Soham B. Raval
Company Secretary

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2021

(Amt. in ₹)

Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
I INCOME :			
Revenue from operations	20	47,95,85,269	54,44,50,744
Other Income	21	33,43,827	51,03,030
Total Revenue (I)		48,29,29,096	54,95,53,774
II EXPENSES :			
Cost of materials consumed	22	14,45,77,781	16,95,42,692
Purchase of Stock-in-Trade	23	20,43,22,787	23,93,99,194
Changes in inventories of Finished Goods & Stock in trade	24	(31,67,960)	5,59,814
Employee Benefit Expense	25	2,31,76,731	2,73,83,179
Finance Cost	26	1,15,38,995	1,18,85,824
Depreciation and Amortization Expense	27	98,50,355	1,24,48,079
Other Expenses	28	7,21,74,208	7,93,96,615
Total Expenses (II)		46,24,72,897	54,06,15,397
III Profit Before Tax (I-II)		2,04,56,199	89,38,377
IV Tax expense:			
Current tax	29	43,39,693	34,05,985
Deferred tax	29	7,22,025	(12,45,817)
Total Tax Expenses (IV)		50,61,718	21,60,167
V Profit For The Year (V-VI)		1,53,94,481	67,78,210
VI Other Comprehensive Income			
Items not to be reclassified to statement of Profit & Loss			
- Remeasurements of the defined benefit plans		20,127	(6,21,286)
Income Tax relating to items that will not be reclassified to profit or loss		(5,066)	1,56,365
Total Other Comprehensive Income (VI)		15,061	(4,64,921)
VII Total Comprehensive Income For the year (V+VI)		1,54,09,542	63,13,289
VIII Earning per equity share: (Face value ₹ 10/- each)	33		
Basic and Diluted		3.16	1.39

See accompanying notes to the financial statements
In terms of our report attached

FOR R R S & Associates
Chartered Accountants
(Firm Reg. No.: 118336W)

Hitesh V. Kriplani
(Partner)
Membership No. : 140693

Place : Ahmedabad
Date : 30-06-2021

**For and on behalf of the Board of Directors of
Vadilal Chemicals Limited**
CIN: L24231GJ1991PLC015390

Rajesh R. Gandhi
Chairman & Managing Director
DIN: 00009879

Dipal J. Soni
Chief Financial Officer

Place : Ahmedabad
Date : 30-06-2021

Devanshu L. Gandhi
Managing Director
DIN: 00010146

Soham B. Raval
Company Secretary



STATEMENT OF CASH FLOWS for the year ended 31st March, 2021

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
A) CASH FLOW FROM OPERATIVE ACTIVITIES		
Profit Before Tax	2,04,56,199	89,38,377
Adjustment for :		
Depreciation and Amortization Expense	98,50,355	1,24,48,079
Interest Income	(24,77,518)	(34,53,888)
Dividend Income	-	(80)
Finance Cost	1,15,38,995	1,18,85,824
(Profit) / Loss on sales of property, plants & equipments	(2,97,845)	(13,21,964)
Provision for Doubtful Debts & Advances	-	21,97,074
Decrease / (Increase) in fair value of investments	(1,39,145)	4,33,675
Effect of Lease Modification	-	(1,86,582)
(Profit) / Loss from Partnership Firm	49,073	46,508
Remeasurements of the defined benefit plans	15,061	(4,64,921)
Operating Profit before working capital changes	3,89,95,175	3,05,22,102
Changes in Working Capital		
(Increase) / Decrease in Inventories, Trade receivables, financial assets and other assets	(1,54,25,744)	18,07,282
Increase / (Decrease) in Trade Payables, financial liabilities, other liabilities and provisions	(23,69,214)	(12,83,785)
Cash generated from operation	2,12,00,217	3,10,45,599
Direct taxes Paid	(31,76,853)	(1,03,88,951)
Net cash flow from Operating Activity	1,80,23,364	2,06,56,648
B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on property, plant and equipment	(73,33,181)	(1,47,05,412)
Proceeds from Sale of property, plant and equipment	6,11,132	15,41,650
Purchase of Non-Current Investments	(2,00,000)	-
Fixed Deposit with Bank	1,46,28,465	(25,65,369)
Dividend Received	-	80
Interest Received	24,77,518	34,53,888
Net Cash used in Investing Activities	1,01,83,934	(1,22,75,163)
C) CASH FLOW USED IN FINANCING ACTIVITIES		
Finance Cost	(1,13,81,474)	(1,16,52,241)
Dividend Paid	-	(58,75,865)
Payment of Lease Liabilities	(11,25,474)	(10,55,883)
Proceed/(Repayment) of Short term borrowings	(1,01,04,414)	11,42,767
Proceed/(Repayment) of Long term borrowings	(96,77,210)	93,73,924
Net Cash used in Financing Activities	(3,22,88,572)	(80,67,298)
Net Increase/Decrease in Cash & Cash Equivalents Total (A+B+C)	(40,81,274)	3,14,186
Cash & Cash Equivalents At The Beginning Of The Year		
Cash on Hand	3,75,921	7,93,206
Bank Balance	24,30,377	11,37,574
Fixed Deposits (Maturity Less Than 3 Months)	69,02,269	74,63,600
	97,08,567	93,94,380
Cash & Cash Equivalents At The End Of The Year (Note: 9)		
Cash on Hand	3,64,934	3,75,921
Bank Balance	51,37,359	24,30,377
Fixed Deposits (Maturity Less Than 3 Months)	1,25,000	69,02,269
	56,27,293	97,08,567

Notes :

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard-7 on statement of Cash Flow.

STATEMENT OF CASH FLOWS for the year ended 31st March, 2021

(Amt. in ₹)

Reconciliation of liabilities arising from financing activities:

As at March 31, 2021	Long term Borrowings (Incl. Current maturity)*	Short term Borrowings	Total liabilities from financing activities
Opening Balance	10,85,68,889	1,26,89,772	12,12,58,661
Cash Flows	(96,77,210)	(1,01,04,414)	(1,97,81,624)
Non Cash Changes	-	-	-
Closing Balance	9,88,91,679	25,85,358	10,14,77,037

As at March 31, 2020	Long term Borrowings (Incl. Current maturity)*	Short term Borrowings	Total liabilities from financing activities
Opening Balance	9,91,94,965	1,15,47,005	11,07,41,970
Cash Flows	93,73,924	11,42,767	1,05,16,691
Non Cash Changes	-	-	-
Closing Balance	10,85,68,889	1,26,89,772	12,12,58,661

* Long term borrowings including current maturities classified in Other Financial Liabilities.

See accompanying notes to the financial statements
In terms of our report attached**FOR R S & Associates**
Chartered Accountants
(Firm Reg. No.: 118336W)**Hitesh V. Kriplani**
(Partner)
Membership No. : 140693**Place : Ahmedabad**
Date : 30-06-2021**For and on behalf of the Board of Directors of
Vadilal Chemicals Limited**
CIN: L24231GJ1991PLC015390**Rajesh R. Gandhi**
Chairman & Managing Director
DIN: 00009879**Dipal J. Soni**
Chief Financial Officer**Place : Ahmedabad**
Date : 30-06-2021**Devanshu L. Gandhi**
Managing Director
DIN: 00010146**Soham B. Raval**
Company Secretary



STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2021

(Amt. in ₹)

