

23rd Annual Report 2013-14



VADILAL CHEMICALS LIMITED

(CIN: L24231GJ1991PLC015390)

**Registered Office: B-202, Safal Pegasus,
Anand Nagar Road, Nr. Prahaladnagar Garden,
Satellite, Ahmedabad - 380015**

The truth about us we market what you cannot see



VCL range product include Pure Gases, Gas Mixtures & Liquid Gases as Listed below :

UHP Grade	Commercial Grade	Liquefied Gases	Imported Gases
Nitrogen	Nitrogen	Nitrogen	Methane, Ethane
Helium	Argon	Argon	Butane, Propane
Zero Air	Hydrogen	Carbon Dioxide	Ethylene, Propylene
Argon	Carbon Dioxide	Oxygen	Carbon Monoxide
Hydrogen	Anhydrous Ammonia	Liquor Ammonia	Neon, Krypton
Industrial Gas Mixtures	Helium		Xenon
Calibration Gas Mixtures			Sulfur Hexa Floride

Regd. Office : B-202, Safal Pegasus, Anand Nagar Road, Nr. Prahaladnagar Garden, Satellite,
Ahmedabad - 380015. Gujarat Phone : 30086937, 30086938, 30086939 Fax : (079) 30086940

BRANCHES

- Plot No. 137/10, Shopping Centre, Opp. G.I.D.C. Water Tank, G.I.D.C. Estate, POR Ramangamdi, Dist. : Baroda, (GUJARAT)
- 9, Sector-A, Industrial Area, Opp. Pologround, INDORE (M.P.)
- Gat No. 52, A/P Chimbli, Chakan, Tal. Khed, Dist. : Pune - 410 501 (MAHARASHTRA)
- Gat No. 513, Old Jejuri, Tal. : Purandar, Dist. : Pune

PHONE / FAX

- (0265) 2830450, 3209118 / 2830006
- (0731) 2423834
- (020) 27468482
- (02115) 253602

PLANTS :

- Plot No. 2504, Phase IV, G.I.D.C., Vatva, AHMEDABAD - 382 445 (079) 25842666
- 40 Shed Area, Plot No. 799 G.I.D.C. Estate, VAPI, Dist. : Valsad (GUJARAT) (0260) 2430019 / 2430147
- Plot No. 615, G.I.D.C. Estate, PANOLI, Dist. : Bharuch (GUJARAT) (02646) 272168
- D-397, M.I.D.C. T.T.C. Area, Village : KUKSHET, Dist. Thane, NAVI MUMBAI (MAHARASHTRA) (022) 27685301
- Plot No. 18/A, APIIC Ind. Estate, PATANCHERU, Dist : Medak (A.P.) (08455) 242444
- Plot No. E-43 (B) RICO Industrial Estate, KHUSHKHERA Tal. : Thijara, Bhiwadi, Dist. Alwar (RAJ.) (01493) 250330

VADILAL CHEMICALS LIMITED
(CIN: L24231GJ1991PLC015390)

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CORPORATE INFORMATION

BOARD OF DIRECTORS:	Shri Rajesh R Gandhi (DIN: 00009879)	Chairman & Managing Director
	Shri Devanshu L Gandhi (DIN: 00010146)	Managing Director
	Shri Virendra R Gandhi (DIN: 00010155)	Director
	Shri Rohit J Patel (DIN: 00012367)	Director
	Shri Jignesh J Shah (DIN: 01202435)	Director
	Shri Ashish H Modi (DIN: 02506019)	Director
	Shri Rajesh K Pandya (DIN: 02711000)	Director
	Shri Udayan R Patel (DIN: 06674232)	Director

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

BANKERS: State Bank of Hyderabad
Bank of Baroda

REGISTERED OFFICE: B-202, Safal Pegasus, Nr. Auda Garden,
Prahaldnagar, Ahmedabad - 380 015

**REGISTRAR AND SHARE:
TRANSFER AGENT** Bigshares Services Private Limited
E-2-3, Ansa Industrial Estate, Saki-Vihar Road,
Sakinaka, Andheri (E), Mumbai - 400072

23RD ANNUAL GENERAL MEETING	
DAY	: WEDNESDAY
DATE	: 12 TH NOVEMBER, 2014
TIME	: 11.30 A.M.
VENUE	: "VADILAL HOUSE", SHRIMALI SOCIETY, NR. NAVRANGPURA RAILWAY CROSSING, NAVRANGPURA, AHMEDABAD -380009

