



**VADILAL CHEMICALS LIMITED**

# ANNUAL REPORT 2018-2019





#### 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)**28TH ANNUAL REPORT 2018-19**  
**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  
Mr. Jignesh J. Shah (up to 18/06/2019)

**OTHER KEY MANAGERIAL PERSONNEL:**

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

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

**BANKERS** : Bank of Baroda  
IDBI Bank  
HDFC 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: www.vadilalgases.co.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,  
Fax: 022-62638299

**28th ANNUAL GENERAL MEETING**

DAY : Monday

DATE : 30th September, 2019

TIME : 01.00 p.m.

VENUE: H T Parekh Convention Center, 1<sup>st</sup> Floor, Ahmedabad  
Management Association, ATIRA Campus, Dr. Vikram  
Sarabhai Marg, Ahmedabad, Gujarat- 380 015.

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## NOTICE

**NOTICE** is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of **VADILAL CHEMICALS LIMITED** will be held on Monday, 30<sup>th</sup> September, 2019 at 01.00 p.m. at H T Parekh Convention Center, 1<sup>st</sup> Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad, Gujarat - 380 015 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 31<sup>st</sup> March, 2019, the reports of Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended on 31<sup>st</sup> March, 2019.
3. To appoint a Director in place of Mrs. Deval D. Gandhi (DIN: 00988905) who retires by rotation as per provision of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
4. To Re- appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. RRS & Associates, Chartered Accountants (Firm Registration No.: 118336W), be and is hereby Re-appointed as the Statutory Auditors of the Company to hold office for a term of four years from the conclusion of this Annual General Meeting till the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company to be held for the financial year 2022-23 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

### SPECIAL BUSINESS:

5. To Consider and Approve the Related Party Transactions entered into by the Company with Vadilal Gases Limited in Terms Of Provisions Of Section 188 of the Companies Act, 2013 and Rules made thereunder and to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to continue to enter into related party transactions/ arrangements by the Company with Vadilal Gases Limited for the period of 10 years, the details of which are more particularly mentioned in the explanatory statement annexed to the Notice.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby, authorized to do or cause to be done all such Acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings, if required and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

### Registered Office:

503-504, Aditya Building,  
Nr. Sardar Patel Seva Samaj,  
Mithakhali, Navrangpura,  
Ahmedabad- 380 015.  
CIN : L24231GJ1991PLC015390  
Website : www.vadilalgases.co.in  
Phone: (079) 489 369 37/38/39  
Dated: 12<sup>th</sup> August, 2019.

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

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

**NOTES:**

1. 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/herself and proxy need not be a member. Proxies, in order to be effective, must be delivered at the registered office of the company not less than 48 hours before the commencement of the meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. 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 on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. 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.
5. (a) The Company has notified closure of Register of Members and Share Transfer Books from 21<sup>st</sup> September, 2019 to 30<sup>th</sup> September, 2019 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.  
(b) Dividend of Re. 1/- per share (@10%) on Equity Shares for the year ended on 31st March, 2019 as recommended by the Board, if declared at the meeting, will be paid without deduction of tax at source :
  - # to those members, whose names appear on the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company/Share Transfer Agent on or before 20<sup>th</sup> September, 2019 or
  - # in respect of shares held in electronic form, to those "Beneficial Owners" whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 20<sup>th</sup> September, 2019.
6. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
7. 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.  
Hence, Shareholders are requested to submit the following documents to the company's Registrar and Transfer agent- M/s. Big Share Services Limited- 1st Floor, Bharat Tin works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400 059 either through Post or through Courier or the Shareholders may submit the Copy of the said documents at the registered office of the Company.
  - # Self attested copy of PAN card of the shareholder (including the joint holder) and;
  - # Cancelled cheque leaf with the name of first/ sole shareholder printed on it and in absence of personalized cheque, copy of Bank Passbook showing the name and account details of account holder attested by Bank.
  - # Address Proof (Self attested copy of Aadhar Card/ Voter ID/ electricity Bill/ telephone Bill)
8. 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.
9. Members, who have so far not encashed their dividend warrants for the financial year-2016-17 and 2017-18 are requested to approach the Company for revalidated dividend warrants by providing a request letter claiming dividend along with details of folio No., Bank Account details including Bank Account No. and IFSC Code of the Bank.
10. The Company's shares are listed in the four regional Stock Exchanges viz. Ahmedabad Stock Exchange Limited, The Calcutta Stock Exchange Limited, Madras Stock Exchange Limited, Delhi Stock Exchange Limited.
11. Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.
12. Relevant documents referred to in the accompanying Notice and the explanatory statement are open for inspection for the members at the Share Department of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.
13. Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.
14. 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.



15. At this Annual General Meeting, Mrs. Deval D. Gandhi shall retire by rotation and being eligible, offer herself for re-appointment. As required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 given below are the details of the above Directors to be re-appointed/appointed as Directors/Managing Directors of the Company :-

**Mrs. Deval D. Gandhi**

Mrs. Deval D. Gandhi has been associated with the Company as a Director of the Company from 31<sup>st</sup> March, 2015. She is non executive woman Director of Vadilal Chemicals Limited. She is spouse of Mr. Devanshu L. Gandhi, Managing Director of the Company. She has experience of Directorship in Ice-cream and Chemicals Business both. She is in the Directorship of Vadilal Industries Limited and also working in the designation of “Product Development- Head” in Vadilal Industries Limited.

In addition to above, Mrs. Deval D. Gandhi has done diploma in design. As an exclusive designer, with a keen eye for aesthetics and interesting interpretation of traditional Indian craftsmanship and clothes design heritage. Mrs. Deval Gandhi has evolved into a successful label – Timeless Weaves, catering to loyal local clientele, employing small core group of highly skilled craftsman in Ahmedabad, while leveraging highly qualified established resource-base from all over India.

Mrs. Deval D. Gandhi is not member of any Committee of the Company. She is on the Board of following other Companies. Mrs. Deval D. Gandhi holds 119250 Equity shares in Vadilal Chemicals Limited in her individual capacity.

<b>Directorship:</b> Vadilal Industries Limited Vadilal International Private Limited Byad Packaging Industries Private Limited Esveegee wires and Metals Private Limited	<b>Member of the Board Committees:</b> NIL
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**Relationship between the Directors:-**

- Mrs. Deval D. Gandhi, Non Executive woman Director is the spouse of Mr. Devanshu L. Gandhi.

None of the other directors are related to Mrs. Deval D. Gandhi, Director of the Company.

**Process and Manner for availing remote e-voting facility**

- The Company pleased to offer Evoting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote through e-voting services provided by Central Depository Services (India) Limited (CDSL) and the company may pass any resolution by electronic voting system in accordance with the above provisions.
- The process and manner of e-voting is being sent to all the members whose e-mail Ids are registered with the Company/ Depository Participant /Share Transfer Agent for communication purpose through electronic mode.
- The Members who has cast their votes by remote e-voting may also attend the Meeting but shall not be entitled to cast their votes again.
- 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 the poll and 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.
- Voting rights shall be reckoned on the paid up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut off date i.e. 23<sup>rd</sup> September, 2019.
- Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut off date i.e. 23<sup>rd</sup> September, 2019 may obtain the User ID and Password in the manner as mentioned below:
  - If e-mail Id address or mobile number of the member is registered against folio No./ DP ID/ Client ID, then on the home page of <http://www.evotingindia.com>, the member may click “Forgot password” and enter folio No. or DP ID or Client ID and PAN to generate password.
  - Member may call CDSL toll free number 18002005533.
  - Member may send an e-mail request to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - If the member is already registered with CDSL e-voting platform then he can use his existing user ID and password for casting the vote through remote e-voting.
- The Scrutinizer after Scrutinizing the votes cast at the meeting (poll) and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the chairman. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company [www.vadilalgases.co.in](http://www.vadilalgases.co.in) and on the website of CDSL viz. <http://www.evotingindia.com>. The results shall simultaneously be communicated to the stock exchange.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Friday, 27<sup>th</sup> September, 2019 at 09.00 a.m. and ends on Sunday, 29<sup>th</sup> September, 2019 at 05.00 p.m., During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date 23<sup>rd</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN Field.</li> </ul>
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"> <li>• 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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company name <VADILAL CHEMICALS LIMITED> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) Shareholders can also use Mobile app - "m - Voting" for e voting. Shareholders may log in to m-voting using their e voting credentials to vote for the company resolution(s)
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, 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](mailto: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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## ANNEXURE TO THE NOTICE:

### Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013.

#### ITEM NO. 5

The Company in its ordinary course of business purchases and sells Industrial Gases to Vadilal Gases Limited (hereinafter referred to as "VGL") on regular basis.

Vadilal Gases Limited falls under the category of a related party of the Company in terms of the provisions of Section 188 of the Companies Act, 2013 and Rules made thereunder.

The transaction entered into with Vadilal Gases Limited whether individually and/or in aggregate exceeds the stipulated threshold of ten percent of the annual turnover of the Company as per the last audited financial statements of the Company.

The Company therefore requires approval of the shareholders through an Ordinary resolution for entering into transaction of purchase and sale of Industrial Gases to Vadilal Gases Limited upto a maximum amount of ₹ 100 Crore from the financial year 2019-20 and onwards.

The relevant information related to related party transaction is as under:

1.	Name of the party	Vadilal Gases Limited (VGL)			
2.	Nature of relation	A Public Company in which Directors of the Company are Directors and holding more than 2% shares alongwith their relatives			
3.	Name of the Interested Directors	Mr. Rajesh R. Gandhi Mr. Devanshu L. Gandhi			
	<b>Nature, duration and particulars of contract or arrangement or transaction</b>	<b>material terms of the contract or arrangement, or transaction including value, if any</b>	<b>any advance paid or received for the contract or arrangement or transaction, if any</b>	<b>the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract</b>	<b>Transaction value for which approval is sought (₹ in lakhs)</b>
	4.	5.	6.	7.	8.
	There is no formal contract or agreement between VCL and VGL. VGL is in the business of manufacturing of various grade of Argon & Nitrogen Gases, Calibration Gases, Mixture Gases etc. and sell its' 100% products/ materials to VCL, while VCL Re-labelling the products received from VGL & sell the products in the open market. Approval is sought for Transactions with Vadilal Gases Limited for the period of 10 years.	VCL, in the ordinary course of business enters into transactions of purchase and sale of industrial Gases from VGL. During the year - 2018-19, VCL has made purchase Industrial Gases of ₹ 12,69,13,255/- and sold the Industrial Gases to Vadilal Gases Limited of ₹ 4,00,20,330/-. Further, Company has paid Rent to Vadilal Gases Limited of ₹ 4,24,800/- during the financial year- 2018-19.	No advance paid or received.	Sale and Purchase of Industrial Gases as per market rate.	Approval of shareholders is sought for transactions of ₹ 100 Crore per financial year for a period of 10 financial years commencing from 2019-20 till 2028-29.

The Audit committee and the Board of the Directors of the Company have at their meetings held on 28<sup>th</sup> May, 2019 approved the aforesaid related party transactions.

The approval of the Members by way of an Ordinary Resolution is sought pursuant to Section 188 of the Companies Act 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and amendments made thereunder.

Mr. Rajesh R. Gandhi, Mr. Devanshu L. Gandhi are interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

#### Registered Office:

503-504, Aditya Building,  
Nr. Sardar Patel Seva Samaj,  
Mithakhali,  
Ahmedabad – 380006.  
Date : 12<sup>th</sup> August, 2019

**BY ORDER OF THE BOARD  
FOR VADILAL CHEMICALS LIMITED**

Sd/-  
**(RAJESH R. GANDHI)**  
(DIN: 00009879)  
Chairman & Managing Director



**DIRECTORS' REPORT**

To,  
The Members,  
**VADILAL CHEMICALS LIMITED**  
Ahmedabad.

**FINANCIAL HIGHLIGHTS:**

Your Directors have pleasure in presenting herewith the 28<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2019.