Particulars	Equity share Capital	Other Equity				Total other equity	Total Equity
		Capital reserve	Securities premium reserve	General reserve	Retained earnings		
Balance as at April 1, 2019	4,87,40,000	14,93,788	1,52,89,734	69,60,365	2,33,76,030	4,71,19,917	9,58,59,917
Profit for the Year	-	-	-	-	67,78,210	67,78,210	67,78,210
Other Comprehensive Income for the Year, Net of Income tax	-	-	-	-	(4,64,921)	(4,64,921)	(4,64,921)
Total Comprehensive Income for the Year	-	-	-	-	63,13,289	63,13,289	63,13,289
Payment of dividends (including tax on dividend)	-	-	-	-	(58,75,865)	(58,75,865)	(58,75,865)
Balance as at March 31, 2020	4,87,40,000	14,93,788	1,52,89,734	69,60,365	2,38,13,454	4,75,57,341	9,62,97,341
Profit for the Year	-	-	-	-	1,53,94,481	1,53,94,481	1,53,94,481
Other Comprehensive Income for the Year, Net of Income tax	-	-	-	-	15,061	15,061	15,061
Total Comprehensive Income for the Year	-	-	-	-	1,54,09,542	1,54,09,542	1,54,09,542
Payment of dividends (including tax on dividend)	-	-	-	-	-	-	-
Balance as at March 31, 2021	4,87,40,000	14,93,788	1,52,89,734	69,60,365	3,92,22,996	6,29,66,883	11,17,06,883

See accompanying notes to the financial statements
In terms of our report attached

FOR R S & Associates
Chartered Accountants
(Firm Reg. No.: 118336W)

Hitesh V. Kriplani
(Partner)
Membership No. : 140693

Place : Ahmedabad
Date : 30-06-2021

For and on behalf of the Board of Directors of
Vadilal Chemicals Limited
CIN: L24231GJ1991PLC015390

Rajesh R. Gandhi
Chairman & Managing Director
DIN: 00009879

Dipal J. Soni
Chief Financial Officer

Place : Ahmedabad
Date : 30-06-2021

Devanshu L. Gandhi
Managing Director
DIN: 00010146

Soham B. Raval
Company Secretary

Notes to the Financial Statement as at 31st March, 2021

COMPANY OVERVIEW:-

Vadilal Chemicals Limited is a Public Limited Company domiciled in India. The company has its registered office at 503-504, "Aditya" Building, Nr. Sardar Patel Seva Samaj, Navrangpura, Ahmedabad - 380006".

The Company is engaged in the business of manufacturing & Trading of Industrial Gases. Vadilal Chemicals Limited is a leading player in the industrial gas business that supplies pure Gases, industrial gases mixtures and speciality gases. We carry a high degree of commitment towards quality, safety and services to ensure full customer satisfaction.

The company has developed an extensive era of customer driven products like pure gases, Speciality gases and Gas Mixtures.

1 SIGNIFICANT ACCOUNTING POLICIES :

(1) STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 as amended.

(2) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristic into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 1) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
- 2) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- 3) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(3) USE OF ESTIMATES:

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(4) REVENUE RECOGNITION:

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts & incentives and volume rebates. It includes excise duty and excludes value added tax/ Central Sales Tax / Goods & Service Tax.

- (i) Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(5) PROPERTY, PLANTS & EQUIPMENTS:

Property, Plants & Equipments acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any. The acquisition value includes the purchase price (excluding refundable taxes), and expenses directly attributable to assets to bring it to the factory and in the working condition for its intended use. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

All items of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Leasehold Land and Leasehold Improvements are amortized over the period of the lease or the useful life of the asset, whichever is lower.

(6) DEPRECIATION:

Depreciation is provided on the straight line method (SLM). Depreciation is provided based on useful life of the assets as prescribed in schedule II to the Companies Act, 2013. Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

(7) INTANGIBLE ASSETS:

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Useful lives of intangible assets

Intangible assets are amortized over their estimated useful life on a straight line basis over a period of 3 years.

(8) CASH FLOW :

The Cash flow statement is prepared by the "Indirect Method" Set out in Indian Accounting Standard 7 on " Cash Flow Statements" and present the cash flow by operating , Investing and financing activities of the company.

Cash and Cash equivalents presented in the cash flow statement consist of cash on hand and other current account balance / deposits with the bank.

(9) INVESTMENTS IN JOINT VENTURE:

Investments in joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(10) NON-DERIVATIVE FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognized by the Company are measured at the proceeds received net off direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(11) INVENTORIES:

Inventory of Raw Material and Stores & Spares are valued at cost on First in First out (FIFO) basis or net realizable value which ever is lower. Cost of finished goods and work in progress includes cost of material consumed, labor and systematic allocation of variable and fixed Production overhead.

(12) EMPLOYEE BENEFITS:**(a) Short Term**

Short term employee benefits are recognized as an expense as the undiscounted amount expected to be paid over the period of services rendered by the employee to the company.

(b) Long Term

The Company has both defined contribution and defined benefit Plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution plans.

(c) Defined Contribution Plans:

These are plan in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employee perform the services that the payment covers.

(d) Defined Benefit Plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- 1) Service costs comprising current service costs, gains and losses on curtailments and settlements; and
- 2) Net interest expense or income

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(e) Other Employee Benefit

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the balance sheet date.

(13) FOREIGN CURRENCY TRANSACTIONS:

In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on monetary items are recognized in the statement of profit and loss in the period in which they arise.

(14) BORROWING COST:

Borrowing cost incurred in relation to acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets till the activities necessary for its intended use are complete. All other borrowing costs are charged in statement of profit & loss of the year in which incurred.

(15) EARNING PER SHARE:

A basic earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(16) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present obligations of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

(17) TAXES ON INCOME :

Tax expense represents the sum of the current tax and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Current tax is measured at the amount expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) credit paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

Current and deferred tax for the year

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income.

(18) LEASES:**As a lessee:**

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: i) the contract involves the use of an identified asset ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

(19) OPERATING CYCLE

The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company has identified twelve months as its operating cycle.

(20) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next financial year.

i. Income taxes

As described in Note 1(16), the Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

ii. Discount rate used to determine the carrying amount of the Company's defined benefit obligation

As described in Note 25, in determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

iii. Useful lives of property, plant and equipment

As described in Note 1(5), the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

iv. Allowances for doubtful debts

As described in Note 8, the Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

v. Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

vi. Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

Note : 2 PROPERTY, PLANT & EQUIPMENTS AND INTANGIBLE ASSETS:

Following are the changes in the carrying value of Property, Plant & Equipments and Intangible assets for the year ended 31-03-2021:

(Amt. in ₹)

ASSETS	Gross Carrying Amount			Accumulated Depreciation Gross Carrying Amount and Amortization				Net Carrying Amount	
	As At April 1, 2020	Additions	Disposals	As At March 31, 2021	As At April 1, 2020	Provided For The Year	Disposals	As At March 31, 2021	As At March 31, 2020
Property, Plants & Equipments:									
Land	22,45,245	-	-	22,45,245	-	-	-	22,45,245	22,45,245
Leasehold Land	69,97,959	-	-	69,97,959	4,02,344	1,00,586	-	64,95,029	65,95,615
Factory Building	1,29,62,586	-	-	1,29,62,586	29,68,978	7,81,470	-	37,50,448	99,93,608
Office Building	47,47,301	-	-	47,47,301	4,63,656	1,15,914	-	5,79,570	42,83,645
Carpeted Road (RCC)	95,51,182	-	-	95,51,182	45,37,820	11,34,455	-	56,72,275	38,78,907
Plant & Equipments	1,10,12,243	14,19,900	42,000	1,23,90,143	25,51,902	7,95,797	2,106	33,45,593	90,44,550
Furniture	13,62,439	24,800	-	13,87,239	10,18,850	1,15,875	-	11,34,725	2,52,514
Office Equipments	11,73,900	-	-	11,73,900	5,58,613	1,94,652	-	7,53,265	4,20,635
Computer	11,79,324	89,331	3,567	12,65,088	9,03,398	1,79,378	3,657	10,79,119	1,85,969
Gas Cylinders & Tanks	4,70,76,790	50,01,450	3,03,585	5,17,74,655	1,03,00,718	38,41,555	30,102	1,41,12,171	3,76,62,484
Transport Vehicle	2,05,72,428	-	-	2,05,72,428	1,89,07,196	14,02,874	-	2,03,10,070	2,62,358
Total	11,88,81,397	65,35,481	3,49,152	12,50,67,726	4,26,13,475	86,62,556	35,865	5,12,40,166	7,62,67,922
Integible Assets	12,13,384	7,97,700	-	20,11,084	9,56,390	2,44,840	-	12,01,230	8,09,854
Grand Total (20-21)	12,00,94,781	73,33,181	3,49,152	12,70,78,810	4,35,69,865	89,07,396	35,865	5,24,41,396	7,65,24,916
Right Of Use Of Assets	25,25,225	-	-	25,25,225	9,66,483	9,42,959	-	19,09,442	6,15,783