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of the Company will be held on Wednesday, 12th November, 2014 at 11.30 a.m. at "Vadilal House", Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad – 380009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss, Cash flow statement for the year ended on that date together with the Auditor's report and the Directors' Report thereon.
"RESOLVED THAT the Audited Balance Sheet as on 31st March, 2014 and the Statement of Profit and Loss for the Financial year ended on 31st March, 2014 together with all annexure and attachment thereto including the Directors' Report and Auditors' Report for the Financial year 2013-14 which have already been circulated to the Members and as laid before this meeting, be and the same are hereby approved and adopted."
2. To appoint Director in place of Shri Virendra R. Gandhi (holding DIN : 00010155), who retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
"RESOLVED THAT the retiring Director, Shri Virendra R Gandhi (DIN : 00010155), be and is hereby reappointed as a Director of the Company, liable to retire by rotation."
3. To appoint Director in place of Shri Rajesh R. Gandhi (holding DIN : 00009879), who retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
"RESOLVED THAT the retiring Director, Shri Rajesh R Gandhi (DIN : 00009879), be and is hereby reappointed as a Director of the Company, liable to retire by rotation."
4. To appoint Director in place of Shri Devanshu L. Gandhi (holding DIN : 00010146), who retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
"RESOLVED THAT the retiring Director, Shri Devanshu L Gandhi (DIN : 00010146), be and is hereby reappointed as a Director of the Company, liable to retire by rotation."
5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting i.e. 23rd AGM till the conclusion of the next Annual General Meeting and to fix their remuneration.
"RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, M/s. RRS & Associates, Chartered Accountants be and are hereby appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting for the financial year 2014-15.
RESOLVED FURTHER THAT Shri Rajesh R Gandhi, Chairman & Managing Director and/or Shri Devanshu L. Gandhi, Managing Director of the Company be and is hereby authorised to fix their remuneration in consultation with them."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 and Rules made thereunder and any other applicable provisions, if any for the time being in force and subject to the provisions of the Memorandum and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow any sum of money on behalf of the Company from time to time, as and when required from any one or more of the Company's Bankers and/or from any other firms, bodies corporate, financial institutions or any other person whether by way of cash credit, advance or deposits, loans, debentures or bill discounting or otherwise, whether unsecured or secured, so that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, for the purposes of business or activities of the Company either in foreign currency and / or in rupee, provided, however that the total amount upto which the moneys which may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ` 75 Crores (Rupees Seventy Five Crores).
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and other things as may be required or considered necessary, expedient or incidental thereto for giving effect to aforesaid resolution."
7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013 and Rules made there under and all other applicable provisions, if any for the time being in force and subject to the provisions of the Memorandum and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company, to mortgage or charge all the immovable, movable and intangible properties of the Company, wherever situated, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of any Bank, Financial Institution or any other lender to secure Financial Assistance that may be granted/lent/advanced/provided to the Company by such Bank, Financial Institution or such other lender together with interest thereon at the rate, compound interest, additional interest, liquidated damages, costs, charges, expenses and other monies payable by the Company to Bank, Financial Institution or any other lender under Agreement entered into or to be entered into by the Company in respect of financial assistance, present or future."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the Bank, Financial Institution or any other lender, the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution.”

8. 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 73 and 76 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Companies (Acceptance and Deposits) Rules, 2014 and other applicable provisions, if any and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company is hereby accorded to the Company for inviting/accepting/renewing deposits from its members and from public.
RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to do and perform from time to time, all such acts, deeds, matters and things as may be necessary, expedient and desirable in respect of the above inviting/accepting/renewing deposit from its members and from public and to take such steps as may be necessary or desirable to give effect to this resolution.”
9. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Rohit J. Patel (holding DIN 00012367), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for two consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2016.”
10. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Jignesh J. Shah (holding DIN 01202435), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for two consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2016.”
11. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Ashish H. Modi (holding DIN 02506019), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for two consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2016.”
12. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Rajesh K. Pandya (holding DIN 02711000), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for two consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2016.”
13. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Udayan R Patel (holding DIN 06674232), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for two consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2016.”

Registered Office:

B-202, Safal Pegasus, Anand Nagar Road,
Nr. Prahalad Nagar Garden, Satellite,
Ahmedabad – 380015
Date: 1st October, 2014

BY ORDER OF THE BOARD
FOR VADILAL CHEMICALS LIMITED

sd/
(RAJESH R GANDHI)
(DIN: 00009879)

Chairman & Managing Director

NOTE:

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. Members are requested to notify to the Company any change in their address.
3. The Register of Members and Share Transfer Book of the Company shall remain closed from Monday, 3rd November, 2014 to Wednesday, 12th November, 2014 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to bring their copy of Annual Report at the meeting.
5. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send a Certified Copy of the Board Resolution authorizing their Representatives to attend and vote at the Annual General Meeting.
6. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
7. The Company's shares are listed with the four regional Stock Exchanges viz. Ahmedabad Stock Exchange Limited, The Calcutta Stock Exchange Limited, Madras Stock Exchange Limited, Delhi Stock Exchange Limited.
8. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
9. The SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agent i.e. Bigshares Services Private Limited.