(₹ In lacs)

Sr. No	Particulars	Year ended on 31-03-2019	Year ended on 31-03-2018
(a)	Income from Operations	5528.53	4387.50
(b)	Other Income	56.85	39.08
(c)	Total Expenditure	4840.16	4091.51
(d)	Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	745.22	326.06
(e)	Finance Cost	100.75	92.82
(f)	Depreciation and amortization expenses	115.42	111.9
(g)	<b>Profit before Tax</b>	<b>529.05</b>	<b>121.35</b>
(h)	Tax Expenses:		
	- Current Tax	162.56	121.35
	- Deferred Tax	(10.33)	(16.67)
	<b>Total Tax Expenses</b>	<b>152.23</b>	<b>26.65</b>
(i)	<b>Profit for the year</b>	<b>376.83</b>	<b>94.7</b>
(j)	Other Comprehensive Income:		
	Items not to be reclassified to statement of profit & Loss:		
	- Remeasurements of the defined benefit plans	(3.01)	1.02
	- Income Tax relating to items that will not be reclassified to profit & loss	0.84	(0.28)
	<b>Total Other Comprehensive Income</b>	<b>(2.17)</b>	<b>0.74</b>
(k)	<b>Total Comprehensive Income for the year</b>	<b>374.66</b>	<b>95.44</b>
(l)	<b>Surplus in the Statement of Profit and Loss:</b>		
	Balance as per last Financial Statements	(111.52)	(177.62)
	<b>Profit for the year</b>	<b>376.83</b>	<b>94.7</b>
	Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of income tax	(2.17)	0.74
	Less : Payment of dividend on equity shares (incl. tax on dividend):	(29.38)	(29.33)
	<b>Net Surplus in the statement of Profit and Loss</b>	<b>233.76</b>	<b>(111.52)</b>

**STATE OF COMPANY'S AFFAIRS:**

The Company has earned Revenue from operations of ₹ 5528.53 lacs during the year ended on 31st March, 2019 as against ₹ 4378.50 lacs earned during the previous year ended on 31st March, 2018. The company has also earned other income of ₹ 56.85 lacs during the year under review as against ₹ 39.08 lacs earned during the previous year.

The Company has earned Profit before Interest, Tax, Depreciation and Amortisation (EBITDA) of ₹ 745.22 lacs during the year ended on 31st March, 2019 as compared to profit of ₹ 326.06 lacs incurred during the previous year ended on 31st March, 2018.

The Company has earned Net Profit of ₹ 374.66 lacs for the year ended on 31st March, 2019 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 ₹ 95.44 lakhs incurred by the Company during the previous year ended on 31st March, 2018.

**DIVIDEND:**

The Board of Directors have recommended Dividend of ₹ 1/- per share (@ 10%) on 48,74,000 Equity Shares of ₹ 10/- each of the Company for the Financial Year 2018-19. This will absorb ₹ 48.74 lacs and The Corporate Dividend Distribution Tax by the Company on the said Dividend will be 10.01 lacs for the present year. If approved, the dividend will be paid without deduction of tax at source to the shareholders.

**TRANSFER TO RESERVE:**

The Company does not propose to transfer any amount to General Reserve for the financial year 2018-19.

**EXTRACT OF ANNUAL RETURN:**

Extract of Annual Return of the Company is annexed herewith as **Annexure – I** to this Report.

**FINANCE:**

During the year under review, the Company has taken Bank Overdraft Facility against Fixed Deposit of the Company. The Details of the same have been given in the Note No. 13 of Financial Statement of the Company. Apart from above, the Company has not availed any other Secured/ unsecured Loan from Banks or Financial Institutions or others.

The Company has made regular repayment of outstanding Loan 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 – II** 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 or 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.

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

During the year 2018-19, 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- III** 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. 32 to the financial statement which sets out related party disclosures.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Rajesh Gandhi and Mr. Devanshu Gandhi were Re-appointed as Managing Directors of the Company for the period of 5 years with effect from 1<sup>st</sup> January, 2018 upto 31<sup>st</sup> December, 2022.

Mr. Jignesh J. Shah has resigned from the position of Independent Director of the Company w.e.f 19<sup>th</sup> June, 2019. No other 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, Mrs. Deval D. Gandhi, Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offer herself for re-appointment. The retiring by rotation of Mrs. Deval D. Gandhi, as aforesaid and her re-appointment shall not be termed as discontinuation in her office as Director of the Company. The Members are requested to consider her re-appointment as Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

**BOARD EVALUATION:**

The Board of directors have carried out an annual evaluation of its own performance, Board committees and individual directors 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 12<sup>th</sup> February, 2019.

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:**

Audit Committee comprises the following Directors:-

Sr. No.	Name of the Member	Designation	Category
1	Mr. Jignesh J. Shah* (till 19-06-2019)	Chairman	Independent Director
2	Mr. Devanshu L. Gandhi	Member	Managing Director
3	Mr. Rohit J. Patel	Member	Independent Director
4	Mr. Udayan R. Patel#	Member/ Chairman	Independent Director

\* Mr. Jignesh J. Shah has resigned as Director of the Company w.e.f. 19<sup>th</sup> June, 2019.

# Mr. Udayan Patel has been appointed as Chairman of the Audit Committee w.e.f. 12<sup>th</sup> August, 2019.

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.

Three audit committee meetings were held during the year-2018-19 on 28<sup>th</sup> May, 2018, 10<sup>th</sup> August, 2018 and 12<sup>th</sup> February, 2019.

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



#### NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises the following Directors:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Rohit J. Patel	Chairman	Independent Director
2	Mr. Jignesh J. Shah* (till 19-06-2019)	Member	Independent Director
3	Mr. Udayan Patel	Member	Independent Director
4	Mr. Ashish Modi#	Member	Independent Director

\* Mr. Jignesh J. Shah has resigned as Director of the Company w.e.f. 19<sup>th</sup> June, 2019.

# Mr. Ashish Modi has been appointed as Member of the Nomination and Remuneration Committee w.e.f. 12<sup>th</sup> August, 2019.

The constitution of the Nomination and Remuneration Committee fulfills the requirements of Section 177 of the Companies Act, 2013 and Rules made there under.

Two Nomination and Remuneration Committee meeting held on 28<sup>th</sup> May, 2018 and 12<sup>th</sup> February, 2019 during the year 2018-19.

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee comprises 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 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 transfer 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.

Two Stakeholder Relationship Committee meeting of the Company held during the year 2018-19 on 12<sup>th</sup> October, 2018 and 1<sup>st</sup> March, 2019.

#### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Nomination and Remuneration Committee have recommended and Board of Directors, at its meeting held on 31<sup>st</sup> 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 31<sup>st</sup> March, 2015 and applicable provisions of applicable Listing Regulations. The said policy is enclosed with the Directors' report and marked as "Annexure - IV". There is no change in the Policy during the financial year- 2018-19.

#### 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. Jignesh J. Shah* (till 19-06-2019)	Director	Independent
6	Mr. Ashish H. Modi	Director	Independent
7	Mr. Rohit J. Patel	Director	Independent
8	Mr. Udayan Patel	Director	Independent

\* Mr. Jignesh J. Shah has resigned from the position of Independent Director of the company w.e.f 19<sup>th</sup> June, 2019.

#### NUMBER OF BOARD MEETINGS:

During the year under review, Four Meetings of Board of Directors were held on 28<sup>th</sup> May, 2018, 10<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 12<sup>th</sup> February, 2019.

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

As required under Section 134(1)(m) of the Companies Act, 2013 and Rules made thereunder, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure -V 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.

**CORPORATE SOCIAL RESPONSIBILITY:**

Provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility 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 were appointed as Statutory Auditors of the Company for the period of three years at the 25th annual general meeting of the Company till the Conclusion of 28th Annual General Meeting of the Company 2018-19. Hence, the term of the said Auditors are completed at the 28<sup>th</sup> Annual General Meeting.

The Board of Directors, on recommendation of the Audit Committee, recommended for their re- appointment of M/s. RRS & Associates, Chartered Accountants (Firm Reg. No. 118336W) as a Statutory Auditors at the Annual General Meeting for the period of 4 years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company to be held in the year 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 for the affairs of the company for the financial year 2018-19.

**SECRETARIAL AUDITOR:**

The Board has appointed M/s. SPAN & Co., Company Secretaries, LLP to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as **Annexure- VI** to this Report.

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 and 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 - VII**.

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 have adopted Policy of Vigil Mechanism in their Meeting held on 14<sup>th</sup> August, 2014.





## **MATERIAL INFORMATION:**

- 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 18<sup>th</sup> 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 11<sup>th</sup> 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 28<sup>th</sup> March, 2019 and adjourned to 6<sup>th</sup> June, 2019.

## **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, 2019 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 women 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,  
Ahmedabad – 380006.  
Date : 12<sup>th</sup> August, 2019

**BY ORDER OF THE BOARD  
FOR VADILAL CHEMICALS LIMITED**

Sd/-  
**(RAJESH R. GANDHI)**  
(DIN: 00009879)  
Chairman & Managing Director

## ANNEXURE – I TO THE DIRECTORS' REPORT

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2019**  
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)**  
**of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

CIN	L24231GJ1991PLC015390
Registration Date	11 <sup>th</sup> April, 1991
Name of the Company	VADILAL CHEMICALS LIMITED
Category/Sub-category of the Company	Public Limited Company
Address of the Registered office & contact details	503-504, Aditya Building, Nr. Sardar Patel seva Samaj, Mithakhali, Navrangpura, Ahmedabad- 380 006.
Whether listed company	Listed at Ahmedabad stock Exchange Limited, Calcutta Stock Exchange Limited, Madras Stock Exchange Limited and Delhi Stock Exchange Limited.
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Big Share Services Private Limited 1 <sup>st</sup> Floor, Bharat Tin works Buiding, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai- 400 059. Phone No. : 022 6263 8295.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1	Ammonia Gas	2814	35.06%
2	Hydrogen	2804	14.35%
3	Liquor Ammonia	2814	13.23%
4	Ethylene Gas	2901	10.93%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

NIL

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	849284	492665	1341949	27.53	849284	444121	1293405	26.53	(1.00)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	893600	2209254	3102854	63.66	893600	2209254	3102854	63.66	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Directors' Relatives	-	-	-	-	-	-	-	-	-
Non Residential Individual	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>1742884</b>	<b>2701919</b>	<b>4444803</b>	<b>91.19</b>	<b>1742884</b>	<b>2653375</b>	<b>4396259</b>	<b>90.19</b>	<b>(1.00)</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	5900	5900	0.12	-	5900	5900	0.12	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	8816	414481	423297	8.68	17516	405781	423297	8.68	-
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	-	48544	48544	1.00	1.00
c) Others (specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Hindu Undivided Families (HUF)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>8816</b>	<b>420381</b>	<b>429197</b>	<b>8.8</b>	<b>17516</b>	<b>460225</b>	<b>477741</b>	<b>9.8</b>	<b>1.00</b>
<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)</b>	<b>8816</b>	<b>420381</b>	<b>429197</b>	<b>8.8</b>	<b>17516</b>	<b>460225</b>	<b>477741</b>	<b>9.8</b>	<b>1.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1751700</b>	<b>3122300</b>	<b>4874000</b>	<b>100.00</b>	<b>1760400</b>	<b>3113600</b>	<b>4874000</b>	<b>100.00</b>	<b>-</b>

**B) Shareholding of Promoter-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2018)			Shareholding at the end of the year (31-3-2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vadilal International Private Limited	2013204	41.3	-	2013204	41.3	-	-
2	Devanshu Laxmanbhai Gandhi	532250	10.91	-	532250	10.91	-	-
3	Vadilal Marketing Private Limited	423650	8.69	-	423650	8.69	-	-
4	Axilrod Private Limited (Erstwhile Vortex Ice-cream Private Limited)	383650	7.87	-	383650	7.87	-	-
5	Kalpit Realty and Services Limited	173650	3.56	-	173650	3.56	-	-
6	Rajesh Ramchandra Gandhi	157037	3.22	-	157037	3.22	-	-
7	Virendra Ramchandra Gandhi	135002	2.77	-	135002	2.77	-	-
8	Deval Devanshu Gandhi	119250	2.45	-	119250	2.45	-	-
9	Byad Packaging Industries Pvt Ltd.	86300	1.77	-	86300	1.77	-	-
10	Mamta Rajesh Gandhi	76416	1.56	-	76416	1.56	-	-
11	Shri Ramchandra R. Gandhi	56271	1.15	-	56271	1.15	-	-
12	Ilaben V. Gandhi	49382	1.01	-	49382	1.01	-	-
13	Ushaben N.Modi*	48544	1.00	-	0	0.00	-	(1.00)
14	Nayana Surendra Choksi	43050	0.88	-	43050	0.88	-	-
15	Janmajay V. Gandhi	37177	0.76	-	37177	0.76	-	-
16	Khevna V. Gandhi	33740	0.69	-	33740	0.69	-	-
17	Dharini V. Gandhi	36540	0.75	-	36540	0.75	-	-
18	Veronica Constructions Private Limited	22400	0.46	-	22400	0.46	-	-
19	Shri Kalpit R. Gandhi	17290	0.35	-	17290	0.35	-	-
<b>TOTAL</b>		<b>4444803</b>	<b>91.19</b>	<b>-</b>	<b>4396259</b>	<b>90.19</b>	<b>-</b>	<b>(1.00)</b>

\* Shares of Mrs. Ushaben N. Modi was transferred to Mr. Navinchandra C. Modi Joint with Mr. Ashutosh N. Modi due to death of the holder and the aforesaid shares are re-classified as Public Shareholder.