Note : 3 INVESTMENTS

(Amt. in ₹)

Particulars	No. of Shares	As At March 31, 2021	As At March 31, 2020
Non Current			
Investment in Equity Instruments (Investment carried at Fair Value through Profit and loss)			
Quoted, fully paid up			
Vadilal Enterprise Limited of ₹ 10/- each	100 (100)	1,81,640	1,02,495
Maharashtra Polybotens Ltd of ₹ 1/- each	150 (150)	57	57
Unimers India Ltd of ₹ 10/- each	200 (200)	1,134	1,134
Total (a)		1,82,831	1,03,686
Unquoted, fully paid-up (Investment carried at Fair Value through Profit and loss)			
Vadilal Forex and Consultancy Services Ltd of ₹ 10/- each	48000 (48000)	8,62,080	8,02,080
(Investment carried at Cost)			
Kalpiti Realty & Services Ltd of ₹ 10/- each	30000 (30000)	3,000	3,000
The Kalupur Commercial Co-Op. Bank Ltd. of ₹ 25/- each	8000 (-)	2,00,000	-
Total (b)		10,65,080	8,05,080
Total (a + b)		12,47,911	9,08,766
Investment in Partnership Firm at deemed cost			
M/s. Vadilal Cold Storage		29,40,000	29,40,000
Total (c)		29,40,000	29,40,000
Grand Total (a+b+c)		41,87,911	38,48,766
*Details of Investment in Partnership Firm -			
The company continues to be a partner in the following partnership firm. The details Regarding investment in the total capital of the Partnership firm as well as Profit/Loss Sharing ratio of the company along with other Partners is stated hereunder.			
Investment in Vadilal Cold Storage			
Total Capital of the Firm		1,69,40,000	1,69,40,000
Investment in :-			
Capital Account		29,40,000	29,40,000
Current Account (Refer Note 6 other Asset: In Current)		1,76,093	2,25,166
		31,16,093	31,65,166
Name of the partners and share in profit (%)			
M/s. Vadilal Chemicals Limited		2%	2%
M/s. Vadilal Industries Limited		98%	98%

**Note : 4 OTHER FINANCIAL ASSETS**

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Non-Current		
Unsecured, Considered good		
Security Deposit	22,40,597	12,96,619
As Margin Money Deposit (Against Bank Guarantee)	6,79,850	3,59,522
Total	29,20,447	16,56,141
Current		
Unsecured, Considered good		
Security Deposit	1,269	7,593
Interest accrued on Fixed Deposits	2,98,364	11,98,068
Unsecured, Considered doubtful		
Success Vyapar Limited	4,75,00,000	4,75,00,000
Less: Provision for doubtful advance (refer note no.:35.1)	(4,75,00,000)	(4,75,00,000)
Total	2,99,633	12,05,661

Note : 5 TAX ASSETS

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Non-Current		
Taxes Receivables	15,26,968	11,58,383
Total	15,26,968	11,58,383
Current		
Taxes Receivables	2,03,866	17,35,290
Total	2,03,866	17,35,290

Note : 6 OTHER ASSETS

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Non-Current		
Prepaid Expenses	1,68,421	3,39,961
Advance to Drivers/Employees	4,45,800	3,95,400
Unamortised borrowing cost	9,06,557	-
Total	15,20,778	7,35,361
Current		
Advance to Suppliers	3,15,32,313	2,20,10,161
Less: Provision for doubtful Advance to suppliers	(15,00,000)	(15,00,000)
	3,00,32,313	2,05,10,161
Prepaid Expenses	34,73,285	32,45,740
Advance to Drivers/Employees	3,50,592	3,69,353
Unamortised borrowing cost	2,65,332	-
Balance with Excise/Sales tax/GST Authorities	5,11,767	4,29,111
Other Loans and advances		
Advance to Vadilal Cold Storage (Balance in current account with Firm in which company is a partner)	1,76,093	2,25,166
Total	3,48,09,382	2,47,79,531

Note : 7 INVENTORIES

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
(At Lower of Cost or Net Realisable Value)		
Raw Material	26,98,993	26,71,560
Finished Goods	9,19,094	5,21,575
Stock-in-Trade	90,05,092	62,34,651
Stores & Spares	15,91,753	14,18,989
Shares In Trade	487	137
Total	1,42,15,419	1,08,46,912

Note : 8 TRADE RECEIVABLES

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Current		
Unsecured, Considered Good :	9,54,34,206	9,45,99,588
Unsecured, Considered doubtful	8,54,765	8,54,765
Less : Allowance for doubtful debts (expected credit loss allowance)	(8,54,765)	(8,54,765)
Total	9,54,34,206	9,45,99,588

Note : Refer Note 32 for information about credit risk and market risk of Trade receivables.

Break-up of trade receivables

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Trade receivables from other than related parties	9,51,09,844	9,40,64,729
Receivables from related parties (Refer Note 31)	3,24,362	5,34,859
Total	9,54,34,206	9,45,99,588

Notes :

- The credit period ranges from 30 days to 180 days.
- Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. ₹ 128.16 lacs due from two customers who represent more than 5% of the total balance of trade receivable as at March 31, 2021 (as at March 31, 2020 : ₹ 108.59 lacs is due from two customer who represents more than 5% of trade receivables.). The credit risk in respect of these customers is mitigated by monitoring them constantly.
- In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on company policy and ageing of the receivables that are due.
- Movement in Expected Credit Loss Allowance:

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Balance at the beginning of the year	8,54,765	1,57,691
Less : Reversal / utilisation out from earlier year	(8,54,765)	(1,57,691)
Add : Provision during the year	8,54,765	8,54,765
Balance at the end of the year	8,54,765	8,54,765

**Note : 9 CASH AND CASH EQUIVALENTS**

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Cash and Cash equivalents		
Cash on hand	3,64,934	3,75,921
Balance with Bank		
- In current account	51,37,359	24,30,377
- In Fixed Deposits (with original maturity of less than three months)	1,25,000	69,02,269
Total	56,27,293	97,08,567

Note : 10 OTHER BALANCES WITH BANKS

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Other Bank Balance		
- In Fixed Deposit (Maturity more than 3 months but upto 12 months)	2,28,89,043	3,75,17,508
(A)	2,28,89,043	3,75,17,508
Unclaimed dividend accounts*		
- HDFC Bank	4,22,713	4,22,713
(B)	4,22,713	4,22,713
Total [A + B]	2,33,11,756	3,79,40,221

Note: * Unclaimed dividend account balance can only be used for payment of unclaimed dividend.