10. **E-VOTING:**

Pursuant to provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolution set forth in the notice convening 23rd Annual General Meeting. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

11. Ministry of Corporate Affairs, New Delhi ("MCA") has launched a "Green Initiative" by permitting paperless compliances by companies pursuant to provisions of Section 20 of the Companies Act, 2013 read with sub rule 3 & 4 of rule 35 of Companies (Incorporation) Rules, 2014 and Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014 and Section 136 of the Companies Act, 2013 read with Rule 11 of the Companies (Accounts) Rules, 2014 which provides for service of documents including notice of General meeting, circulation of Financial Statements etc. through electronic mode. Members of the Company are requested to update their email address by writing to the Registrar and Transfer Agent of the Company quoting their folio number(s).

12. **ANNEXURE TO THE NOTICE:**

Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013

ITEM NO. 6:

At present, your Company has very insignificant amount of debt. However, in the time to come, the Company may be required to borrow money to increase the business volume further. Therefore, it is proposed to have the authorisation of the members for borrowing which may be made by the Company from Financial Institution/Banks/other lender.

The Board of Directors feels that the borrowing limits be made to ` 75 Crores. The Resolution at item No.6 is of an enabling nature and would authorise the Board of Directors to borrow from time to time sums not exceeding ` 75 Crores outstanding at any point of time.

Pursuant to provisions of section 180(1)(c) of The Companies Act, 2013, the Board of Director of any company shall exercise the power to borrow money in excess of the paid up share capital and free reserve only with the consent of the company by way of Special Resolution. So the Board of Directors recommend the proposed resolution be considered and passed as a Special Resolution to give general authority under section 180(1)(c) of the Companies Act, 2013 to the Board of Directors of the Company in this regard.

The Directors recommend this resolution to be passed as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in resolution set out in item no. 6.

ITEM NO. 7:

Section 180(1)(a) of the Companies Act, 2013 provides, inter alia, that the Board of Directors shall not, without the consent of Members in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its immovable and/or creation of charge by way of hypothecation or otherwise over movable properties in favour of the Banks/Financial Institution or other lenders may be regarded as disposal of the Company's properties/undertakings etc., it is considered prudent to have the approval of the members by passing a Special resolution under Section 180(1)(a) of the Companies Act, 2013.

Your Directors recommend the Resolution to be passed as Special resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in resolution set out in item no. 7.

ITEM NO. 8:

The members are informed that the Company had launched fixed deposits scheme, pursuant to the provisions of Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975, wherein Company used to accept/renew deposits from members of the Company and from public. At this juncture, there are no outstanding deposits. However, the Company may accept deposit from its members or from public subject to all requisite compliance.

The Members are further informed that vide notification dated 26th March, 2014, the Ministry of Corporate Affairs (MCA), notified the Section 73, 74(1) and 76 of the Companies Act, 2013, relating to acceptance of deposits by the Companies from its members and from public w.e.f 1st April, 2014. The Companies (Acceptance of Deposits) Rules, 2014 are also came into force w.e.f 1st April, 2014. These provisions applies to the companies having net worth of not less than Rs. 100 crores (Rupees Hundred Crores) or turnover of not less than ` 500 Crores (Rupees Five Hundred Crores). In view of this, the Company is not eligible company to accept deposit from public. However, the Company may accept deposit from its members.

However, for the same, it is necessary for the Company to comply with requirement of the Act and also to ensure the compliance with the Rules, before commencing acceptance/ renewal of unsecured deposits from its Members. Pursuant to the same, the approval of the members of the Company is sought by way of Ordinary resolution. The Board of Directors, therefore, recommend this resolution to be passed as an Ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in resolution set out in item no. 8.

ITEM NO. 9:

Shri Rohit J Patel (holding DIN 00012367) has been a director of the Company whose period of office was liable to determination by retirement of directors under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Rohit J Patel being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for two consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2016.

Shri Rohit J. Patel (holding DIN 00012367) is B.E. (Electrical) and Consultant on Management and Human Resources. He is having 30 years of experience in training people for Communication – Time Management. He is a Proprietor of Symcom Corporation, an Educational Institution in Ahmedabad. He is also a Guest Faculty at various educational institutions. He is a member of Education Committee of Ahmedabad Management Association.

He is on the Board of following other Companies. He is a Member of the Audit Committee of the Directors of the Company. He is Chairman of the Shareholders'/Investors' Grievance Committee of the Directors of the Company He is also a Member of the following committees of other Company. Shri Rohit J. Patel (holding DIN 00012367) does not hold any shares in Vadilal Chemicals Limited.