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2018)		Cumulative Shareholding during the year (from 1-4-2018 to 31-3-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4444803	91.19	4444803	91.19
	Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	(48544)	(1.00)
	At the end of the year	4444803	91.19	4396259	90.19

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
1	Nitaben Alias Hemali Piyush Surati	6631	0.14	6631	0.14
2	Adatiya Hiteshbhai Navaniltal	6600	0.14	6600	0.14
3	Dipeshbhai Mahendrakumar Adatia	6600	0.14	6600	0.14
4	Krishna Aman Khajanchi	4403	0.09	4403	0.09
5	Vaibhavi Hiren Gandhi	4403	0.09	4403	0.09
6	Manojkumar Vadilal Modi	3844	0.08	3844	0.08
7	Punnu Securities Ltd	2500	0.05	2500	0.05
8	Chetna Yogendra Modi	2500	0.05	2500	0.05
9	Yogendra Modi	2500	0.05	2500	0.05
10	Jagdish R. Patel	2400	0.05	2500	0.05
	<b>At the end of the year</b>				
1	Nitaben Alias Hemali Piyush Surati	6631	0.14	6631	0.14
2	Adatiya Hiteshbhai Navaniltal	6600	0.14	6600	0.14
3	Dipeshbhai Mahendrakumar Adatia	6600	0.14	6600	0.14
4	Krishna Aman Khajanchi	4403	0.09	4403	0.09
5	Vaibhavi Hiren Gandhi	4403	0.09	4403	0.09
6	Manojkumar Vadilal Modi	3844	0.08	3844	0.08
7	Punnu Securities Ltd	2500	0.05	2500	0.05
8	Chetna Yogendra Modi	2500	0.05	2500	0.05
9	Yogendra Modi	2500	0.05	2500	0.05
10	Jagdish R. Patel	2400	0.05	2400	0.05

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01-04-2018)		Cumulative Shareholding during the Year (31-03-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mr. Rajesh R. Gandhi, Chairman and Managing Director</b>				
	At the beginning of the year	157037	3.22	157037	3.22
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	157037	3.22	157037	3.22
<b>2.</b>	<b>Mr. Devanshu L. Gandhi, Managing Director</b>				
	At the beginning of the year	532250	10.92	532250	10.92
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	532250	10.92	532250	10.92



SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01-04-2018)		Cumulative Shareholding during the Year (31-03-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>3.</b>	<b>Mrs. Deval D. Gandhi, Director</b>				
	At the beginning of the year	119250	2.45	119250	2.45
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	119250	2.45	119250	2.45
<b>4.</b>	<b>Mr. Kalpit R. Gandhi, Director</b>				
	At the beginning of the year	17290	0.35	17290	0.35
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	17290	0.35	17290	0.35

# Note: Independent Directors and Key Managerial Personnel other than Managing Directors do not hold any shares of the Company.

**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

Particulars	Secured Loans excluding deposits	Unsecured Loans	*Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	83675564	25764817	109440381
ii) Interest due but not paid	-	8804423	-	8804423
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>92479987</b>	<b>25764817</b>	<b>118244804</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	11547005	-	4086397	15633402
Reduction	-	2968331	1629891	4598222
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	11547005	89511656	28221323	129279984
ii) Interest due but not paid	-	9683309	-	9683309
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>11547005</b>	<b>99194965</b>	<b>28221323</b>	<b>138963293</b>

\* Deposits includes Interest free cylinder Security deposits taken by the company. Further, the company has not taken any Unsecured deposit from public or members of the company during the year.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Rajesh R. Gandhi, Chairman and Managing Director	Mr. Devanshu L. Gandhi, Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify: Contribution to Provident Fund	-	-	-
	<b>Total (A)</b>	-	-	-

**B. REMUNERATION TO OTHER DIRECTORS**

SN.	Particulars of Remuneration	Name of Directors #						Total Amount (Gross)
		Mr. Rohit J. Patel	Mr. Jignesh J. Shah	Mr. Udayan R. Patel	Mr. Ashish H. Modi	Mrs. Deval D. Gandhi	Mr. Kalpit R. Gandhi	
1	Independent Directors							
	Fee for attending board committee meetings	52000	36000	36000	24000	-	-	148000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>52000</b>	<b>36000</b>	<b>36000</b>	<b>24000</b>	<b>-</b>	<b>-</b>	<b>-</b>
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	16000	32000	48000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16000</b>	<b>32000</b>	<b>48000</b>
	<b>Total (B)=(1+2)</b>	<b>52000</b>	<b>36000</b>	<b>36000</b>	<b>24000</b>	<b>16000</b>	<b>32000</b>	<b>196000</b>
	<b>Total Managerial Remuneration (A+B) (Gross)</b>							<b>196000</b>
	Overall Ceiling as per the Act							N.A.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Dipal J. Soni, Chief Financial Officer	Mr. Soham B. Raval, Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	228612	188460	417072
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	439308	311664	750972
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others specify...	-	-	-
5	Others (PF, Bonus)	46488	38328	84816
	<b>Total</b>	<b>714408</b>	<b>538452</b>	<b>1252860</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			Nil		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			Nil		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			Nil		
Compounding					

**Registered Office:**  
503-504, Aditya Building,  
Nr. Sardar Patel Seva Samaj,  
Mithakhali,  
Ahmedabad – 380006.  
Date : 12<sup>th</sup> August, 2019

**BY ORDER OF THE BOARD  
FOR VADILAL CHEMICALS LIMITED**

Sd/-  
**(RAJESH R. GANDHI)**  
(DIN: 00009879)  
Chairman & Managing Director

## 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:

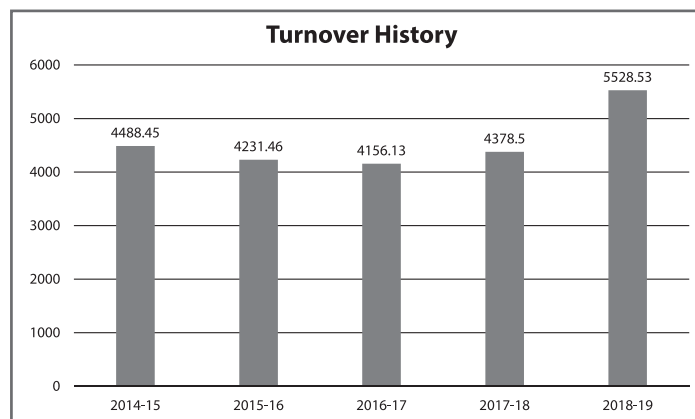
#### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has earned Revenue from operations of ₹ 5528.53 Lacs during the year ended on 31<sup>st</sup> March, 2019 as against ₹ 4378.50 Lacs earned during the previous year ended on 31<sup>st</sup> March, 2018 giving a rise of 26.27 % as compared to previous year.

After adding thereto the other income of ₹ 56.85 Lacs earned by the Company, the Company has earned total income of ₹ 5585.38 Lacs during the year under review. The Company has incurred total expenses of ₹ 5056.33 Lacs including Finance cost of ₹ 100.75 Lacs and Depreciation and Amortization expenses of ₹ 115.42 Lacs, during the year under review.

The Company has earned profit before tax of ₹ 529.05 Lacs during the current year in comparison to ₹ 121.35 Lacs earned by the Company during previous year ended on 31<sup>st</sup> March, 2018. During the current year ended on 31<sup>st</sup> March, 2019, the company has earned profit for the year of ₹ 376.83 Lacs after deducting Current Tax of ₹ 162.56 Lacs and Deferred Tax of ₹ (10.33), as compared to Profit of ₹ 94.70 Lacs incurred by the company during the previous year ended on 31<sup>st</sup> March, 2018.

Turnover History	
	₹ In Lacs
Financial Year	Turnover
2014-15	4488.45
2015-16	4231.46
2016-17	4156.13
2017-18	4378.50
2018-19	5528.53



### 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.

## **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 50 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**

**Place : Ahmedabad  
Date : 12<sup>th</sup> August, 2019**

**Sd/-  
RAJESH R. GANDHI  
(DIN: 00009879)  
Chairman & Managing Director**



**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	There is no formal contract or arrangement. Approval of Shareholders is sought at this Annual General Meeting to approve the 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 is sought at this Annual General Meeting 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- 2018-19, VCL has made purchase of Industrial Gases of ₹ 12,69,13,255/- and sold Industrial Gases of ₹ 4,00,20,330/-. Further, the Company has paid Rent to VGL of ₹ 4,24,800/- during the financial year- 2018-19.
f	Date of approval by the Board	28th 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 is proposed to be passed in this ensuing 28th Annual General Meeting.

**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.

Sr. No.	Particulars	Details
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 ₹ 19,38,158/- during the year 2018-19.
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	10th 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 ₹ 9,02,790/- during the year 2018-19.
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	10th 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.

### Registered Office:

503-504, Aditya Building,  
Nr. Sardar Patel Seva Samaj,  
Mithakhali,  
Ahmedabad – 380006.  
Date : 12<sup>th</sup> August, 2019

### BY ORDER OF THE BOARD FOR VADILAL CHEMICALS LIMITED

Sd/-  
**(RAJESH R. GANDHI)**  
(DIN: 00009879)  
Chairman & Managing Director

**NOMINATION AND REMUNERATION POLICY**
**Introduction:**

In pursuance of the Company’s policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

**Objective and purpose of the Policy:**

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies, in the Chemicals industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee at its meeting held on 31<sup>st</sup> March, 2015 and adopted by the Board of Directors at its meeting held on 31<sup>st</sup> March, 2015.

**Effective Date:**

This policy shall be effective from 31<sup>st</sup> March, 2015.

**Constitution of the Nomination and Remuneration Committee:**

The Board has changed the nomenclature of the existing Remuneration Committee of the Company by renaming it as Nomination and Remuneration Committee on 29<sup>th</sup> July, 2014 and by re-constituting it as per the criteria laid down under Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of following Directors:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Rohit J. Patel	Chairman	Independent Director
2	Mr. Jignesh J. Shah* (till 19-06-2019)	Member	Independent Director
3	Mr. Udayan Patel	Member	Independent Director
4	Mr. Ashish Modi#	Member	Independent Director

\* # Mr. Jignesh J. Shah has resigned as Director of the Company w.e.f. 19th June, 2019. Mr. Ashish Modi has been appointed as Member of the Audit Committee w.e.f. 12th August, 2019.

The Board has the power to reconstitute the Committee consistent with the Company’s policy and applicable statutory requirement.

**Definitions:**

- Board means Board of Directors of the Company.
- Directors means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means Vadilal Chemicals Limited.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means -
  - (i) Chief Executive Officer and / or Managing Director;
  - (ii) Whole-time Director;
  - (iii) Chief Financial Officer;
  - (iv) Company Secretary;
  - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

- Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Applicability:**

The Policy is applicable to :

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

**General:**

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.
- The key features of this Company's policy shall be included in the Board's Report.

**PART – A****MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE:**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**PART – B****POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:**

- **Appointment criteria and qualifications:**
  1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
  2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
  3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- **Term / Tenure:**
  1. **Managing Director/Whole-time Director:**
    - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
  2. **Independent Director:**
    - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
    - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
    - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).
- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations and due to reasons of any fraud, mis-appropriation, cheating, siphoning away of funds, breach of duty, breach of trust, mis-management, financial or other irregularities found in the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.
- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **PART – C**

### **POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

- **General:**
  1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
  2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
  3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st October in respect of a Whole-time Director and 1st April in respect of other employees of the Company.
  4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**
  1. **Fixed pay:**

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

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
  3. **Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.



• **Remuneration to Non- Executive / Independent Director:**

**1. Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

**2. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**3. Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act,2013.