Note : 11 EQUITY SHARE CAPITAL

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
AUTHORIZED SHARES		
1,00,00,000 Equity Shares of ₹10/- each.	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
ISSUED , SUBSCRIBED & FULLY PAID UP SHARES		
ISSUED :		
50,09,500 Equity Shares of ₹10/- each (as at March 31, 2020: 50,09,500 Equity Shares of ₹10/- each)	5,00,95,000	5,00,95,000
SUBSCRIBED & FULLY PAID-UP :		
48,74,000 Equity Shares of ₹10/- Each Fully Paid-up (as at March 31, 2020: 48,74,000 Equity Share of ₹10/- Each Fully Paid-up)	4,87,40,000	4,87,40,000
Total	4,87,40,000	4,87,40,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As At March 31, 2021		As At March 31, 2020	
	Nos.	Amt. in ₹	Nos.	Amt. in ₹
Equity Shares				
At the beginning of the period	48,74,000	4,87,40,000	48,74,000	4,87,40,000
Add :- Shares issued during the year	-	-	-	-
Less :- Shares Bought back during the year	-	-	-	-
Outstanding at the end of the period	48,74,000	4,87,40,000	48,74,000	4,87,40,000

b. Terms/ rights attached to equity shares

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

In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2021 the amount of per share dividend recognized as distribution to equity share holders was ₹ Nil. (Previous year: ₹ Nil).

c. Details of shareholders holding more than 5% shares in the company

Particulars	31st March 2021		31st March 2020	
	No. of Share	% Holding	No. of Share	% Holding
Equity shares of ₹10/- each fully paid				
Vadilal International Pvt.Ltd.	20,13,204	41.30	20,13,204	41.30
Devanshu L. Gandhi	5,32,250	10.92	5,32,250	10.92
Vadilal Marketing Pvt.Ltd.	4,23,650	8.69	4,23,650	8.69
Axilrod Private Limited (Erstwhile known as Vortex Ice-cream Pvt Ltd.)	3,83,650	7.87	3,83,650	7.87

Note : 12 OTHER EQUITY

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Capital Reserve		
Balance at the beginning of the year	14,93,788	14,93,788
Balance at the end of the year (A)	14,93,788	14,93,788
Securities Premium Reserve		
Balance at the beginning of the year	1,52,89,734	1,52,89,734
Balance at the end of the year (B)	1,52,89,734	1,52,89,734
General Reserve		
Balance at the beginning of the year	69,60,365	69,60,365
Balance at the end of the year (C)	69,60,365	69,60,365
Retained earnings		
Balance at the beginning of the year	2,38,13,454	2,33,76,030
Add : Profit for the year	1,53,94,481	67,78,210
Add : Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	15,061	(4,64,921)
Less: Payment of dividend on equity shares (including tax on dividend)	-	(58,75,865)
Balance at the end of the year (D)	3,92,22,996	2,38,13,454
Total (A+B+C+D)	6,29,66,883	4,75,57,341

Notes :

Nature and Purpose of reserve

Capital reserve

The company has created capital reserve out of capital subsidies received from state Governments.

Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is available for utilization in accordance with the provisions of the Companies Act, 2013. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.



Note : 13 BORROWINGS

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Non-Current		
Secured-at amortised cost		
Term Loan from bank (a)	9,00,00,004	-
Less :- Current Maturities of Long term borrowings	(2,00,00,004)	-
	(A) 7,00,00,000	-
Unsecured-at amortised cost		
Loan From:		
- Inter Corporate Loan (b)	88,91,675	10,85,68,889
	(B) 88,91,675	10,85,68,889
	Total 7,88,91,675	10,85,68,889
Current		
Secured Loans		
- From Banks (Bank Overdraft against Fixed Deposits)	25,85,358	1,26,89,772
	Total 25,85,358	1,26,89,772

(a) Term Loan From banks :

Repayment Schedule of term Loan from Bank

Particulars	As at March 31, 2021	As at March 31, 2020	Effective Interest Rate	Terms of Repayment
The Kalupur Commercial Co-operative Bank Ltd.	9,00,00,004	-	10%	60 Monthly Installments of ₹ 16.67 Lacs + Interest starting from September, 2020

Term Loan From - The Kalupur Commercial Co-Op. Bank Ltd. are secured by way of Mortgage on immovable properties and Hypothecation on movable properties of the company situated at the following places:

Common Securities:

- (i) Equitable Mortgage of Office Nos. 505, 506, 507 & 508, Aditya Complex, Ellisbridge, Ahmedabad. Aemeasuring 3410 Sq Fts, Owned by Vadilal Chemicals Limited.
- (ii) Equitable Mortgage of Industrial Unit "Vadilal Chemicals Limited", Unit No. 2504, Vatva GIDC, Phase-4, 4E Road, Vatva, Ahmedabad admeasuring 2000 Sq Mtrs alongwith present and future construction Owned by Vadiial Chemicals Limited.
- (iii) Equitable Mortgage of Industrial Land at Plot No. 50/3, Nandesari, Baroda admeasuring 4793.21 Sq Mtrs alongwith present and future construction Owned by Vadilal Chemicals Limited.
- (iv) Equitable Mortgage of Industrial Unit at Plot No. 799, Vapi, Valsad admeasuring 2037 Sq Mtrs alongwith present and future construction Owned by Vadilal Chemicals Limited.
- (v) Equitable Mortgage of Industrial Unit No. 615, GIDC Estate, Panoli, Ankleshwar, Bharuch admeasuring 6000 Sq Mtrs alongwith present and future construction owned by Vadilal Chemicals Limited.
- (vi) Hypothecation of All Current Assets including Stock, Bookdebts etc. and Plant & Machinerries.
- (vii) The facilities were further secured by way of Duly Discharged FDR amounting to ₹ 100 Lakhs Given to Kalupur Commercial Co Op Bank under lien.
- (viii) Personal Guarantee of following:
 1. Rajesh Ramchandra Gandhi
 2. Kalpit Rajeshbhai Gandhi

(b) The Company has taken Inter Corporate loan at Fixed interest rate @ 10.50%. The Repayment schedule for the same is not fixed and the amount is paid depending on the liquidity & financial requirement of the company. Accordingly, management is of the view that this loan is repayable after period of 12 months.

(c) Refer Note 32 for information about liquidity risk.

Note : 14 OTHER FINANCIAL LIABILITIES

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Non-Current		
Lease Liabilities	2,47,140	8,07,798
Total	2,47,140	8,07,798
Current		
Current Maturities of Long term borrowings		
- From Banks (Secured)	2,00,00,004	-
Others		
Lease Liabilities	4,87,832	8,95,127
Trade Deposits (Against Company Cylinders with Customers)	2,85,20,703	2,66,89,382
Unclaimed dividends	4,22,713	4,22,713
Total	4,94,31,252	2,80,07,222

Note : 15 PROVISIONS

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Non-Current		
Provision from Employee Benefits :		
Compensated absences	10,72,796	9,67,693
Gratuity (Refer Note 25)	-	3,61,957
Total	10,72,796	13,29,650
Current		
Provision for Employee Benefits :		
Compensated absences	17,01,044	15,32,155
Gratuity (Refer Note 25)	4,09,675	8,65,895
Total	21,10,719	23,98,050

Note : 16 DEFERRED TAX LIABILITY (NET)

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Deferred Tax Liabilities	62,21,363	56,90,855
Deferred Tax Assets	(14,45,272)	(16,36,789)
Total	47,76,091	40,54,066

Deferred tax liabilities / (assets) in relation to :

(Amt. in ₹)

Particulars	As at April 1, 2020	Recognized in profit & Loss	Other adjustments	As at March 31, 2021
Impact of difference between Tax depreciation & Depreciation Charged for Financial Reporting	56,38,948	5,21,454	-	61,60,402
Increase in fair value of investments	-	9,054	-	9,054
Gratuity	(3,09,026)	2,05,919	-	(1,03,107)
Leave Encashment	(6,29,162)	(68,958)	-	(6,98,120)
Bonus	(93,911)	2,450	-	(91,461)
Provision for Doubtful Trade Receivables	(5,52,960)	-	-	(5,52,960)
Rent deposit - Pune	(2,118)	2,494	-	376
Straight lining of rent - Pune	51,907	-	-	51,907
Decrease in fair value of investments	(49,612)	49,612	-	-
Total	40,54,066	7,22,025	-	47,76,091

**Note : 17 TRADE PAYABLES**

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Due to Micro, Small and Medium Enterprises	8,46,256	4,48,661
Due to Others	36,79,796	82,89,484
Total	45,26,052	87,38,145

Notes :

- 1) The Amount outstanding to micro, small and medium enterprise is based on the information received and available with the company.
- 2) Refer Note 32 for information about credit risk, market risk and liquidity risk of Trade payables.

Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
A) (i) Principal amount remaining unpaid at the end of the accounting year	8,46,256	4,48,661
(ii) Interest due on above	Nil	Nil
B) The amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006 along with amount of payment made to the supplier beyond the appointed date during the accounting year	Nil	Nil
C) The amount of interest accrued and remaining unpaid at the end of the financial year	Nil	Nil
D) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under MSMED Act, 2006	Nil	Nil
E) The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	Nil	Nil

Note : 18 OTHER CURRENT LIABILITIES

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Statutory remittances*	21,33,141	16,58,782
Advance From Customers	6,52,361	5,85,827
Other Payables **	11,77,388	11,62,538
Total	39,62,890	34,07,147

* It includes Excise, VAT / CST, TDS, Professional tax, ESIC & GST.

** It includes Provision for CSR Expenditure & other Expenses.

Note : 19 CONTINGENT LIABILITIES (To the extent not provided for)

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
1. Contingent Liabilities		
a. Claims against the company not acknowledge as debts		
i) Priya Shanghi	14,51,701	14,51,701
ii) Ragini Shanghi	13,95,915	13,95,915
iii) Excise Duty, Service Tax, with Penalty	-	1,93,384
iv) MVAT (Alongwith Interest & Penalty)	43,840	4,05,248
Total	28,91,456	34,46,248

Note : 20 REVENUE FROM OPERATIONS

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of Products	47,45,28,438	53,88,86,058
Other Operating Revenues :		
Cylinder Rent	19,04,248	13,94,180
Cylinder Repairs	17,74,496	12,71,165
Packing & Forwarding & Other Charges Received	15,748	-
Transport Charged Recovered	13,62,339	28,99,341
Total	47,95,85,269	54,44,50,744

Note : 21 OTHER INCOME

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Income	24,77,518	34,53,888
Dividend Income	-	80
Profit on sale of Property, Plants & Equipments	2,97,845	13,21,964
Increase in fair value of investments	1,39,145	-
Other Non-operating income		
Other Income	1,70,993	2,06,233
Sundry Balance Written-back	1,66,390	1,20,865
Interest on Income Tax Refund	91,936	-
Total	33,43,827	51,03,030

Note : 22 COST OF MATERIAL CONSUMED

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Inventories at the beginning of the year	26,71,560	21,91,897
Add: Purchases	14,46,05,214	17,00,22,355
Total	14,72,76,774	17,22,14,252
Less: Inventories at the end of the year	26,98,993	26,71,560
Total	14,45,77,781	16,95,42,692

Note : 23 PURCHASE OF STOCK-IN-TRADE

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Ammonia Gas	1,72,30,405	5,07,31,350
Other Gases & Gas Mixtures	17,66,82,832	18,40,49,694
Gas Cylinder	1,04,09,550	46,18,150
Total	20,43,22,787	23,93,99,194

Note : 24 CHANGE IN INVENTORIES

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Inventories at the beginning of the year		
Finished Goods	5,21,575	5,38,596
Stock in Trade	62,34,651	97,93,899
Cylinders Capitalised during the year	-	(30,16,455)
(A)	67,56,226	73,16,040
Inventories at the end of the year		
Finished Goods	9,19,094	5,21,575
Stock in Trade	90,05,092	62,34,651
(B)	99,24,186	67,56,226
Total (A-B)	(31,67,960)	5,59,814

Note : 25 EMPLOYEE BENEFIT EXPENSE

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries and wages	2,08,98,191	2,15,69,556
Contributions to Provident and other fund	17,30,689	24,72,727
Staff welfare expenses	5,47,851	33,40,896
Total	2,31,76,731	2,73,83,179

Note : 25.1 EMPLOYEE BENEFITS:
Post-employment Benefit
Defined Contribution Plan:

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" ₹ 1120506 (Previous Year: ₹ 1181820).

Defined Benefit Plan:

The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines. The details of these defined benefit plans recognised in the financial statements are as under:

General Description of the Plan:

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

Gratuity plan

The following table sets out the status of the gratuity plan as required under Ind AS 19 and the reconciliation of opening and closing balances of the present Value of the defined benefit obligation:

(a) Movement in present value of defined benefit obligation are as follows :

(Amt. in ₹)

Particulars	Gratuity	
	As At March 31, 2021	As At March 31, 2020
Obligations at beginning of the year	53,26,679	41,69,484
Current Service cost	3,15,284	2,35,412
Past Service Cost	(8,00,552)	-
Interest cost	3,65,410	3,24,803
Actuarial (gain) / loss – due to change in Demographic assumptions	75,309	-
Actuarial (gain) / loss – due to change in financial assumptions	1,03,109	2,95,322
Actuarial (gain) / loss- due to experience adjustments	(2,07,189)	3,01,658
Benefits paid	(3,97,012)	-
Present value of benefit obligation at the end of the year	47,81,038	53,26,679

(b) Movement in the fair value of plan assets are as follows :

(Amt. in ₹)

Particulars	Gratuity	
	As At March 31, 2021	As At March 31, 2020
Plan assets at the beginning of the year, at fair value	40,98,827	33,61,289
Interest Income	2,81,180	2,61,844
Return on plant assets excluding interest income	(8,644)	(24,306)
Contributions by the employer	-	5,00,000
Benefits paid	-	-
Fair value of plan assets at the end of the year	43,71,363	40,98,827

(c) The amount included in the balance sheet arising from the entities obligation in respect of defined benefit plan is as follows:

(Amt. in ₹)

Particulars	Gratuity	
	As At March 31, 2021	As At March 31, 2020
Present value of benefit obligation at the end of the year	47,81,038	53,26,679
Fair value of plan assets at the end of the year	(43,71,363)	(40,98,827)
Net liability arising from defined benefit obligation	4,09,675	12,27,852

(d) Amount recognized in the Statement of Profit and Loss in respect of the defined benefits plans are as follows :

(Amt. in ₹)

Particulars	Gratuity	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Current service cost	3,15,284	2,35,412
Net Interest expense	84,230	62,959
Past service cost	(8,00,552)	-
Components of defined benefit costs recognised in the Statement of Profit and Loss	(4,01,038)	2,98,371
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses on obligation for the period	(28,771)	5,96,980
Return on plant assets, excluding interest income	8,644	24,306
Components of defined benefit costs recognised in Other Comprehensive Income	(20,127)	6,21,286
Total	(4,21,165)	9,19,657

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income.

(e) Investment details of plan assets:

To fund the obligations under the gratuity plan, Contributions are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines.

(f) The defined benefit obligations shall mature after year ended March 31, 2021 as follows:

(Amt. in ₹)

	As At March 31, 2021	As At March 31, 2020
1st Following Year	17,32,528	23,03,922
2nd Following Year	2,07,334	80,932
3rd Following Year	5,40,424	1,82,393
4th Following Year	1,88,270	4,61,918
5th Following Year	3,14,451	80,744
Sum of Years 6 To 10	10,87,736	9,15,889
Sum of Years 11 and above	35,15,262	60,86,066

(g) Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amt. in ₹)

Particulars	Gratuity	
	As At March 31, 2021	As At March 31, 2020
Projected Benefit Obligation on Current Assumptions	47,81,038	53,26,679
Delta effect of +1% change in the rate of Discounting	(2,35,927)	(3,15,745)
Delta effect of -1% change in the rate of Discounting	2,71,977	3,74,820
Delta effect of +1% change in the rate of salary Increase	2,70,447	3,74,286
Delta effect of -1% change in the rate of salary increase	(2,38,940)	(3,20,875)
Delta effect of +1% change in the rate of employee turnover	5,591	24,411
Delta effect of -1% change in the rate of employee turnover	(6,628)	(28,144)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognized in Balance Sheet.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Company expects to make a contribution of ₹ 4,09,675 (as at March 31, 2020 : ₹ 12,27,852) to the defined benefit plans during the next financial year.