Directorship	Member of the Board Committees:
Vadilal Industries Ltd.	Audit Committee
Gujarat Ambuja Exports Ltd.	Gujarat Ambuja Exports Ltd.
Symcom Tech Pvt. Ltd.	Vadilal Industries Limited (Chairman)

A notice has been received from a member proposing him Shri Rohit J. Patel as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Shri Rohit J Patel (holding DIN 00012367) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for his appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered Office of the Company during normal business hours on any working day.

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The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Rohit J. Patel (holding DIN 00012367) as a Director. Accordingly the Board recommends his appointment as an Independent Director of the Company.

Except Shri Rohit J. Patel (holding DIN 00012367), being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.9.

ITEM NO. 10:

Shri Jignesh J Shah (holding DIN 01202435) has been a director of the Company whose period of office is liable to determination by retirement of directors under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Jignesh J Shah (holding DIN 01202435) being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for two consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2016.

Shri Jignesh J Shah (holding DIN 01202435) is B.Com Graduate, CWA (Cost Accountant) and FCA (Chartered Accountant). He is having 25 years of experience in training people for Communication – Time Management. He is a Partner in J T Shah & Co. Chartered Accountants since 1992.

He is on the Board of following other Companies. He is Chairman of the Audit Committee of the Directors of the Company. He is also a Member of the following committees of other Company. Shri Jignesh J Shah (holding DIN 01202435) does not hold any shares in Vadilal Chemicals Limited.

Directorship	Member of the Board Committees:
Vadilal Chemicals Ltd.	N.A.
Vadilal International Private Limited	
Sakar Management Consultants Private Limited	

A notice has been received from a member proposing him as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Jignesh J Shah (holding DIN 01202435) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for his appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Jignesh J Shah (holding DIN 01202435) as a Director. Accordingly the Board recommends his re-appointment.

Except Shri Jignesh J Shah (holding DIN 01202435), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.10.

ITEM NO. 11:

Shri Ashish H Modi (holding DIN 02506019) has been a director whose period of office is liable to determination by retirement of directors under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Ashish H Modi (holding DIN 02506019) being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for two consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2016.

Shri Ashish H Modi (holding DIN 02506019) is B.Com Graduate. He is having 26 years of experience of family business (Road Construction). Apart from this he is also director in Ganesh Housing Corporation Limited.

He is not on the Board of any other Company. He is also not a Member of the any committees of other Company. Shri Ashish H Modi (holding DIN 02506019) does not hold any shares in Vadilal Chemicals Limited.

A notice has been received from a member proposing him as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Ashish H Modi (holding DIN 02506019) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for his appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Ashish H Modi (holding DIN 02506019) as a Director. Accordingly the Board recommends his re-appointment.

Except Shri Ashish H Modi (holding DIN 02506019), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.11.

ITEM NO. 12:

Shri Rajesh K. Pandya (holding DIN 02711000) has been a director whose period of office is liable to determination by retirement of directors under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Rajesh K Pandya (holding DIN 02711000) being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for two consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2016.

Shri Rajesh Kantial Pandya (holding DIN 02711000) is having multiple qualifications mainly Diploma in Electrical Engineering and Diploma in Industrial Safety. Presently, he is working with La Gajjar Machinery Private Limited, Ahmedabad. He is a Director in the following other Companies. He is a Member of the Audit Committee of the Directors of the Company. He does not hold any shares in Vadilal Chemicals Limited.

Directorship:	Members of the Committee :
Vadilal Industries Limited	Audit Committee : Vadilal Industries Limited
Padm Complex Limited	
Volute Constructions Limited	Shareholders'/Investors' Grievance Committee : Vadilal Industries Limited
Vadilal Forex and Consultancy Services Limited (earlier known as Vadilal Happinezz Parlour Limited)	
Vadilal Finance Company Private Limited	
Majestic Farm House Limited	
Vadilal Industries (USA) Inc.	

A notice has been received from a member proposing him as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Rajesh K Pandya (holding DIN 02711000) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for his appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Rajesh K Pandya (holding DIN 02711000) as a Director. Accordingly the Board recommends his re-appointment.

Except Shri Rajesh K Pandya (holding DIN 02711000), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.12.

ITEM NO. 13:

Shri Udayan R Patel (holding DIN 06671232) has been a director whose period of office is liable to determination by retirement of directors under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Udayan R Patel (holding DIN 06674232) being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for two consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2016.

Shri Udayan R Patel (holding DIN 06674232) is commerce Graduate from H L College of Commerce. He is having 30 years of experience in managing electrical components manufacturing companies. Functional expertise in handling over all administration, finance, business development, commercial operations & manufacturing and also have got outstanding success in building & maintaining relationship with key corporate decision makers. Presently he is partner in Make-A-Light Industries, Dehradun. He is not a Director in any Company except Vadilal Chemicals Limited. He is a Member of the Audit Committee of the Directors of the Company. He does not hold any shares in Vadilal Chemicals Limited.