**4. Stock Options:**

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

**Registered Office:**

503-504, Aditya Building,  
Nr. Sardar Patel Seva Samaj,  
Mithakhali,  
Ahmedabad – 380006.  
Date : 12<sup>th</sup> August, 2019

**BY ORDER OF THE BOARD  
FOR VADILAL CHEMICALS LIMITED**

Sd/-  
**(RAJESH R. GANDHI)**  
(DIN: 00009879)  
Chairman & Managing Director



## ANNEXURE- V 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 31<sup>st</sup> March, 2019.

### 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:

503-504, Aditya Building,  
Nr. Sardar Patel Seva Samaj,  
Mithakhali,  
Ahmedabad – 380006.  
Date : 12<sup>th</sup> August, 2019

**BY ORDER OF THE BOARD  
FOR VADILAL CHEMICALS LIMITED**

Sd/-  
**(RAJESH R. GANDHI)**  
(DIN: 00009879)  
Chairman & Managing Director

**ANNEXURE – VI to the Directors’ Report:****FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

[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 SevaSamaj,  
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 yearly secretarial audit, we hereby report that in our opinion, the Company has, during financial year ended on **31<sup>st</sup> March, 2019** (**‘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, 2018 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, 2009 (SEBI ICDR Regulations), upto September 10, 2018 and SEBI ICDR Regulations, 2018 w.e.f September 11, 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, 1998 (SEBI Buyback Regulations) upto September 10, 2018 and SEBI Buyback Regulations, 2018 w.e.f. September 11, 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, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
- Explosive Act, 1884 and rules and regulations made thereunder ;
  - Hazardous Chemicals Act, 1985 and rules and regulations made thereunder ; and
  - Hazardous Chemical Substantives Regulations, 1995

For the purpose of other laws as may be 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 on test-check basis.

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

- Secretarial Standards issued by the Institute of Company Secretaries of India; and
- Provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations] and the Listing Agreements entered into by the Company with the following Stock Exchanges viz.:
  - Ahmedabad Stock Exchange Ltd.
  - Delhi Stock Exchange Ltd.
  - 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 and filed necessary returns and documents with the Registrar of companies.

- While verifying compliance with the provisions of SCRA and the Rules made there under as well as clauses of listing agreement read with SEBI (LODR) Regulations, the data relating to shareholding pattern revealed that the promoters are holding 90.19% of the total share capital of the Company and criteria of minimum public holding of 25% is not maintained.
- Further while verifying compliance with the provisions of SEBI (LODR) Regulations, as per requirement of Regulation 31(2), hundred percent shareholding of promoters and promoter group is not maintained in dematerialized form is in process of dematerialization.

**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. During the Audit Period, Mr. Rajesh Gandhi and Mr. Devanshu Gandhi was reappointed as Managing Directors of the Company. Other than this, 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.

**Place : Ahmedabad**  
**Date: 9<sup>th</sup> August, 2019**

**Signature:**  
**Premnarayan Tripathi, Designated Partner**  
**SPAN & Co. Company Secretaries LLP**  
**FCS 8851**  
**COP: 10029**

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 SevaSamaj,  
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. 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.
5. 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: 9<sup>th</sup> August, 2019**

**Signature:**  
**Premnarayan Tripathi, Designated Partner**  
**SPAN & Co. Company Secretaries LLP**  
**FCS 8851**  
**COP: 10029**

## ANNEXURE – VII 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:

- 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.	N.A.	292.57 %
Mr. Devanshu L. Gandhi, Managing Director @	N.A.	N.A.	
Mr. Dipal J. Soni, Chief Financial Officer	N.A.	20	
Mr. Soham B. Raval, Company Secretary	N.A.	18	

- 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 : 13.50 %
- C.** The number of permanent employees on the rolls of Company: 47
- D.** The explanation on the relationship between average increase in remuneration and Company performance:  
On an average, employees received an annual increase of 13.50%. The individual increments varied from 08 % to 20 %, based on individual performance.  
In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.
- 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 31-03-2019 is ₹ 7.73 as compared to ₹ 1.94 as on 31-3-2018.
- F.** The average annual increase was around 13.50 %. 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,  
Ahmedabad – 380006.  
Date : 12<sup>th</sup> August, 2019

**BY ORDER OF THE BOARD  
FOR VADILAL CHEMICALS LIMITED**

Sd/-  
**(RAJESH R. GANDHI)**  
(DIN: 00009879)  
Chairman & Managing Director

## INDEPENDENT AUDITOR'S REPORT

To the Members,  
**VADILAL CHEMICALS LIMITED**

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **VADILAL CHEMICALS LIMITED ('the company')** which comprise the Balance Sheet as at 31st March, 2019, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2019, the 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 standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Information Other than the Standalone 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 standalone 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 standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 standalone 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with 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 standalone 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 standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".

- 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 standalone financial statements.(Refer note 20)
  - 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 of India in terms of sub section (11) of section 143 of the Act, we give in the 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

**PLACE : AHMEDABAD**  
**DATE : 28<sup>th</sup> May, 2019**

## Annexure-A to the Auditors' 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 report of **Vadilal Chemicals Limited** ("the Company") as on 31 March 2019 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of the 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 Institute of Chartered Accountants of India 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 the financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting included 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.

### **Limitations of Internal Financial Control 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

**PLACE : AHMEDABAD**  
**DATE : 28<sup>th</sup> May, 2019**

**FOR, R R S & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN: 118336W

**(HITESH V. KRIPLANI)**  
PARTNER  
MEMBERSHIP NO. 140693

## 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 proper records showing full particulars including quantitative details and situation of its Fixed Assets.
  - 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 period during the year and no material discrepancies have been noticed on such verification.
  - 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 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, Wealth-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, 2019 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 Statue	Nature of Dues	Amount (in Rs.)	Period to which amount relates	Forum where dispute is pending
ESIC	ESIC Tax	2,13,160	Jul-2005 To Sep-2006	ESIC at Thane, Mumbai
Central Excise & Service Act	Service Tax	5,90,073	From 2012-13 to 2016-17	CESTAT at A'bad
Central Excise & Service Act	Service Tax	3,37,050	From 2013-14 to 2017-18	Commissioner CGST & Central Excise Appeals, Surat
Sales Tax	VAT	3,34,558	2011-12	2016-17
Sales Tax	Entry Tax	70,690	2013-14	2016-17

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 term loans during the year.
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 (xii) 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. According to the explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transaction with directors or connected with them. Accordingly, paragraph 3 (15) of the Order is 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.

FOR, **R R S & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN: 118336W

**(HITESH V. KRIPLANI)**  
PARTNER  
MEMBERSHIP NO. 140693

**PLACE : AHMEDABAD**  
**DATE : 28<sup>th</sup> May, 2019**

**BALANCE SHEET as at 31st March, 2019**

(Amt. in ₹)

Particulars	Notes	As At March 31, 2019	As At March 31, 2018
<b>I. ASSETS:</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plants & Equipments	2	7,33,44,405	7,67,43,141
(b) Intangible Assets	2	1,76,383	3,33,438
(c) Financial Assets			
(i) Investments	3	42,82,441	42,96,917
(ii) Other Financial Assets	4	15,06,346	11,56,441
(d) Non-Current Tax Assets	5	6,03,715	6,03,715
(e) Other Non-Current Assets	6	5,50,932	2,45,387
<b>Total Non-Current Assets</b>		<b>8,04,64,222</b>	<b>8,33,79,039</b>
<b>(2) Current Assets</b>			
(a) Inventories	7	1,38,80,697	1,18,50,711
(b) Financial Assets			
(i) Trade receivables	8	9,97,29,301	8,63,13,427
(ii) Cash and Cash Equivalents	9	93,94,380	90,47,169
(iii) Other Balances with Banks	10	3,53,74,852	1,28,88,931
(iv) Other Financial assets	4	7,614	38,067
(c) Current Tax Assets	5	5,54,667	45,80,330
(d) Other Current Assets	6	2,20,12,584	1,18,63,273
<b>Total Current Assets</b>		<b>18,09,54,095</b>	<b>13,65,81,908</b>
<b>Total Assets</b>		<b>26,14,18,317</b>	<b>21,99,60,947</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	11	4,87,40,000	4,87,40,000
(b) Other Equity	12	4,71,19,917	1,25,92,179
<b>Total Equity</b>		<b>9,58,59,917</b>	<b>6,13,32,179</b>
<b>(2) Liabilities</b>			
<b>(2.1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	9,91,94,965	9,24,79,987
(ii) Other Financial Liabilities	14	-	1,32,000
(b) Provisions	15	7,35,380	5,80,799
(c) Deferred Tax Liabilities (Net)	16	52,99,883	63,33,303
<b>Total Non-Current Liabilities</b>		<b>10,52,30,228</b>	<b>9,95,26,089</b>
<b>(2.2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	1,15,47,005	-
(ii) Trade Payables	17	54,01,334	2,71,35,484
(iii) Other Financial Liabilities	14	2,84,24,754	2,58,99,317
(b) Provisions	15	22,49,420	18,09,219
(c) Current Tax Liabilities (Net)	18	52,47,675	11,16,771
(d) Other Current Liabilities	19	74,57,984	31,41,888
<b>Total Current Liabilities</b>		<b>6,03,28,172</b>	<b>5,91,02,679</b>
<b>Total Liabilities</b>		<b>16,55,58,400</b>	<b>15,86,28,768</b>
<b>Total Equity &amp; Liabilities</b>		<b>26,14,18,317</b>	<b>21,99,60,947</b>

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 : 28<sup>th</sup> May, 2019

40 | 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 : 28<sup>th</sup> May, 2019

**Devanshu L. Gandhi**  
Managing Director  
DIN: 00010146

**Soham B. Raval**  
Company Secretary



**STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2019**

(Amt. in ₹)

Particulars	Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>I INCOME :</b>			
Revenue from operations	21	55,28,53,156	43,78,49,811
Other Income	22	56,84,716	39,07,617
<b>Total Revenue (I)</b>		<b>55,85,37,872</b>	<b>44,17,57,428</b>
<b>II EXPENSES :</b>			
Cost of materials consumed	23	16,73,78,808	14,30,97,046
Purchase of Stock-in-Trade	24	21,93,60,086	16,92,15,595
Changes in inventories of Finished Goods & Stock in trade	25	(7,23,495)	(30,64,321)
Excise Duty on Sale of Goods		-	88,79,690
Employee Benefit Expense	26	2,34,12,260	2,06,86,427
Financial Cost	27	1,00,75,363	92,82,085
Depreciation and Amortization Expense	28	1,15,42,254	1,11,89,827
Other Expenses	29	7,45,87,740	7,03,36,532
<b>Total Expenses (II)</b>		<b>50,56,33,016</b>	<b>42,96,22,881</b>
<b>III Profit Before Tax (I-II)</b>		<b>5,29,04,856</b>	<b>1,21,34,547</b>
<b>IV Tax expense:</b>			
Current tax	30	1,62,55,613	43,31,614
Deferred tax	30	(10,33,420)	(16,66,996)
<b>Total Tax Expenses (IV)</b>		<b>1,52,22,193</b>	<b>26,64,618</b>
<b>V Profit For The Year (V-VI)</b>		<b>3,76,82,663</b>	<b>94,69,929</b>
<b>VI Other Comprehensive Income</b>			
Items not to be reclassified to statement of Profit & Loss			
- Remeasurements of the defined benefit plans		(3,00,625)	1,01,844
Income Tax relating to items that will not be reclassified to profit or loss		83,634	(28,061)
<b>Total Other Comprehensive Income (VI)</b>		<b>(2,16,991)</b>	<b>73,783</b>
<b>VII Total Comprehensive Income For the year (V+VI)</b>		<b>3,74,65,672</b>	<b>95,43,712</b>
<b>VIII Earning per equity share: (Face value ₹ 10/- each)</b>	<b>34</b>		
Basic and Diluted		7.73	1.94