(h) The principal assumptions used for the purpose of actuarial valuation were as follows :

(Amt. in ₹)

Particulars	Gratuity	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Discount Rate	6.44%	6.86%
Expected return on plan assets	6.44%	6.86%
Annual Increase in Salary Costs	6.00%	6.00%
Rate of Employee turnover	6.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

Future Salary increases are based on long term average salary rise expected taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employee market. Future Separation & mortality rates are obtained from relevant data of Life Insurance Corporation of India.

Leave Encashment Plan

The following table sets out the status of the pension plan under Ind AS 19 and the reconciliation of opening and closing balances of the present Value of the defined benefit obligation.

(i) Movement in present value of defined benefit obligation are as follows :

(Amt. in ₹)

Particulars	Leave (Non Funded)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Obligations at the beginning of the year	24,99,848	21,76,605
Current service cost	1,48,035	1,09,563
Interest cost	1,71,490	1,69,558
Actuarial (Gains)/Losses - Due to Change in Demographic Assumptions	39,843	-
Actuarial (Gains)/Losses - Due to Change in Financial Assumptions	41,520	1,11,450
Actuarial (Gains)/Losses - Due to Experience adjustments	(37,922)	(48,104)
Benefits paid	(88,974)	(19,224)
Present value of benefit obligation at the end of the year	27,73,840	24,99,848

(j) Amount recognized in the Statement of Profit and Loss in respect of the defined benefits plans are as follows :

(Amt. in ₹)

Particulars	Leave (Non Funded)	
	As At March 31, 2021	As At March 31, 2020
Actuarial (Gains)/Losses - Due to Change in Demographic Assumptions	39,843	-
Actuarial (Gains) / Losses - Due to Change in Financial Assumptions	41,520	1,11,450
Actuarial (Gains) / Losses - Due to Experience adjustments	(37,922)	(48,104)
Total Actuarial (Gains) / Loss to be Recognized	43,441	63,346

(k) Reconciliation of present value of the obligation and fair value of plan assets

(Amt. in ₹)

Particulars	Leave (Non Funded)	
	As At March 31, 2021	As At March 31, 2020
Present value of the defined benefit obligation at the end of the year	(27,73,840)	(24,99,848)
Fair value of plan assets at the end of the year	-	-
UnFunded status amount of Assets recognized in the balance sheet	(27,73,840)	(24,99,848)

(l) Leave Encashment cost for the year

(Amt. in ₹)

Particulars	Leave (Non Funded)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Current service cost	1,48,035	1,09,563
Net Interest expense	1,71,490	1,69,558
Expected return of plan asset	-	-
Actuarial gain/ (loss) on plan Assets	43,441	63,346
Net leave encashment cost	3,62,966	3,42,467

(m) The principal assumptions used for the purpose of actuarial valuation were as follows :

(Amt. in ₹)

Particulars	Leave (Non Funded)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Discount Rate	6.44%	6.86%
Expected return on plan assets	N.A.	N.A.
Annual Increase in Salary Costs	6.00%	6.00%
Rate of Employee turnover	6.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

Note : 26 FINANCE COST

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Expenses		
Interest - Bank	4,90,396	4,51,880
Interest - Others	1,08,02,153	1,13,70,223
Total	1,12,92,549	1,18,22,103
Other borrowing costs	2,46,446	63,721
Total	1,15,38,995	1,18,85,824

Note : 27 DEPRECIATION AND AMORTIZATION EXPENSE

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation on Property, Plant and Equipment	86,62,557	1,12,32,207
Amortization of Right of Use - Lease assets	9,42,958	9,66,483
Amortization on Intangible assets	2,44,840	2,49,389
Total	98,50,355	1,24,48,079

Note : 28 OTHER EXPENSES

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Plant Operation Charges		
Cylinder Filling Labor	13,68,772	16,85,106
Consumption of Stores and Spares	23,08,029	24,10,806
Water charges	7,37,595	7,95,908
Factory Electricity Expenses	11,62,266	13,14,687
Factory Expenses	3,51,277	4,32,035
Repairs on		
Cylinders	5,75,985	8,70,890
Plant and machinery	2,83,652	17,06,408
Others	7,97,228	12,88,613
	(A) 75,84,804	1,05,04,453
Administrative Expenses		
Rent, Rates & Taxes	7,32,105	4,61,395
CSR Expenditure	-	5,15,000
Insurance Expenses	22,85,057	15,68,674
Postage & Telephone Expenses	5,95,921	7,15,408
Legal & Professional Charges	45,30,095	45,33,940
Listing & Roc Filling Fees	38,800	48,900
Travelling Expenses	2,67,831	10,82,438
Security Service Charges	22,19,998	17,62,000
Office Expenses	12,64,120	11,09,150
Office Electricity Expenses	2,40,516	2,92,552
Other administrative Expenses	1,13,555	1,24,170
Sundry Balances & Bad-debts written off	-	1,33,064
Sales Tax /Service Tax/ Excise duty/GST Expenses	4,60,061	4,27,389
Loss From Partnership Firm	49,073	46,508
Provision for Doubtful Debts & Advances	-	21,97,074
Decrease in fair value of investments (Net)	-	4,33,675
Payment to Auditor		
As auditor :		
Audit Fees	3,50,000	3,50,000
Tax Audit Fees	1,00,000	1,00,000
	4,50,000	4,50,000
Donation	400	18,001
Conveyance Expenses	3,04,781	5,69,279
Printing & Stationery Expenses	6,80,257	6,39,553
Director Sitting Fees	2,24,000	1,60,000
Membership Fees	11,000	20,950
	(B) 1,44,67,570	1,73,09,120
Selling and Distribution Expenses		
Transport & Vehicle Tax Expenses	4,51,24,249	4,59,58,315
Transport Vehicle Repairs	48,59,022	54,74,215
Advertisement & Sales Promotion Expenses	1,38,563	1,50,512
	(C) 5,01,21,834	5,15,83,042
Total (A+B+C)	7,21,74,208	7,93,96,615



Note : 29 TAX EXPENSE

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Tax		
In respect of the current year	44,59,240	37,73,826
In respect of prior years	(1,19,547)	(3,67,841)
(A)	43,39,693	34,05,985
Deferred tax		
In respect of the current year	7,22,025	(12,45,817)
(B)	7,22,025	(12,45,817)
Total (A+B)	50,61,718	21,60,167

Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below :

(Amt. in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit before tax	2,04,56,199	89,38,377
Income tax expense at prevailing rates	25.17%	25.17%
Income tax expense	51,48,416	22,49,611
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :		
Effect of expenses that are not deductible in determining taxable profit	27,56,953	42,28,991
Effect of expenses that are deductible in determining taxable profit	(34,41,064)	(28,61,142)
Adjustments in respect of current income tax of previous year	(1,19,547)	(3,67,841)
Current Tax Provision (A)	43,44,758	32,49,620
Incremental / (Reversal) of Deferred Tax Liability on account of Tangible and Intangible Assets	5,30,508	(6,37,753)
(Incremental) / Reversal Deferred Tax Asset on account of Financial Assets and Other Items	1,91,517	(6,08,064)
Deferred tax Provision (B)	7,22,025	(12,45,817)
Tax effect on Items in Other Comprehensive Income	(5,066)	1,56,365
Tax effect on Items in Other Comprehensive Income (C)	(5,066)	1,56,365
Tax Expenses recognized in Statement of Profit and Loss	Total (A+B+C)	
	50,61,717	21,60,167
The Company's weighted average tax rates	25.35%	26.53%

Note : 30 SEGMENT REPORTING

Based on the guiding principle given in Indian Accounting Standard Ind AS-108 on Segment Reporting issued by The Institute of Chartered Accountants of India, the company's primary business is industrial gases. The business of the company includes gases and mixtures which have similar risks and returns, accordingly there are no separate reportable segment as far as primary segment is concerned. As sales outside India is ₹ Nil, secondary reportable geographical segment-wise reporting is not required to be shown.