A notice has been received from a member proposing him as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Udayan R Patel (holding DIN 06674232) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for his appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered Office of the Company during normal business hours on any working day.

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The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Udayan R Patel (holding DIN 06674232) as a Director. Accordingly the Board recommends his re-appointment.

Except Shri Udayan R Patel (holding DIN 06674232), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.13.

13. Brief profile of Directors retiring by rotation at the ensuing Annual General Meeting is also furnished herewith as required by Clause 49 of the listing agreement:

Particulars	Mr. Virendra R Gandhi	Mr. Rajesh R Gandhi	Mr. Devanshu L Gandhi
Date of Birth	03/08/1945	24/07/1958	26/07/1967
Date of Appointment	11/04/1991	01/12/1995	11/04/1991
Qualification	Graduate	Graduate	Graduate
Expertise in Specific functional areas	He has vast experience in the Chemicals business	He is having experience on hands for Ice-cream & Processed Food Business	He is having experience on hands for Ice-cream & Processed Food Business
Directorships held in other companies	1. Vadilal International Pvt.Ltd. 2. Vadilal Gases Limited 3. Vale Properties Pvt.Ltd. 4. Valiant Constructions Pvt.Ltd. 5. Vortex Ice-cream Pvt.Ltd. 6. Numen Technologies Pvt.Ltd.	1. Vadilal Enterprises Limited 2. Vadilal International Pvt.Ltd. 3. Vadilal Gases Limited 4. Vale Properties Pvt.Ltd. 5. Steelcast Limited 6. Numen Technologies Pvt.Ltd. 7. Vadilal Industries Limited 8. Vadilal Marketing Pvt.Ltd.	1. Vadilal Enterprises Limited 2. Vadilal International Pvt.Ltd. 3. Vadilal Gases Limited 4. Vale Properties Pvt.Ltd. 5. Byad Packaging Industries Private Limited 6. Numen Technologies Pvt.Ltd. 7. Vadilal Industries Limited 8. Esveegee Wires and Metals Private Limited
No. Of Memberships/Chairmanships of committees of other companies	Member of Audit Committee: - Vadilal Chemicals Limited	Chairman of Shareholders/ Investors' Grievance Committee: - Vadilal Enterprises Limited Member of Shareholders/ Investors' Grievance Committee: - Vadilal Industries Limited - Vadilal Chemicals Limited Member of Audit Committee: - Steel Cast Limited	Member of Shareholders/ Investors' Grievance Committee: - Vadilal Industries Limited - Vadilal Enterprises Limited - Vadilal Chemicals Limited Member of Audit Committee: - Vadilal Chemicals Limited
Number of shares held in the Company	135002	157037	434661

Registered Office:

B-202, Safal Pegasus, Anand Nagar Road,
Nr. Prahalad Nagar Garden, Satellite,
Ahmedabad – 380015
Date: 1st October, 2014

BY ORDER OF THE BOARD
FOR VADILAL CHEMICALS LIMITED

sd/
(RAJESH R GANDHI)
(DIN: 00009879)

Chairman & Managing Director

INSTRUCTIONS FOR E-VOTING:

The instructions for members for voting electronically are as under: -

- (i) Log on to the e-voting website <https://www.evotingindia.com>
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" viz. **VADILAL CHEMICALS LIMITED**, from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and
- (v) Next then enter the Captcha Code / image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to <https://www.evotingindia.com> and casted your vote earlier for EVSN of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vii) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the **number of shares held by you as on the cut off date** in the **Dividend Bank details field**.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the EVSN 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 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 Resolutions.
- (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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password, then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in>, click on 'registration' and fill up the required details. After that they have to take printout and submit at Email Id: helpdesk.evoting@cdslindia.com for receiving their login details. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. Before casting vote, they should upload a scanned copy of the Board Resolution/Power of Attorney (POA) in PDF format in the system for the scrutinizer to verify the same.
Corporate Shareholder may send copy of Board Resolution on Email Id of scrutinizer viz. manojhurkat@hotmail.com with cc to Company on investor@bigshareonline.com. The original copy of Board Resolution should be send to Company at its Registered Office.
- (xix) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) **The voting period begins on Thursday, 6th November, 2014 at 9.00 a.m. and shall end on Saturday, 8th November, 2014 at 6.00 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 (record date) of 10th October, 2014** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xxi) The Company has appointed Mr. Manoj Hurkat, a Practicing Company Secretary, Ahmedabad as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxii) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxiii) The Results declared along with the Scrutinizer's Report(s) will be communicated to CDSL and all the stock exchanges where the shares of Company are listed.

DIRECTORS' REPORT

To,
The Members,
VADILAL CHEMICALS LIMITED,
Ahmedabad.