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

**FOR RRS & Associates**  
Chartered Accountants  
(Firm Reg. No.: 118336W)

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

Place : Ahmedabad  
Date : 28<sup>th</sup> May, 2019

**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 : 28<sup>th</sup> May, 2019

**Devanshu L. Gandhi**  
Managing Director  
DIN: 00010146

**Soham B. Raval**  
Company Secretary



## STATEMENT OF CASH FLOWS for the year ended 31st March, 2019

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A) CASH FLOW FROM OPERATIVE ACTIVITIES</b>		
Profit Before Tax	5,29,04,856	1,21,34,547
<b>Adjustment for :</b>		
Depreciation and Amortization Expense	1,15,42,254	1,11,89,827
Interest Income	(29,11,004)	(15,81,027)
Dividend Income	(80)	(80)
Finance Cost	1,00,75,363	92,82,085
(Profit) / Loss on sales of assets	(18,85,752)	(3,96,949)
Bad Debts and Provision for Doubtful Debts (Net)	25,019	1,32,672
Decrease / (Increase) in fair value of investments	14,476	(40,756)
(Profit) / Loss from Partnership Firm	(20,623)	3,32,416
Remeasurements of the defined benefit plans	(2,16,991)	73,783
<b>Operating Profit before working capital changes</b>	<b>6,95,27,518</b>	<b>3,11,26,518</b>
<b>Changes in Working Capital</b>		
(Increase)/ Decrease in Inventories, Trade receivables, financial assets and other assets	(2,62,93,495)	(1,51,23,122)
Increase / (Decrease) in Trade Payables, financial liabilities, other liabilities and provisions	(1,44,29,835)	43,67,490
<b>Cash generated from operation</b>	<b>2,88,04,188</b>	<b>2,03,70,886</b>
Income tax paid	(80,99,046)	(32,25,992)
<b>Net cash flow from Operating Activity</b>	<b>2,07,05,143</b>	<b>1,71,44,894</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on property, plant and equipment	(81,47,789)	(49,34,611)
Proceeds from Sale of property, plant and equipment	20,47,080	5,21,518
Fixed Deposit with Bank	(2,24,16,991)	18,37,539
Dividend Received	80	80
Interest Received	29,11,004	15,81,027
<b>Net Cash used in Investing Activities</b>	<b>(2,56,06,616)</b>	<b>(9,94,447)</b>
<b>C) CASH FLOW USED IN FINANCING ACTIVITIES</b>		
Finance Cost	(1,00,75,363)	(92,82,085)
Dividend Paid	(29,37,934)	(29,33,116)
Proceed/(Repayment) of Short term borrowings	1,15,47,004	(85,31,526)
Proceed/(Repayment) of Long term borrowings	67,14,978	55,84,166
<b>Net Cash used in Financing Activities</b>	<b>52,48,685</b>	<b>(1,51,62,561)</b>
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents Total (A+B+C)</b>	<b>3,47,211</b>	<b>9,87,886</b>
<b>Cash &amp; Cash Equivalents At The Beginning Of The Year</b>		
Cash on Hand	2,05,864	2,43,517
Bank Balance	18,06,014	8,01,696
Fixed Deposits (Maturity Less Than 3 Months)	70,35,291	70,14,070
	<b>90,47,169</b>	<b>80,59,283</b>
<b>Cash &amp; Cash Equivalents At The End Of The Year (Note: 9)</b>		
Cash on Hand	7,93,206	2,05,864
Bank Balance	11,37,574	18,06,014
Fixed Deposits (Maturity Less Than 3 Months)	74,63,600	70,35,291
	<b>93,94,380</b>	<b>90,47,169</b>

**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.

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 : 28<sup>th</sup> May, 2019**

**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 : 28<sup>th</sup> May, 2019**

**Devanshu L. Gandhi**  
Managing Director  
DIN: 00010146

**Soham B. Raval**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2019**

(Amt. in ₹)

Particulars	Equity share Capital	Other Equity				Total other equity	Total Equity
		Capital reserve	Securities premium reserve	General reserve	Retained earnings		
<b>Balance as at April 1, 2017</b>	<b>4,87,40,000</b>	<b>14,93,788</b>	<b>1,52,89,734</b>	<b>69,60,365</b>	<b>(1,77,62,305)</b>	<b>59,81,582</b>	<b>5,47,21,582</b>
Profit for the Year	-	-	-	-	94,69,929	94,69,929	94,69,929
Other Comprehensive Income for the Year, Net of Income tax	-	-	-	-	73,783	73,783	73,783
Total Comprehensive Income for the Year	-	-	-	-	95,43,712	95,43,712	95,43,712
Payment of dividends (Including tax on dividend)	-	-	-	-	(29,33,116)	(29,33,116)	(29,33,116)
<b>Balance as at March 31, 2018</b>	<b>4,87,40,000</b>	<b>14,93,788</b>	<b>1,52,89,734</b>	<b>69,60,365</b>	<b>(1,11,51,709)</b>	<b>1,25,92,179</b>	<b>6,13,32,179</b>
Profit for the Year	-	-	-	-	3,76,82,664	3,76,82,664	3,76,82,664
Other Comprehensive Income for the Year, Net of Income tax	-	-	-	-	(2,16,991)	(2,16,991)	(2,16,991)
Total Comprehensive Income for the Year	-	-	-	-	3,74,65,673	3,74,65,673	3,74,65,673
Payment of dividends (Including tax on dividend)	-	-	-	-	(29,37,934)	(29,37,934)	(29,37,934)
<b>Balance as at March 31, 2019</b>	<b>4,87,40,000</b>	<b>14,93,788</b>	<b>1,52,89,734</b>	<b>69,60,365</b>	<b>2,33,76,030</b>	<b>4,71,19,917</b>	<b>9,58,59,917</b>

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

**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 : 28<sup>th</sup> May, 2019**

**Devanshu L. Gandhi**  
Managing Director  
DIN: 00010146

**Soham B. Raval**  
Company Secretary

**Place : Ahmedabad**  
**Date : 28<sup>th</sup> May, 2019**



## Notes to the Financial Statement as at 31st March, 2019

### 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) 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.

**(19) 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 as 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 26, 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 31-03-2019:

ASSETS	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As At April 1, 2018	Additions	Disposals	As At March 31, 2019	As At April 1, 2018	Provided For The Year	Disposals	As At March 31, 2019	As At March 31, 2019	As At March 31, 2018
	<b>Property, Plants &amp; Equipments:</b>									
Land	2245245	-	-	22,45,245	-	-	-	-	-	22,45,245
Leasehold Land	69,97,959	-	-	69,97,959	2,01,172	1,00,586	-	3,01,758	66,96,201	67,96,787
Factory Building	1,24,84,815	4,77,771	-	1,29,62,586	14,13,129	7,74,379	-	21,87,508	1,07,75,078	1,10,71,686
Office Building	47,47,301	-	-	47,47,301	2,31,828	1,15,914	-	3,47,742	43,99,558	45,15,472
Carpeted Road (Rcc)	95,51,182	-	-	95,51,182	22,68,910	11,34,455	-	34,03,365	61,47,816	72,82,272
Plant & Equipments	92,83,695	4,16,584	-	97,00,279	12,36,742	6,38,506	-	18,75,248	78,25,031	80,46,953
Furniture	12,34,488	10,920	-	12,45,408	5,24,252	2,65,331	-	7,89,583	4,55,825	7,10,236
Office Equipments	7,60,015	2,80,334	-	10,40,349	2,18,923	1,59,649	-	3,78,572	6,61,778	5,41,092
Computer	8,09,697	1,52,921	-	9,62,618	2,85,420	3,13,321	-	5,98,741	3,63,877	5,24,277
Gas Cylinders & Tanks	2,81,56,013	67,47,500	1,75,367	3,47,28,146	46,39,936	25,99,027	14,039	72,24,924	2,75,03,223	2,35,16,077
Transport Vehicle	2,05,72,429	-	-	2,05,72,429	90,79,385	52,22,272	-	1,43,01,657	62,70,773	1,14,93,044
<b>Total</b>	<b>9,68,42,838</b>	<b>80,86,030</b>	<b>1,75,367</b>	<b>10,47,53,501</b>	<b>2,00,99,697</b>	<b>1,13,23,440</b>	<b>14,039</b>	<b>3,14,09,098</b>	<b>7,33,44,405</b>	<b>7,67,43,141</b>
Intangible Assets	8,21,625	61,759	-	8,83,384	4,88,187	2,18,814	-	7,07,001	1,76,383	3,33,438
<b>Grand Total (17-18)</b>	<b>9,76,64,463</b>	<b>81,47,789</b>	<b>1,75,367</b>	<b>10,56,36,885</b>	<b>2,05,87,884</b>	<b>1,15,42,254</b>	<b>14,039</b>	<b>3,21,16,099</b>	<b>7,35,20,788</b>	<b>7,70,76,579</b>

### Notes:

The company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. April 1, 2016 and hence the net carrying amount has been considered as the gross carrying amount on that date. Refer table below for the gross value and the accumulated depreciation on March 31, 2018 and March 31, 2019 under Indian GAAP (IGAAP).

Particulars	Land	Leasehold Land	Factory Building	Office Building	Carpeted Road (Rcc)	Plant & Equipments	Furniture	Office Equipments	Computer	Gas Cylinders & Tanks	Transport Vehicle	Total	Intangible Assets	Total
Gross Amount = (A)	22,45,245	92,84,504	2,24,34,237	68,21,873	1,13,44,554	2,36,72,242	73,18,324	38,67,206	54,22,803	21,83,26,882	6,53,42,347	37,60,80,218	11,85,419	37,72,65,637
Accumulated Depreciation As On 31-Mar-2018 = (B)	-	24,87,717	1,13,62,551	23,06,400	40,62,282	1,56,25,289	66,08,088	33,26,114	48,98,526	19,48,10,805	5,38,49,304	29,93,37,077	8,51,981	30,01,89,058
<b>Net Block As On 31-Mar-2018 (A-B)</b>	<b>22,45,245</b>	<b>67,96,787</b>	<b>1,10,71,686</b>	<b>45,15,473</b>	<b>72,82,272</b>	<b>80,46,953</b>	<b>7,10,236</b>	<b>5,41,092</b>	<b>5,24,277</b>	<b>2,35,16,077</b>	<b>1,14,93,043</b>	<b>7,67,43,141</b>	<b>3,33,438</b>	<b>7,70,76,579</b>
Gross Amount = (A)	22,45,245	92,84,504	2,29,12,008	68,21,873	1,13,44,554	2,40,88,826	73,29,244	41,34,890	55,75,724	22,11,43,587	6,53,16,417	38,01,96,873	12,47,178	38,14,44,051
Accumulated Depreciation As On 31-Mar-2019 = (B)	-	25,88,303	1,21,36,930	24,22,315	51,96,738	1,62,63,795	68,73,419	34,73,112	52,11,847	19,36,40,364	5,90,45,644	30,68,52,468	10,70,795	30,79,23,263
<b>Net Block As On 31-Mar-2019 (A-B)</b>	<b>22,45,245</b>	<b>66,96,201</b>	<b>1,07,75,078</b>	<b>43,99,558</b>	<b>61,47,816</b>	<b>78,25,031</b>	<b>4,55,825</b>	<b>6,61,778</b>	<b>3,63,877</b>	<b>2,75,03,223</b>	<b>62,70,773</b>	<b>7,33,44,405</b>	<b>1,76,383</b>	<b>7,35,20,788</b>

**Note : 3 INVESTMENTS**

(Amt. in ₹)

Particulars	No. of Shares	As At March 31, 2019	As At March 31, 2018
<b>Non Current</b>			
<b>Investment in Equity Instruments</b> (Investment carried at Fair Value through Profit and loss)			
<b>Quoted, fully paid up</b>			
Vadilal Enterprise Limited of ₹ 10/- each	100 (100)	90,250	1,05,000
Maharashtra Polybotens Ltd of ₹ 1/- each	150 (150)	57	57
Unimers India Ltd of ₹ 10/- each	200 (200)	1,134	860
<b>Total (a)</b>		<b>91,441</b>	<b>1,05,917</b>
<b>Unquoted, fully paid-up</b> (Investment carried at Fair Value through Profit and loss)			
Vadilal Forex and Consultancy Services Ltd of ₹ 10/- each	48000 (48000)	12,48,000	12,48,000
(Investment carried at Cost)			
Kalpiti Realty & Services Ltd of ₹ 10/- each	30000 (30000)	3,000	3,000
<b>Total (b)</b>		<b>12,51,000</b>	<b>12,51,000</b>
<b>Total (a + b)</b>		<b>13,42,441</b>	<b>13,56,917</b>
<b>Investment in Partnership Firm at deemed cost</b>			
M/s. Vadilal Cold Storage		29,40,000	29,40,000
<b>Total (c)</b>		<b>29,40,000</b>	<b>29,40,000</b>
<b>Grand Total (a+b+c)</b>		<b>42,82,441</b>	<b>42,96,917</b>
<b>*Details of Investment in Partnership Firm -</b>			
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.			
<b>Investment in Vadilal Cold Storage</b>			
Total Capital of the Firm		1,69,40,000	1,69,40,000
<b>Investment in :-</b>			
Capital Account		29,40,000	29,40,000
Current Account (Refer Note 6 other Asset: In Current )		2,71,674	2,51,051
		<b>32,11,674</b>	31,91,051
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, 2019	As At March 31, 2018
<b>Non-Current</b>		
<b>Unsecured, Considered good</b>		
Security Deposit	12,86,080	10,62,254
As Margin Money Deposit (Against Bank Guarantee)	2,20,266	94,187
<b>Total</b>	<b>15,06,346</b>	<b>11,56,441</b>
<b>Current</b>		
<b>Unsecured, Considered good</b>		
The New India Insurance Claim Receivable	-	38,067
Security Deposit	7,614	-
<b>Unsecured, Considered doubtful</b>		
Success Vyapar Limited	4,75,00,000	4,75,00,000
Less: Provision for doubtful advance (refer note no.:36.1)	(4,75,00,000)	(4,75,00,000)
<b>Total</b>	<b>7,614</b>	<b>38,067</b>