Note : 31 RELATED PARTY TRANSACTIONS AS PER INDIAN ACCOUNTING STANDARD 24:

The disclosure in pursuance to Indian Accounting Standard-24 on "Related Party disclosures" is as under:

(a) Name of Related Parties & Relationship

Sr. No.	Name	Relationship	Manner
1	Vadilal Gases Limited	One entity is an associate or Member of group of which other entity is also an associate.	Vadilal Gases Limited and Vadilal Chemicals Limited both are associate of Vadilal International Private Limited
2	Vadilal Industries Limited	One entity is an associate or Member of group of which other entity is also an associate.	Vadilal Industries Limited and Vadilal Chemicals Limited both are associate of Vadilal International Private Limited

Sr. No.	Name	Relationship	Manner
3	Vadilal Forex & Consultancy Services Limited	One entity is an associate or Member of group of which other entity is also an associate.	Vadilal Forex and Consultancy Services Limited and Vadilal Chemicals Limited both are associate of Vadilal International Private Limited
4	Vadilal Enterprises Limited	Enterprise Significantly Influenced by Key Managerial Personnel	Influenced by Key Managerial Personnel
5	Veronica Construction Private Limited	Enterprise Significantly Influenced by Key Managerial Personnel	Influenced by Key Managerial Personnel
6	Vadilal Cold Storage	One entity is an associate or Member of group of which other entity is also an associate.	Vadilal Cold Storage is as associate of Vadilal Industries Limited, which is related party in terms of Clause (2) above.
7	Mr. Rajesh R. Gandhi	Chairman & Managing Director	Key Managerial Personnel
8	Mr. Devanshu L. Gandhi	Managing Director	Key Managerial Personnel
9	Mrs. Deval D. Gandhi	Director	Relative of Key Managerial Personnel
10	Mr. Kalpit R. Gandhi	Director	Relative of Key Managerial Personnel
11	Mr. Dipal J. Soni	Chief Financial Officer	Key Managerial Personnel
12	Mr. Soham B. Raval	Company Secretary	Key Managerial Personnel

(b) Transactions during the year with related parties mentioned in (a) above, in ordinary course of business & balances outstanding as at the year end:

(Amt. in ₹)						
Transaction	Total	Subsidiary	Control Exists	Associates / Co-Associate	Key Managerial Person / Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person or relatives of Key Managerial Personnel
(a) Sales of Goods*						
Vadilal Gases Limited	4,27,65,592 (4,36,48,352)			4,27,65,592 (4,36,48,352)		
Vadilal Enterprises Limited	8,39,206 (15,44,974)					8,39,206 (15,44,974)
Vadilal Industries Limited	16,58,849 (16,67,766)			16,58,849 (16,67,766)		
Vadilal Cold Storage	1,33,006 (93,732)			1,33,006 (93,732)		
(b) Purchase of Goods*						
Vadilal Gases Limited	14,48,42,521 (14,72,80,138)			14,48,42,521 (14,72,80,138)		
(c) Hire Charges/Rent Expense*						
Vadilal Gases Limited	4,24,800 (4,24,800)			4,24,800 (4,24,800)		
(d) Interest Paid						
Veronica Construction Private Limited	48,72,786 (93,73,924)					48,72,786 (93,73,924)
(e) Salary Paid						
Mr. Dipal J. Soni	8,55,742 (8,57,302)				8,55,742 (8,57,302)	
Mr. Soham B. Raval	6,01,992 (6,03,072)				6,01,992 (6,03,072)	

(Amt. in ₹)

Transaction	Total	Subsidiary	Control Exists	Associates / Co-Associate	Key Managerial Person / Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person or relatives of Key Managerial Personnel
(f) Share of Profit/Loss in partnership Firm						
Vadilal Cold Storage	(49,074)			(49,074)		
	(-46,508)			(-46,508)		
(g) Loan or Deposits Repaid						
Veronica Construction Private Limited	10,45,50,000					10,45,50,000
	-					-
(h) Sitting Fees Paid						
Mrs. Deval D. Gandhi	40,000				40,000	
	(16,000)				(16,000)	
Mr. Kalpit R. Gandhi	32,000				32,000	
	(32,000)				(32,000)	
Balance outstanding at year end :						
(a) Investments						
Vadilal Cold Storage	29,40,000			29,40,000		
	(29,40,000)			(29,40,000)		
Vadilal Forex & Consultancy Services Limited	8,62,080			8,62,080		
	(8,02,080)			(8,02,080)		
Vadilal Enterprises Limited	1,81,640					1,81,640
	(1,02,495)					(1,02,495)
(b) Trade Receivable						
Vadilal Industries Limited	1,72,554			1,72,554		
	(3,27,452)			(3,27,452)		
Vadilal Enterprises Limited	1,51,808					1,51,808
	(2,04,848)					(2,04,848)
Vadilal Cold Storage						
(c) Trade Payable						
Vadilal Gases Limited						
Vadilal Enterprises Limited						
(d) Loan Taken						
Veronica Construction Private Limited	88,91,675					88,91,675
	(10,85,68,889)					(10,85,68,889)
(e) Advance To Suppliers						
Vadilal Gases Limited	2,18,09,372			2,18,09,372		
	(1,69,14,915)			(1,69,14,915)		

Note: In Previous year Figures in brackets relate to previous year.

* Figures are Including GST.

Note : 32 FINANCIAL INSTRUMENTS**Category-wise classification of financial Instruments:**

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

(Amt. in ₹)

Particulars	Fair Value Through Profit or Loss	Amortized Cost	Total
Financial assets			
Investments			
In Equity Instruments (Quoted)	79,145	1,03,686	1,82,831
In Equity Instruments (Unquoted)	60,000	8,02,080	8,62,080
Others (Unquoted)	-	31,43,000	31,43,000
Trade receivables	-	9,54,34,206	9,54,34,206
Cash and cash equivalents	-	56,27,293	56,27,293
Other Balances with Banks	-	2,33,11,756	2,33,11,756
Other Financial Assets	-	32,20,080	32,20,080
Total	1,39,145	13,16,42,101	13,17,81,246
Financial liabilities			
Borrowings	-	8,14,77,033	8,14,77,033
Trade payables	-	45,26,052	45,26,052
Other Financial Liabilities	-	4,96,78,392	4,96,78,392
Total	-	13,56,81,477	13,56,81,477

The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

(Amt. in ₹)

Particulars	Fair Value Through Profit or Loss	Amortized Cost	Total
Financial assets			
Investments			
In Equity Instruments (Quoted)	12,245	91,441	1,03,686
In Equity Instruments (Unquoted)	(4,45,920)	12,48,000	8,02,080
Others (Unquoted)	-	29,43,000	29,43,000
Trade receivables	-	9,45,99,588	9,45,99,588
Cash and cash equivalents	-	97,08,567	97,08,567
Other Balances with Banks	-	3,79,40,221	3,79,40,221
Other Financial Assets	-	28,61,802	28,61,802
Total	(4,33,675)	14,93,92,619	14,89,58,944
Financial liabilities			
Borrowings	-	12,12,58,661	12,12,58,661
Trade payables	-	87,38,145	87,38,145
Other Financial Liabilities	-	2,88,15,020	2,88,15,020
Total	-	15,88,11,826	15,88,11,826

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets measured at fair value through Profit & Loss (FVTPL)

a. Financial assets measured at fair value - recurring fair value measurements

(Amt. in ₹)

31 March 2021	Level 1	Level 2	Level 3	Total
Investment in Equity Instruments	1,82,831	-	8,62,080	10,44,911
Total	1,82,831	-	8,62,080	10,44,911

(Amt. in ₹)

31 March 2020	Level 1	Level 2	Level 3	Total
Investment in Equity Instruments	1,03,686	-	8,02,080	9,05,766
Total	1,03,686	-	8,02,080	9,05,766

Capital Management

Equity Share capital and other equity are considered for the purpose of company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The Capital structure of the company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Gearing Ratio

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Debt (Note 1)	10,14,77,037	12,12,58,661
Less : Cash & Cash Equivalents	56,27,293	97,08,567
Net Debt	9,58,49,744	11,15,50,094
Total Equity (Excluding Revaluation Reserve)	11,17,06,883	9,62,97,341
Net Debt to Equity Ratio	86%	116%

Debt is defined as long term borrowings, Short Term Borrowings & Current Maturities of long term Borrowings (Excluding Financial guarantee Contracts & Contingent Consideration)

Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risks. The company's senior management has the overall responsibility for establishing and governing the company's risk management framework. The company has constituted a Risk management committee, which is responsible for developing and monitoring the company's risk management policies. The company's risk management policies considers market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the company.