Your Directors have pleasure in presenting the Twenty Third Annual Report on working of the Company together with audited Balance Sheet for the period ended on 31st March, 2014 and Profit & Loss Statement for the period from 1st April, 2013 to 31st March, 2014.

1. FINANCIAL PERFORMANCE:	(` In Lacs)	
Particulars	2013-14	2012-13
Profit before Depreciation, Interest and Tax	379.19	587.07
Less: Depreciation	263.64	250.66
Financial Charges	182.99	164.66
Profit before Tax	(67.44)	171.95
Less: Income Tax	17.10	29.04
(Excess)/ Short provisions for earlier year	(1.53)	-
Deferred Tax	(42.30)	8.94
Profit after Tax	(40.70)	133.97

2. OPERATIONS:

During the year under review, the Company has achieved a turnover of ` 4091.28 Lacs in comparison to ` 4736.36 Lacs in the previous year.

During the year under review, the Net Loss of the Company was ` 40.70 Lacs as compared to Net Profit of ` 133.97 Lacs of the previous year.

3. DIVIDEND:

In view of loss during the year, your Directors regret their inability to recommend any dividend.

4. MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report is enclosed herewith forming part of Director's Report.

5. FIXED DEPOSIT:

There are no outstanding deposits as on 31st March, 2014 within the meaning of Section 58A of the Companies Act, 1956. The deposit of ` 20000/- outstanding as on 1st April, 2013 has been repaid during the year. The Company has otherwise complied with the provisions of Section 58A of the Companies Act, 1956.

6. CORPORATE GOVERNANCE:

As per the listing agreement with the Stock Exchanges, the Company has complied with all the requirements of Corporate Governance. A separate Report on Corporate Governance is annexed as part of the Annual Report. A Certificate from the M/s Manoj Hurkat & Associates, Practising Company Secretaries regarding compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is also annexed to the Report of Corporate Governance.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in the Annexure A forming part of this report.

8. PARTICULARS OF EMPLOYEES:

There was no employee drawing remuneration requiring disclosure under the Companies (Particulars of Employees) Rules, 1975 i.e. employee drawing salary in excess of Rs.5, 00,000/ p.m. employed for part of the year or ` 60, 00,000/- p.a. if employed throughout the year. The employee employer relation remained cordial during the year.

9. DIRECTORS:

During the period of this report, Shri Ramchandra R. Gandhi, former Chairman of the Company demised on 19th August, 2014. The Directors placed on record the valuable services, support and guidance provided by Shri Ramchandra R. Gandhi.

In accordance with provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Virendra R Gandhi (holding DIN 00010155), Shri Rajesh R Gandhi (holding DIN 00009879) and Shri Devanshu L Gandhi (holding DIN 00010146), Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, are offered for re-appointment.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and revised Clause 49 of the listing agreement, Shri Jignesh J Shah (holding DIN 01202435), Shri Rajesh K Pandya (holding DIN 02711000), Shri Udayan R Patel (holding DIN 06674232), Shri Rohit J Patel (holding DIN 00012367) and Shri Ashish H Modi (holding DIN 02506019) are proposed to be appointed as Independent Directors of the Company for the term of two consecutive year until the conclusion of the Annual General Meeting of the Company to be held or the financial year ended

on 31st March, 2016. The Company has received requisite notices in writing from the members proposing the appointment of all directors mentioned above as Independent Directors.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under Section 149(6) of the Companies Act, 2013 and revised clause 49 of the Listing Agreement with Stock Exchanges.

The brief resume/details to the Directors who are to be re-appointed are furnished in the Explanatory Statement attached to the Notice of Annual General Meeting.

The Board of Directors at their meeting held on 24th May, 2014 withdrawn all the powers vested in Mr. Virendra Gandhi (holding DIN 00010155) as Managing Director of the Company. In view of this w.e.f 24th May, 2014, Mr. Virendra R Gandhi (holding DIN 00010155) has ceased to be Managing Director of the Company. However, Mr. Virendra R. Gandhi (holding DIN 00010155) continues to be a Director of the Company. It is pertinent to note that Mr. Virendra R Gandhi (holding DIN 00010155) has not handed over the Charge as Chairman and Managing Director of the Company.

The Board of Directors at their meeting held on 14th August, 2014 has appointed Mr. Rajesh R Gandhi (holding DIN 00009879) as Chairman of the Board.

10. SECRETARIAL COMPLIANCE CERTIFICATE:

As required by the Company (Amendment) Act, 2000 & relevant rules made thereunder, your Company has obtained Compliance Certificate as required under the proviso to Section 383A of the Companies Act, 1956 from M/s. Manoj Hurkat & Associates, Company Secretaries, Ahmedabad. The said Compliance Certificate is attached with this report.