#### Note : 5 TAX ASSETS

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
<b>Non-Current</b>		
Taxes Receivables	6,03,715	6,03,715
<b>Total</b>	<b>6,03,715</b>	<b>6,03,715</b>
<b>Current</b>		
Taxes Receivables	5,54,667	45,80,330
<b>Total</b>	<b>5,54,667</b>	<b>45,80,330</b>

#### Note : 6 OTHER ASSETS

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
<b>Non-Current</b>		
Prepaid Expenses	2,09,932	2,45,387
Advance to Drivers/Employees	3,41,000	-
<b>Total</b>	<b>5,50,932</b>	<b>2,45,387</b>
<b>Current</b>		
Advance to Suppliers	1,73,81,266	64,04,171
Prepaid Expenses	36,87,423	37,54,239
Advance to Drivers/Employees	2,60,483	1,87,755
Balance with Excise/Sales tax/GST Authorities	4,11,738	12,66,057
<b>Other Loans and advances</b>		
Advance to Vadilal Cold Storage (Balance in current account with Firm in which company is a partner)	2,71,674	2,51,051
<b>Total</b>	<b>2,20,12,584</b>	<b>1,18,63,273</b>

**Note : 7 INVENTORIES**

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
(At Lower of Cost or Net Realisable Value)		
Raw Material	21,91,897	15,93,640
Finished Goods	5,38,596	6,03,399
Stock-in-Trade	97,93,899	90,05,601
Stores & Spares	13,55,033	6,44,028
Shares In Trade	1,272	4,043
<b>Total</b>	<b>1,38,80,697</b>	<b>1,18,50,711</b>

**Note : 8 TRADE RECEIVABLES**

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
<b>Current</b>		
Unsecured, Considered Good :	9,97,29,301	8,63,13,427
Unsecured, Considered doubtful	1,57,691	1,32,672
Less : Allowance for doubtful debts (expected credit loss allowance)	(1,57,691)	(1,32,672)
<b>Total</b>	<b>9,97,29,301</b>	<b>8,63,13,427</b>

**Note : Refer Note 33 for information about credit risk and market risk of Trade receivables.****Break-up of trade receivables**

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
Trade receivables from other than related parties	9,92,07,541	8,60,37,901
Receivables from related parties (Note 32)	5,21,760	2,75,526
<b>Total</b>	<b>9,97,29,301</b>	<b>8,63,13,427</b>

**Notes :**

- The credit period ranges from 0 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. ₹ 216.83 lacs due from two customers who represent more than 5% of the total balance of trade receivable as at March 31, 2019 (as at March 31, 2018 : ₹ 54.78 lacs is due from one customer who represents more than 5% of trade receivables.). The credit risk in respect of these customers is mitigated by monitors of them at regular intervals.
- 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, 2019	As At March 31, 2018
Balance at the beginning of the year	1,32,672	1,32,672
Less : Reversal / utilisation out from earlier year	(1,32,672)	-
Add : Provision during the year	1,57,691	-
Balance at the end of the year	1,57,691	1,32,672



## Note : 9 CASH AND CASH EQUIVALENTS

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
<b>Cash and Cash equivalents</b>		
Cash on hand	7,93,206	2,05,864
<b>Balance with Bank</b>		
- In current account	11,37,574	18,06,014
- In Fixed Deposits (with original maturity of less than three months)	74,63,600	70,35,291
<b>Total</b>	<b>93,94,380</b>	<b>90,47,169</b>

## Note : 10 OTHER BALANCES WITH BANKS

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
<b>Other Bank Balance</b>		
- In Fixed Deposit ( Maturity more than 3 months but upto 12 months)	3,51,71,421	1,27,54,430
	(A)	1,27,54,430
<b>Unclaimed dividend accounts*</b>		
- HDFC Bank	2,03,431	1,34,501
	(B)	1,34,501
<b>Total [ A + B ]</b>	<b>3,53,74,852</b>	<b>1,28,88,931</b>

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, 2019	As At March 31, 2018
<b>AUTHORIZED SHARES</b>		
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
<b>ISSUED , SUBSCRIBED &amp; FULLY PAID UP SHARES</b>		
<b>ISSUED :</b>		
50,09,500 Equity Shares of ₹10/- each (as at March 31, 2018: 50,09,500 Equity Shares of ₹10/- each)	5,00,95,000	5,00,95,000
<b>SUBSCRIBED &amp; FULLY PAID-UP :</b>		
48,74,000 Equity Share of ₹10/- Each Fully Paid-up (as at March 31, 2018: 48,74,000 Equity Share of ₹10/- Each Fully Paid-up)	4,87,40,000	4,87,40,000
<b>Total</b>	<b>4,87,40,000</b>	<b>4,87,40,000</b>

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

Particulars	As At March 31, 2019		As At March 31, 2018	
	Nos.	Amt. in ₹	Nos.	Amt. in ₹
<b>Equity Shares</b>				
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	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>48,74,000</b>	<b>4,87,40,000</b>	<b>48,74,000</b>	<b>4,87,40,000</b>

### 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, 2019 the amount of per share dividend recognized as distribution to equity share holders was ₹ 1. (Previous year: 0.50).

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

Particulars	31st March 2019		31st March 2018	
	No. of Share	% Holding	No. of Share	% Holding
<b>Equity shares of ₹10/- each fully paid</b>				
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, 2019	As At March 31, 2018
<b>Capital Reserve</b>		
Balance at the beginning of the year	14,93,788	14,93,788
<b>Balance at the end of the year (A)</b>	14,93,788	14,93,788
<b>Securities Premium Reserve</b>		
Balance at the beginning of the year	1,52,89,734	1,52,89,734
<b>Balance at the end of the year (B)</b>	1,52,89,734	1,52,89,734
<b>General Reserve</b>		
Balance at the beginning of the year	69,60,365	69,60,365
Adjustment relating to Property, Plants & Equipments (Net)	-	-
<b>Balance at the end of the year (C)</b>	69,60,365	69,60,365
<b>Retained earnings</b>		
Balance at the beginning of the year	(1,11,51,709)	(1,77,62,305)
Add : Profit for the year	3,76,82,663	94,69,929
Add : Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(2,16,991)	73,783
Less: Payment of dividend on equity shares (including tax on dividend)	(29,37,934)	(29,33,116)
<b>Balance at the end of the year (D)</b>	2,33,76,030	(1,11,51,709)
<b>Total (A+B+C+D)</b>	4,71,19,917	1,25,92,179

**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, 2019	As At March 31, 2018
<b>Non-Current</b>		
<b>Unsecured</b>		
<b>Loan From:</b>		
- Inter Corporate Loan (a)	9,91,94,965	9,24,79,987
<b>Total</b>	<b>9,91,94,965</b>	<b>9,24,79,987</b>
<b>Current</b>		
<b>Secured Loans</b>		
- From Banks ( Bank Overdraft against Fixed Deposits )	1,15,47,005	-
<b>Total</b>	<b>1,15,47,005</b>	<b>-</b>

(a) 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.

(b) Refer Note 33 for information about liquidity risk.

## Note : 14 OTHER FINANCIAL LIABILITIES

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
<b>Non-Current</b>		
Rent Deposit	-	1,32,000
<b>Total</b>	<b>-</b>	<b>1,32,000</b>
<b>Current</b>		
Trade Deposits (Against Company Cylinders with Customers)	2,82,21,323	2,57,64,816
Unclaimed dividends	2,03,431	1,34,501
<b>Total</b>	<b>2,84,24,754</b>	<b>2,58,99,317</b>

## Note : 15 PROVISIONS

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
<b>Non-Current</b>		
<b>Provision from Employee Benefits :</b>		
Compensated absences	6,77,391	5,80,799
Gratuity (Refer Note 26)	57,989	-
<b>Total</b>	<b>7,35,380</b>	<b>5,80,799</b>
<b>Current</b>		
<b>Provision for Employee Benefits :</b>		
Compensated absences	14,99,214	14,98,333
Gratuity (Refer Note 26)	7,50,206	3,10,886
<b>Total</b>	<b>22,49,420</b>	<b>18,09,219</b>

## Note : 16 DEFERRED TAX LIABILITY (Net)

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
Deferred Tax Liabilities	63,28,608	71,27,364
Deferred Tax Assets	(10,28,725)	(7,94,061)
<b>Total</b>	<b>52,99,883</b>	<b>63,33,303</b>

**Deferred tax liabilities / (assets) in relation to :**

(Amt. in ₹)

Particulars	As at April 1, 2018	Recognized in profit & Loss	Other adjustments	As at March 31, 2019
Impact of difference between Tax depreciation & Depreciation Charged for Financial Reporting	71,22,829	(7,98,805)	-	63,24,024
Increase in fair value of investments	4,535	(4,535)	-	-
Deffered Tax Liabilities (Rent) - Ind As	-	4,584	-	4,584
Gratuity	(86,488)	(1,38,352)	-	(2,24,840)
Leave Encashment	(5,78,415)	(27,117)	-	(6,05,532)
Bonus	(92,604)	(3,155)	-	(95,759)
Provision for Doubtful Trade Receivables	(36,554)	(7,316)	-	(43,870)
Rent deposit - Pune	-	(5,206)	-	(5,206)
Straight lining of rent - Pune	-	(51,907)	-	(51,907)
Decrease in fair value of investments	-	(1,611)	-	(1,611)
<b>Total</b>	<b>63,33,303</b>	<b>(10,33,420)</b>	<b>-</b>	<b>52,99,883</b>

**Note : 17 TRADE PAYABLES**

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
Due to Micro, Small and Medium Enterprises	5,89,168	-
Due to Others	48,12,166	2,71,35,484
<b>Total</b>	<b>54,01,334</b>	<b>2,71,35,484</b>

**Notes :**

- Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.
- Refer Note 33 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, 2019	As At March 31, 2018
A) (i) Principal amount remaining unpaid at the end of the accounting year	5,89,168	-
(ii) Interest due on above	-	-
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	-	-
C) The amount of interest accrued and remaining unpaid at the end of the financial year	-	-
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	-	-
E) The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	-	-

**Note : 18 CURRENT TAX LIABILITIES (NET)**

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
Income tax payable (net of advance payment of tax)	52,47,675	11,16,771
<b>Total</b>	<b>52,47,675</b>	<b>11,16,771</b>

**Note : 19 OTHER CURRENT LIABILITIES**

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
Statutory remittances*	58,33,569	21,31,127
Advance From Customers	8,40,039	5,09,448
Other Payables	7,84,376	5,01,313
<b>Total</b>	<b>74,57,984</b>	<b>31,41,888</b>

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

**Note : 20 CONTINGENT LIABILITIES (To the extent not provided for)**

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
<b>1. Contingent Liabilities</b>		
<b>a. Claims against the company not acknowledge as debts</b>		
i) E.S.I.C.	2,13,160	2,13,160
ii) Priya Shanghi	14,51,701	14,51,701
iii) Ragini Shanghi	13,95,915	13,95,915
iv) Excise Duty, Service Tax, with Penalty	9,27,123	7,53,598
iv) VAT, Entry Tax	4,05,248	-
<b>b. Guarantees</b>		
i) Bank Guarantees Outstanding	4,03,630	4,03,630
<b>Total</b>	<b>47,96,777</b>	<b>42,18,004</b>

**Note : 21 REVENUE FROM OPERATIONS**

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of Products	55,10,06,760	43,61,74,470
<b>Other Operating Revenues :</b>		
– Cylinder Rent	18,46,396	16,75,341
<b>Total</b>	<b>55,28,53,156</b>	<b>43,78,49,811</b>

**Note : 22 OTHER INCOME**

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Income	29,11,004	15,81,027
Dividend Income	80	80
Profit on sale of assets	18,85,752	3,96,949
Profit From Partnership Firm	20,623	-
Increase in fair value of investments	-	40,756
<b>Other Non-operating income</b>		
– Office Rent Income	-	3,29,284
– Other Income	2,90,792	1,24,693
– Sundry Balance Written-back	5,76,465	14,34,828
<b>Total</b>	<b>56,84,716</b>	<b>39,07,617</b>

**Note : 23 COST OF MATERIAL CONSUMED**

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Inventories at the beginning of the year	15,93,640	24,04,218
Add: Purchases	16,79,77,065	14,22,86,468
<b>Total</b>	<b>16,95,70,705</b>	<b>14,46,90,686</b>
Less: Inventories at the end of the year	21,91,897	15,93,640
<b>Total</b>	<b>16,73,78,808</b>	<b>14,30,97,046</b>

**Note : 24 PURCHASE OF STOCK-IN-TRADE**

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Ammonia Gas	4,49,74,012	3,83,54,440
Other Gases & Gas Mixtures	16,92,29,474	12,78,03,554
Gas Cylinder	51,56,600	30,57,601
<b>Total</b>	<b>21,93,60,086</b>	<b>16,92,15,595</b>

**Note : 25 CHANGE IN INVENTORIES**

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Inventories at the beginning of the year</b>		
Finished Goods	6,03,399	7,50,474
Stock in Trade	90,05,601	57,94,205
<b>(A)</b>	<b>96,09,000</b>	<b>65,44,679</b>
<b>Inventories at the end of the year</b>		
Finished Goods	5,38,596	6,03,399
Stock in Trade	97,93,899	90,05,601
<b>(B)</b>	<b>1,03,32,495</b>	<b>96,09,000</b>
<b>Total (A-B)</b>	<b>(7,23,495)</b>	<b>(30,64,321)</b>

**Note : 26 EMPLOYMENT BENEFIT EXPENSES**

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries and wages	1,84,22,853	1,63,70,319
Contributions to Provident and other fund	18,06,994	17,82,319
Staff welfare expenses	31,82,413	25,33,789
<b>Total</b>	<b>2,34,12,260</b>	<b>2,06,86,427</b>

**Note : 26.1 EMPLOYEE BENEFITS:****Post-employment Benefit****Defined Contribution Plan:**

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" ₹ 788637 (Previous Year: ₹ 723445).