A. Management of Liquidity Risk

Liquidity risk is the risk that the company will face in meeting its obligation associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

Due to dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The following table shows the maturity analysis of the company's financial liabilities based on the contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

Exposure as at 31st March 2021

(Amt. in ₹)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	25,85,358	7,88,91,675	-	8,14,77,033
Trade Payable	45,26,052	-	-	45,26,052
Other Financial Liabilities (Including Current Maturities of Long Term debt)	4,94,31,252	2,47,140	-	4,96,78,392
Total Financial Liabilities	5,65,42,662	7,91,38,815	-	13,56,81,477

Exposure as at 31st March 2020

(Amt. in ₹)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	1,26,89,772	10,85,68,889	-	12,12,58,661
Trade Payable	87,38,145	-	-	87,38,145
Other Financial Liabilities	2,80,07,222	8,07,798	-	2,88,15,020
Total Financial Liabilities	4,94,35,139	10,93,76,687	-	15,88,11,826

Financial Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

(Amt. in ₹)

Particulars	As At March 31, 2021	As At March 31, 2020
Expiring within one year (Bank overdraft and other facilities)	92,89,642	2,26,60,228

Management of Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

Actual or expected significant adverse changes in business,

Actual or expected significant changes in the operating results of the counterparty,

Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

Significant increase in credit risk on other financial instruments of the same counterparty,

Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Note : 33 EARNING PER SHARE (EPS) AS PER IND AS - 33

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit for the year attributable to owners of the company (In ₹)	1,53,94,481	67,78,210
Basic/ Weighted average number of Equity Shares (In Nos.)	48,74,000	48,74,000
Nominal value of Equity Shares (In ₹)	10	10
Basic/ Diluted Earning per Share (In ₹)	3.16	1.39

Note : 34

Certain balances of Trade Receivable, Trade Payables, loans and advances and Cylinder deposits, advances from customers / dealers and balances of cylinder accounts are subject to confirmation.

Note : 35 OTHER INFORMATION:

35.1) In the Financial Year 2015-16, as per the Internal Auditor's report, an amount of ₹ 4,75,00,000/- has been paid to M/s. Success Vyapar Limited, Kolkatta, on the various dates during the financial year 2013-14 by the then Chairman and Managing Director, without Board Resolution and without Authority.

The Company had appointed an independent investigation agency to know the facts in the matter of huge amount paid to M/s Success Vyapar Ltd. On the basis of the Investigation report by independent agency, the Board of Directors in their board meeting held on 24/06/2016 has decided :

- (i) To make a provision for ₹ 4,75,00,000/- as the recovery from M/s Success Vyapar Limited, Kolkatta is doubtful.
- (ii) To file civil suit against the then Chairman and Managing Director of the company and M/s Success Vyapar Limited or any other necessary action for the recovery of huge amount ₹ 4,75,00,000/- that has been paid to M/s. Success Vyapar Limited, Kolkatta.

The company has filed a Civil suit No. 299 of 2016 dated 28/06/2016 against the then Chairman & Managing Director and M/s Success Vyapar Limited, Kolkatta for the recovery of payment of Rs 4,75,00,000/-.

The company has made provision to reflect a true and fair view of the affairs of the company and provided in books of accounts an amount of ₹ 4,75,00,000/- as a "Provision for doubtful advance".

35.2) Company has received various communications from VAPI GREEN ENVIRO LTD (VGEL) towards payment of water effluent treatment charges from 1998 on wards for its Vapi unit. VGEL has demanded ₹ 85.88 Lacs (In P.Y. ₹ 77.14 lacs) towards effluent treatment charges including compounded interest from the beginning. Company is replying to VGEL regularly since receipt of letters from VGEL that we are not generating any effluent and our manufacturing process is not generating any pollution. Time and again, GPCB officers have visited our site and reported that company is not generating any pollution. Under the circumstances, company has not made any provision in the books of account.



- 35.3) • Vortex Ice-cream Private Limited jointly with Mr. Virendra R. Gandhi (the erstwhile Director) and others have filed a petition against the Company and it's the then Directors, before the Company Law Board, Mumbai bench dated 18th April, 2015 under Section 397 and 398 of the Companies Act, 1956 alleging Oppression and Mismanagement. After hearing both the parties to the petition, the Hon'ble NCLT Bench Member reserved the matter for pronouncement of order.
- However, The Petitioners and Respondents to the petition are seeking to arrive at amicable resolution of the matter and hence, they jointly filed an application to the Hon'ble NCLT on 11th July, 2017 to defer the pronouncement of the order of the said petition. The Hon'ble NCLT Bench Member, after hearing both the parties, passed an order on 19-7-2017, approving the application of the parties. The matter was lastly heard by the Hon'ble NCLT on 8th June, 2021 and adjourned to 28th July, 2021.

Note : 36 LEASES

Disclosure under Ind AS 116 Leases:

(Amt. in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances at the beginning of the Period	17,02,925	-
Lease Liabilities on account of adoption of Ind AS 116	-	25,25,225
Finance Costs Incurred during the year	1,57,521	2,33,583
Net payments of Lease Liabilities	(11,25,474)	(10,55,883)
Balances at the end of the period	7,34,972	17,02,925

Note : 37 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE:

(Amt. in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross Amount required to be spent by the company during the year	5,15,000	5,15,000
Less: Amount Spent during the year	-	-
Total	5,15,000	5,15,000

The company was in the process to identify the CSR project / activity to be undertaken. Due to Covid-19 impact in the routine business activities, the company could not identify the project at the end of the year.

Note : 38 : IMPACT OF COVID-19

In view of the unprecedented COVID-19 pandemic, the management has made a detailed assessment of its liquidity position for the next one year and recoverability of Property, Plant and Equipment, Investments, Trade Receivables and Inventories as at the balance sheet date. In assessing the recoverability, the Company has considered internal and external information upto the date of approval of these Ind AS financial statements and has concluded that there are no material impact on the operations and the financial position of the Company. However, the impact of the global health pandemic may be different from that estimated at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Note : 39

Previous periods figures have been regrouped/ reclassified, wherever necessary, to confirm to current year presentation.

See accompanying notes to the financial statements
In terms of our report attached

FOR R R S & Associates
Chartered Accountants
(Firm Reg. No.: 118336W)

Hitesh V. Kriplani
(Partner)
Membership No. : 140693

Place : Ahmedabad
Date : 30-06-2021

**For and on behalf of the Board of Directors of
Vadilal Chemicals Limited**
CIN: L24231GJ1991PLC015390

Rajesh R. Gandhi
Chairman & Managing Director
DIN: 00009879

Dipal J. Soni
Chief Financial Officer

Place : Ahmedabad
Date : 30-06-2021

Devanshu L. Gandhi
Managing Director
DIN: 00010146

Soham B. Raval
Company Secretary





VADILAL CHEMICALS LIMITED

Registered Office :-

503-504, Aditya Building, Nr. Sardar Patel Seva Samaj,
Mithakhali, Navrangpura, Ahmedabad - 380 006.

Website : <https://vadilalchemicals.in>

Ph. : 079-48936937-38-39

Fax : 079-48936940