11. AUDITORS & AUDITORS' REPORT:

M/s. RRS & Associates, Chartered Accountants, Ahmedabad (Firm Registration Number: 118336W) the existing auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment. The Members are requested to appoint Auditors for the current year and fix remuneration.

The Company has received a certificate of Auditors to the effect that their reappointment, if made, would be in accordance with the provisions of the Companies Act.

With respect to the emphasis of matter pointed out by the Auditors in their Audit report with respect to not providing records for approval of Board of Directors for the payment of ₹ 4.75 Crores to Success Vyapar Limited and payment of ₹ 1.13 Crores to M/s Krishna Constructions, it is reported that the concerned payments were made by Shri Virendra R. Gandhi, erstwhile Chairman & Managing Director of the Company without any authority/approval of the Board of Directors of the Company. As reported elsewhere in this report, Shri Virendra R. Gandhi has not handed over charge as Chairman & Managing Director of the Company and has not made available various statutory registers and records of the Company for the period prior to 24th May, 2014.

The notes on Accounts and remarks of the Auditors are self explanatory.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 31st March, 2014 being end of the Financial Year 2013-14 and of the loss of the Company for the year;
- (iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

13. INSURANCE:

All insurable interest of the Company including inventories, buildings, plant and machinery, vehicles and other insurable interests are adequately insured.

14. ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere appreciation to the Customers, Employees, Suppliers, Professionals, and Bankers to the Company for their Co-operation and contribution in the affairs of the Company.

Note: Various statutory registers and records of the Company for the period prior to 24th May, 2014 are not available at the registered office of the Company as Mr. Virendra R. Gandhi (holding DIN 00010155), erstwhile Chairman and Managing Director has not handed over the charge. Hence, various details pertaining to that period contained in this report has been compiled on the basis of various external records and other published/disclosed materials.

Registered Office:

B-202, Safal Pegasus, Anand Nagar Road,
Nr. Prahalad Nagar Garden, Satellite,
Ahmedabad – 380015
Date: 1st October, 2014

BY ORDER OF THE BOARD
FOR VADILAL CHEMICALS LIMITED
sd/-
(RAJESH R GANDHI)
(DIN: 00009879)
Chairman & Managing Director

ANNEXURE A TO THE DIRECTORS REPORT

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ending on 31st March, 2014.

(A) Conservation of Energy:

- (a) Energy Conservation measures are taken:

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.

- (b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy and other raw materials:

Company is continuously monitoring and making effort for optimum utilization of equipments which ensures to conserve energy during routine operations itself. There is no specific investment plan for energy conservation.

- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Impact of the measures mentioned here in above in point (a) and (b) reduces the energy consumption and consequent impact on the cost of production.

- (d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure:

Furnishing of these particulars is not applicable to this Company, as it is not carrying on any business which is listed in the Schedule to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

(B) Technology Absorption:

The efforts in technology absorption are mentioned below in Form B

Form B

From the disclosure of particulars with respect to absorption

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which (R & D) carried out by the Company:

Company is continuously carrying out R & D activities in the areas of new products / process development, improvement in existing products.

2. Benefits derived as a result of the above R & D:

Production processes have improved resulting into better productivity.

3. Future plan of action:

The Company has nothing to report under this clause.

4. Details of R & D Expenditure:

Expenditure charged on respective primary heads of accounts, wherever incurred.

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:

1. Efforts in brief, made towards technology absorption, adaption and innovation;

N.A.

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

N.A.

3. Details of Technology imported (during last 5 years): NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO:

	Current Year	Previous year
Earnings:	NIL	NIL
Outgo:	NIL	NIL

Registered Office:

B-202, Safal Pegasus, Anand Nagar Road,
Nr. Prahalad Nagar Garden, Satellite,
Ahmedabad – 380015
Date: 1st October, 2014

BY ORDER OF THE BOARD
FOR VADILAL CHEMICALS LIMITED
sd/
(RAJESH R GANDHI)
(DIN: 00009879)
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

The Securities and Exchange Board of India (SEBI) has prescribed a code of corporate governance (hereinafter referred to as "the code" through Clause 49 in the Listing Agreement executed by the Company with Stock Exchange, which lays down several corporate governance practices. The code has been periodically revised to ensure the adoption of best corporate governance practices by the corporate. This Report sets out the compliances status of the Company with requirements of code for the financial year 2013-14.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the relationship between corporate manager, directors and the providers of equity, people and institutions who save and invest their capital to earn a return. It ensures that the Board of Directors are accountable for the pursuit of corporate governance objectives and that the corporation itself conforms to the law and regulations. This will lay the foundation for further development of superior governance practices, vital for successful business in the interest of all stakeholders in the best possible manner. We believe that governance process should be such as to ensure proper utilization of resources in a manner intended to meet the expectations of the shareholders. We believe in transparency, empowerment, accountability, safety of people and environment and we lay emphasis on Business ethics in all dealings.