**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, 2019	As At March 31, 2018
Obligations at beginning of the year	34,78,958	31,32,968
Current Service cost	2,00,294	1,93,102
Past Service Cost	-	38,461
Interest cost	2,73,098	2,35,599
Actuarial (gain) / loss – due to change in financial assumptions	14,584	(67,764)
Actuarial (gain) / loss- due to experience adjustments	2,30,564	93,564
Benefits paid	(28,014)	(1,46,972)
<b>Present value of benefit obligation at the end of the year</b>	<b>41,69,484</b>	<b>34,78,958</b>

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

(Amt. in ₹)

Particulars	Gratuity	
	As At March 31, 2019	As At March 31, 2018
Plan assets at the beginning of the year, at fair value	31,68,072	29,54,267
Interest Income	2,48,694	2,22,161
Return on plant assets excluding interest income	(55,477)	(8,356)
Contributions from the employer	-	-
Benefits paid	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>33,61,289</b>	<b>31,68,072</b>

**(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, 2019	As At March 31, 2018
Present value of benefit obligation at the end of the year	41,69,484	34,78,958
Fair value of plan assets at the end of the year	(33,61,289)	(31,68,072)
<b>Net liability arising from defined benefit obligation</b>	<b>8,08,195</b>	<b>3,10,886</b>

**(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, 2019	Year Ended March 31, 2018
Current service cost	2,00,294	1,93,102
Net Interest expense	24,404	13,438
Past service cost	-	38,461
<b>Components of defined benefit costs recognised in the Statement of Profit and Loss</b>	<b>2,24,698</b>	<b>2,45,001</b>
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses on obligation for the period	2,45,148	25,800
Return on plant assets, excluding interest income	55,477	8,356
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>3,00,625</b>	<b>34,156</b>
<b>Total</b>	<b>5,25,323</b>	<b>2,79,157</b>

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, 2018 as follows:**

(Amt. in ₹)

	As At March 31, 2019	As At March 31, 2018
1st Following Year	18,07,241	16,26,873
2nd Following Year	71,086	55,831
3rd Following Year	74,576	59,042
4th Following Year	1,61,839	62,111
5th Following Year	3,95,522	1,34,900
Sum of Years 6 To 10	10,97,605	11,92,184
Sum of Years 11 and above	47,71,835	38,92,048

**(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, 2019	As At March 31, 2018
Projected Benefit Obligation on Current Assumptions	41,69,484	34,78,958
Delta effect of +1% change in the rate of Discounting	(2,25,635)	(1,84,351)
Delta effect of -1% change in the rate of Discounting	2,65,582	2,17,476
Delta effect of +1% change in the rate of salary Increase	2,67,713	2,19,356
Delta effect of -1% change in the rate of salary increase	(2,31,156)	(1,88,953)
Delta effect of +1% change in the rate of employee turnover	39,635	33,816
Delta effect of -1% change in the rate of employee turnover	(45,244)	(38,725)

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 ₹ 8,08,195 (as at March 31, 2018 : ₹ 3,10,886) 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, 2019	Year Ended March 31, 2018
Discount Rate	7.79%	7.85%
Expected return on plan assets	7.79%	7.85%
Annual Increase in Salary Costs	6.00%	6.00%
Rate of Employee turnover	2.00%	2.00%
<b>Mortality Tables</b>	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)	
	As At March 31, 2019	As At March 31, 2018
Obligations at the beginning of the year	20,79,132	19,88,277
Current service cost	99,141	1,58,503
Interest cost	1,63,212	1,49,518
Actuarial (Gains)/Losses - Due to Change in Financial Assumptions	5,119	(25,642)
Actuarial (Gains)/Losses - Due to Experience adjustments	(1,33,295)	(1,10,358)
Benefits paid	(36,704)	(81,166)
<b>Present value of benefit obligation at the end of the year</b>	<b>21,76,605</b>	<b>20,79,132</b>

**(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, 2019	As At March 31, 2018
Actuarial (Gains) / Losses - Due to Change in Financial Assumptions	5,119	(25,642)
Actuarial (Gains) / Losses - Due to Experience adjustments	(1,33,295)	(1,10,358)
<b>Total Actuarial (Gains) / Loss to be Recognized</b>	<b>(1,28,176)</b>	<b>(1,36,000)</b>

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

(Amt. in ₹)

Particulars	Leave ( Non Funded)	
	As At March 31, 2019	As At March 31, 2018
Present value of the defined benefit obligation at the end of the year	(21,76,605)	(20,79,132)
Fair value of plan assets at the end of the year	-	-
Unfunded status amount of Assets recognized in the balance sheet	(21,76,605)	(20,79,132)

**(l) Leave Encashment cost for the year**

(Amt. in ₹)

Particulars	Leave ( Non Funded)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Current service cost	99,141	1,58,503
Net Interest expense	1,63,212	1,49,518
Expected return of plan asset	-	-
Actuarial gain/ (loss) on plan Assets	(1,28,176)	(1,36,000)
<b>Net leave encashment cost</b>	<b>1,34,177</b>	<b>1,72,021</b>

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

(Amt. in ₹)

Particulars	Leave ( Non Funded)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Discount Rate	7.79%	7.85%
Expected return on plan assets	N.A.	N.A.
Annual Increase in Salary Costs	6.00%	6.00%
Rate of Employee turnover	2.00%	2.00%
<b>Mortality Tables</b>	Indian Assured Lives Mortality (2006-08)	

**Note : 27 FINANCIAL COST**

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Interest Expenses</b>		
Interest - Bank	-	3,77,403
Interest - Others	1,00,30,456	88,25,538
<b>Total</b>	<b>1,00,30,456</b>	<b>92,02,941</b>
<b>Other borrowing costs</b>		
Bank Charges	44,907	79,144
<b>Total</b>	<b>1,00,75,363</b>	<b>92,82,085</b>

**Note : 28 DEPRECIATION AND AMORTIZATION EXPENSE**

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation on Property, Plant and Equipment	1,13,23,440	1,08,99,034
Amortization on Intangible assets	2,18,814	2,90,793
<b>Total</b>	<b>1,15,42,254</b>	<b>1,11,89,827</b>


**Note : 29 OTHER EXPENSES**

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Plant Operation Charges</b>		
Cylinder Filling Labor	16,84,615	8,35,795
Consumption of Stores and Spares	21,49,793	18,99,754
Water charges	6,90,151	5,47,022
Factory Electricity Expenses	8,47,055	7,32,440
Factory Expenses	4,73,418	3,12,789
<b>Repairs on</b>		
Cylinders	4,06,127	8,11,290
Plant and machinery	4,55,969	2,66,821
Others	8,62,907	8,93,331
	<b>(A)</b> 75,70,035	<b>62,99,243</b>
<b>Administrative Expenses</b>		
Rent, Rates & Taxes	16,66,052	11,00,653
Insurance Expenses	17,37,882	17,85,603
Postage & Telephone Expenses	6,68,141	8,10,089
Legal & Professional Charges	69,13,661	72,08,403
Listing & Roc Filling Fees	35,200	46,120
Travelling Expenses	10,59,329	7,55,163
Security Service Charges	14,32,214	15,93,751
Office Expenses	12,65,502	12,47,122
Office Electricity Expenses	3,00,909	2,99,105
Other administrative Expenses	1,58,806	74,567
Changes in excise duty on inventory of finished goods	-	(3,10,123)
Sundry Balances & Bad-debts written off	3,70,612	7,15,396
Sales Tax /Service Tax/ Excise duty/GST Expenses	52,406	8,05,892
Loss From Partnership Firm	-	3,32,416
Provision for Doubtful Trade Receivables	1,57,691	1,32,672
Decrease in fair value of investments	14,476	-
<b>Payment to Auditor</b>		
<b>As auditor :</b>		
Audit Fees	3,00,000	2,60,000
Tax Audit Fees	1,00,000	1,00,000
Other service	-	40,000
	<b>4,00,000</b>	<b>4,00,000</b>
Donation	-	15,000
Conveyance Expenses	5,89,796	5,90,936
Printing & Stationery Expenses	9,38,881	7,43,881
Director Sitting Fees	1,96,000	2,28,000
Membership Fees	3,000	8,000
	<b>(B)</b> 1,79,60,559	<b>1,85,82,646</b>
<b>Selling and Distribution Expenses</b>		
Transport & Vehicle Tax Expenses	4,39,11,251	3,98,30,797
Transport Vehicle Repairs	50,35,935	55,43,046
Advertisement & Sales Promotion Expenses	1,09,960	80,800
	<b>(C)</b> 4,90,57,146	<b>4,54,54,643</b>
<b>Total (A+B+C)</b>	<b>7,45,87,740</b>	<b>7,03,36,532</b>

**Note : 30 TAX EXPENSE**

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Current Tax</b>		
In respect of the current year	1,59,98,076	43,39,712
In respect of prior years	2,57,537	(8,098)
	<b>(A) 1,62,55,613</b>	<b>43,31,614</b>
<b>Deferred tax</b>		
In respect of the current year	(10,33,420)	(16,66,996)
	<b>(B) (10,33,420)</b>	<b>(16,66,996)</b>
	<b>Total (A+B) 1,52,22,193</b>	<b>26,64,618</b>

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, 2019	Year Ended March 31, 2018
<b>Profit before tax</b>	<b>5,29,04,856</b>	<b>1,21,34,547</b>
Income tax expense at prevailing rates	27.82%	27.5525%
<b>Income tax expense</b>	<b>1,47,18,131</b>	<b>33,43,371</b>
<b>Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :</b>		
Effect of expenses that are not deductible in determining taxable profit	37,17,937	34,27,538
Effect of expenses that are deductible in determining taxable profit	(25,21,627)	(24,03,136)
Adjustments in respect of current income tax of previous year	2,57,537	(8,098)
<b>Current Tax Provision (A)</b>	<b>161,71,979</b>	<b>43,59,675</b>
Incremental / (Reversal) of Deferred Tax Liability on account of Tangible and Intangible Assets	(7,98,756)	(16,37,851)
(Incremental) / Reversal Deferred Tax Asset on account of Financial Assets and Other Items	(2,34,664)	(29,145)
<b>Deferred tax Provision (B)</b>	<b>(10,33,420)</b>	<b>(16,66,996)</b>
Tax effect on Items in Other Comprehensive Income	83,634	(28,061)
<b>Tax effect on Items in Other Comprehensive Income (C)</b>	<b>83,634</b>	<b>(28,061)</b>
<b>Tax Expenses recognized in Statement of Profit and Loss Total (A+B+C)</b>	<b>1,52,22,193</b>	<b>26,64,618</b>
<b>The Company's weighted average tax rates</b>	<b>28.13%</b>	<b>22.26%</b>

**Note : 31 SEGMENT REPORTING**

The company is primarily engaged in the business segment of "Industrial Gases", which includes gases and mixtures gas Products. Information reported to and evaluated regularly by the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of Operating Segment as defined under the Indian Accounting Standard 108, there is single reportable segment.

**Note : 32 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
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

Sr. No.	Name	Relationship	Manner
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. Ravi H. Thakkar	Chief Financial Officer (upto 30-09-2017)	Key Managerial Personnel
12	Mr. Dipal J. Soni	Chief Financial Officer (from 27-11-2017)	Key Managerial Personnel
13	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
<b>(a) Sales of Goods</b>						
Vadilal Gases Limited	4,00,20,330 (3,11,25,870)			4,00,20,330 (3,11,25,870)		
Vadilal Enterprises Limited	9,02,790 (3,50,438)					9,02,790 (3,50,438)
Vadilal Industries Limited	19,68,158 (15,38,181)			19,68,158 (15,38,181)		
Vadilal Cold Storage	2,78,738 (1,83,750)			2,78,738 (1,83,750)		
<b>(b) Purchase of Goods</b>						
Vadilal Gases Limited	12,69,13,255 (8,24,70,445)			12,69,13,255 (8,24,70,445)		
<b>(c) Hire Charges/Rent Expense</b>						
Vadilal Gases Limited	4,24,800 (1,06,200)			4,24,800 (1,06,200)		
<b>(d) Interest Paid</b>						
Veronica Construction Private Limited	96,83,309 (89,80,511)					96,83,309 (89,80,511)
<b>(e) Salary Paid</b>						
Mr. Ravi H. Thakkar (Up to 30.09.2017)	- (3,48,794)				- (3,48,794)	
Mr. Dipal J. Soni (From 27.11.2017)	7,14,408 (2,19,612)				7,14,408 (2,19,612)	
Mr. Soham B. Raval	5,38,452 (4,82,107)				5,38,452 (4,82,107)	

(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
<b>(f) Share of Profit/Loss in partnership Firm</b>						
Vadilal Cold Storage	20,623 (-332416)			20,623 (-332416)		
<b>(g) Loan or Deposits Repaid</b>						
Veronica Construction Private Limited	20,00,000 -					20,00,000 -
<b>(h) Sitting Fees Paid</b>						
Mrs. Deval D. Gandhi	16,000 (16,000)				16,000 (16,000)	
Mr. Kalpit R. Gandhi	32,000 (32,000)				32,000 (32,000)	
<b>Balance outstanding at year end :</b>						
<b>(a) Investments</b>						
Vadilal Cold Storage	29,40,000 (29,40,000)			29,40,000 (29,40,000)		
Vadilal Forex & Consultancy Services Limited	12,48,000 (12,48,000)			12,48,000 (12,48,000)		
Vadilal Enterprises Limited	90,250 (1,05,000)					90,250 (1,05,000)
<b>(b) Trade Receivable</b>						
Vadilal Industries Limited	3,64,466 (1,95,902)			3,64,466 (1,95,902)		
Vadilal Enterprises Limited	1,57,294 (59,993)					1,57,294 (59,993)
Vadilal Cold Storage	- (19,631)			- (19,631)		
<b>(c) Trade Payable</b>						
Vadilal Gases Limited	- (1,98,87,547)			- (1,98,87,547)		
Vadilal Enterprises Limited	- -					- -
<b>(d) Loan Taken</b>						
Veronica Construction Private Limited	9,91,94,965 (9,24,79,987)					9,91,94,965 (9,24,79,987)
<b>(e) Advance To Suppliers</b>						
Vadilal Gases Limited	90,85,118 -			90,85,118 -		

Note: Figures in brackets relate to previous year.

Transaction of Purchase / Sales and outstanding of Trade Payables / Receivable are inclusive of Taxes.



### Note : 33 FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

(Amt. in ₹)

Particulars	FVTPL	Amortized Cost	Total fair value
<b>Financial assets</b>			
<b>Investments</b>			
In Equity Instruments (Quoted)	(14,776)	1,05,917	91,141
In Equity Instruments (Unquoted)	-	12,48,000	12,48,000
Others (Unquoted)	-	29,43,000	29,43,000
Trade receivables	-	9,97,29,301	9,97,29,301
Cash and cash equivalents	-	93,94,380	93,94,380
Other Balances with Banks	-	3,53,74,852	3,53,74,852
Other Financial Assets	-	15,13,960	15,13,960
<b>Total</b>	<b>(14,776)</b>	<b>15,03,09,410</b>	<b>15,02,94,634</b>
<b>Financial liabilities</b>			
Borrowings	-	11,07,41,970	11,07,41,970
Trade payables	-	54,01,334	54,01,334
Other Financial Liabilities	-	2,84,24,754	2,84,24,754
<b>Total</b>	<b>-</b>	<b>14,45,68,058</b>	<b>14,45,68,058</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

(Amt. in ₹)

Particulars	FVTPL	Amortized Cost	Total fair value
<b>Financial assets</b>			
<b>Investments</b>			
In Equity Instruments (Quoted)	40,756	65,161	1,05,917
In Equity Instruments (Unquoted)	-	12,48,000	12,48,000
Others (Unquoted)	-	29,43,000	29,43,000
Trade receivables	-	8,63,13,427	8,63,13,427
Cash and cash equivalents	-	90,47,169	90,47,169
Other Balances with Banks	-	1,28,88,931	1,28,88,931
Other Financial Assets	-	11,94,508	11,94,508
<b>Total</b>	<b>40,756</b>	<b>11,37,00,196</b>	<b>11,37,40,952</b>
<b>Financial liabilities</b>			
Borrowings	-	9,24,79,987	9,24,79,987
Trade payables	-	2,71,35,484	2,71,35,484
Other Financial Liabilities	-	2,60,31,317	2,60,31,317
<b>Total</b>	<b>-</b>	<b>14,56,46,788</b>	<b>14,56,46,788</b>

- 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 2019	Level 1	Level 2	Level 3	Total
Investment in Equity Instruments	91,141	-	12,48,000	13,39,141
<b>Total</b>	<b>91,141</b>	<b>-</b>	<b>12,48,000</b>	<b>13,39,141</b>

(Amt. in ₹)

31 March 2018	Level 1	Level 2	Level 3	Total
Investment in Equity Instruments	1,05,917	-	12,48,000	13,53,917
<b>Total</b>	<b>1,05,917</b>	<b>-</b>	<b>12,48,000</b>	<b>13,53,917</b>



**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	As At
	March 31, 2019	March 31, 2018
Debt (Note 1)	11,07,41,970	9,24,79,987
Less : Cash & Cash Equivalents	93,94,380	90,47,169
Net Debt	10,13,47,590	8,34,32,818
Total Equity (Excluding Revaluation Reserve)	9,58,59,917	6,13,32,179
Net Debt to Equity Ratio	106%	136%

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 2019**

(Amt. in ₹)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Borrowings	1,15,47,005	9,91,94,965	-	11,07,41,970
Trade Payable	54,01,334	-	-	54,01,334
Other Financial Liabilities	2,84,24,754	-	-	2,84,24,754
<b>Total Financial Liabilities</b>	<b>4,53,73,093</b>	<b>9,91,94,965</b>	-	<b>14,45,68,058</b>

**Exposure as at 31st March 2018**

(Amt. in ₹)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Borrowings	-	9,24,79,987	-	9,24,79,987
Trade Payable	2,71,35,484	-	-	2,71,35,484
Other Financial Liabilities	2,58,99,317	1,32,000	-	2,60,31,317
<b>Total Financial Liabilities</b>	<b>5,30,34,801</b>	<b>9,26,11,987</b>	-	<b>14,56,46,788</b>

**Financial Arrangements**

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

(Amt. in ₹)

Particulars	As At	As At
	March 31, 2019	March 31, 2018
Expiring within one year (Bank overdraft and other facilities)	2,38,02,995	1,03,50,000



## 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.

The Ageing analysis of Account receivables has been considered from the date the invoice falls due

(Amt. in ₹)

Particulars	As At March 31, 2019	As At March 31, 2018
0-3 months	9,13,41,925	7,21,56,606
3-6 months	69,28,088	1,16,16,359
6-12 months	6,89,386	17,88,656
More than 12 months	9,27,594	8,84,479
<b>Total</b>	<b>9,98,86,992</b>	<b>8,64,46,099</b>

The following table summarizes the changes in loss allowances measured using life time expected credit loss model

(Amt. in ₹)

Particulars	As At March 31, 2019
Opening Allowances	1,32,672
Add:- Additional Allowances made	1,66,998
<b>Total</b>	<b>2,99,670</b>
Less: Actual Write off during the year (net of recovery)	1,41,979
<b>Closing Allowances</b>	<b>1,57,691</b>

No Significant changes in estimation techniques or assumptions were made during the year

## Note : 34 EARNING PER SHARE (EPS) AS PER IND AS - 33

(Amt. in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit for the year attributable to owners of the company (In ₹)	3,76,82,663	94,69,929
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 ₹)	7.73	1.94

## Note : 35

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 : 36 OTHER INFORMATION:**

36.1) 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".

36.2) 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 Rs 67.78 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.

- 36.3) • 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 28th March, 2019.

**Note : 37 EVENTS AFTER THE REPORTING PERIOD:**

The board of directors at its Meeting held on May 28, 2019 has recommended a dividend of ₹ 1 per equity share and if approved by the shareholders in the annual general meeting would result in a cash outflow of approximately ₹ 58.75 lacs, including dividend distribution tax.

**Note : 38**

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 : 28<sup>th</sup> May, 2019**

**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 : 28<sup>th</sup> May, 2019**

**Devanshu L. Gandhi**  
Managing Director  
DIN: 00010146

**Soham B. Raval**  
Company Secretary

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**Form No. MGT.11**  
**Proxy Form**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration Rules, 2014).

CIN	L24231GJ1991PLC015390
Name of the Company	VADILAL CHEMICALS LIMITED
Registered office	503-504, Aditya Building, Nr. Sardar Patel Seva Samaj, Mithakhali, Navrangpura, Ahmedabad- 380006.
Name of the Member	
Registered Address	
E- Mail ID	
Folio No./ Client ID	
DP ID	

I/ we, being the member(s) of Vadilal Chemicals Limited, holding..... shares of the above named company, hereby appoint

1. Name	
E- mail ID	
Signature	

Or failing him,

2. Name	
E- mail ID	
Signature	

Or failing him,

3. Name	
E- mail ID	
Signature	

As my/ our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the company, to be held on the 30<sup>th</sup> September, 2019 at 01.00 p.m. at HT Parekh Convention Center, 1<sup>st</sup> Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat - 380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

## ROUTE MAP FOR THE AGM VENUE



Resolution No.	Resolution	Yes/ No
<b>Ordinary Business:</b>		
1	To Consider and adopt the audited financial statement of the company for the financial year ended on 31 <sup>st</sup> March, 2019, the reports of Board of Directors and Auditors thereon.	
2	To declare dividend on Equity Shares for the financial year ended on 31 <sup>st</sup> March, 2019.	
3	To appoint a Director in place of Mrs. Deval D. Gandhi (DIN: 00988905) who retires by rotation as per provision of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.	
4	To Re- appoint M/s. RRS & Associates as Statutory Auditors for the period of 4 years and fix their remuneration.	
<b>Special Business:</b>		
5	To Consider and Approve the Related Party Transactions entered into by the Company with Vadilal Gases Limited in Terms Of Provisions Of Section 188 of the Companies Act, 2013 and Rules made thereunder.	

Signed this..... day of .....2019

signature of shareholder.

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the Meeting.



**VADILAL CHEMICALS LIMITED**  
**(CIN: L24231GJ1991PLC015390)**

**Registered office:**

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

DP ID	Client ID	Folio No.	No. of Shares

**ATTENDANCE SLIP**

Name of the Shareholders:

Name of the Proxy/ Authorized Representative: \_\_\_\_\_

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting held on Monday, 30<sup>th</sup> September, 2019 at 01.00 p.m. at H T Parekh Convention Center, 1<sup>st</sup> Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat- 380 015

Signature of Member/ Proxy/ Authorized Representative attending the meeting: \_\_\_\_\_.

**Notes:**

1. Please bring this attendance slip to the meeting and handover at the entrance duly filled in.
2. Members are requested to bring copy of Annual Report with them.



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## **VADILAL CHEMICALS LIMITED**

### **Registered Office :-**

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

Website : [www.vadilalgases.co.in](http://www.vadilalgases.co.in)

Ph. : 079-48936937-38-39

Fax : 079-48936940