2. BOARD OF DIRECTORS

A. Composition of the Board:-

The Board Structure of the Company maintains an optimum mix of Executive, Non Executive Directors.

The detailed composition of the Board as on 31st March, 2014, their category and their Directorship in the companies of the Board are given below:-

Sr. No.	Name of the Director**	Category of directorship	No. of Directorships*	Board Meetings Attended	Attendance at last AGM
1	Shri Virendra R Gandhi (DIN 00010155)	Promoter Executive Director	2	4	Yes
2	Shri Rajesh R Gandhi (DIN 00009879)	Promoter Executive Director	5	7	Yes
3	Shri Devanshu L Gandhi (DIN 00010146)	Promoter Executive Director	4	5	Yes
4	Shri Rohit J Patel (DIN 00012367)	Independent Director	3	7	Yes
5	Shri Jignesh J Shah (DIN 01202435) (w.e.f 30/09/2013)	Independent Director	1	3	N.A.
6	Shri Rajesh K Pandya (DIN 20711000) (w.e.f 30/09/2013)	Independent Director	6	5	N.A.
7	Shri Udayan R Patel (DIN 06674232) (w.e.f 30/09/2013)	Independent Director	1	5	N.A.
8	Shri Ashish H Modi (DIN 02506019) (w.e.f 30/01/2014)	Independent Director	1	1	N.A.

* Excluding Directorship held in Private Limited Companies, Foreign Companies and Section 25 Companies.

** None of the Directors of the Company are related inter-se except Mr. Virendra R Gandhi (DIN 00010155), Mr. Rajesh R Gandhi (DIN 00009879) being brothers.

ANNUAL REPORT 2013-2014

The details of the Directors ceased during the financial year ended on 31st March, 2014, their category and their Directorship in the companies of the Board are given below:-

Sr. No.	Name of the Director	Category of directorship	No. of Directorships*	Board Meetings Attended	Attendance at last AGM
1	Shri Ramchandra R Gandhi (DIN 00009918) (upto 29/05/2013)	Promoter & Non Executive Director	1	Nil	N.A.
2	Shri Pankaj R Patel (DIN 00131852) (upto 13/11/2013)	Independent Director	9	Nil	No
3	Shri Dilip L Parikh (DIN 03391680) (upto 14/02/2014)	Independent Director	1	3	No
4	Shri Kshitish M Shah (DIN 00563191) (upto 14/02/2014)	Independent Director	2	4	Yes
5	Shri Jayesh P Khandwala (DIN 00477718) (upto 30/09/2013)	Independent Director	1	Nil	No

* Excluding Directorship held in Private Limited Companies, Foreign Companies and Section 25 Companies.

B. Board Meetings:-

Dates of the Board Meetings are decided in advance. The Board Meetings are convened by giving appropriate notice after obtaining the approval from Chairman and the Managing Directors. The Board meets at least once a quarter to review the results and other items on the agenda and also on the occasion of the annual shareholder's meeting. When necessary, additional meetings are held.

The agenda of the board meeting is drafted along with explanatory notes and these are distributed in advanced to the Directors. Every Board member is free to suggest the inclusion of items on the agenda. All divisions/department in the Company are encouraged to plan their functions well in advanced, particularly with regard to matters requiring discussion/ approval/decision in the Board/Committee meetings. All such matters are communicated in advanced so that the same could be included in agenda for the Board meetings.

Agenda papers are circulated to the Board. Additional items on the agenda are permitted with the permission of the chairman.

To address specific urgent need, meetings are also convened at short notice. The Board also passes resolution by circulation on need basis.

During the year under review the Board of Directors meet seven times during the year on 29th May, 2013, 14th August, 2013, 13th November, 2013, 3rd January, 2014, 10th February, 2014, 14th February, 2014 and 17th February, 2014. The Board meets at least once in a quarter and maximum time gap between was not more than four months.

The Board is presented with the extensive information on vital matters affecting the working of the Company and risk assessment and mitigation procedure.

C. Information on Directors seeking Reappointment at the ensuing Annual General Meeting:-

Brief resume of Directors being appointed / reappointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and names of the other companies in which they hold Directorship are furnished in the Explanatory Statement to the Notice of 23rd Annual General Meeting.

3. AUDIT COMMITTEE

The composition of the Audit Committee as on 31st March, 2014 was as follows:-

1. Shri Jignesh J Shah (DIN 01202435) - Chairman
2. Shri Virendra R Gandhi (DIN 00010155) - Member
3. Shri Devanshu L. Gandhi (DIN 00010146) - Member
4. Shri Rohit J. Patel (DIN 00012367) - Member
5. Shri Rajesh K. Pandya (DIN 02711000) - Member
6. Shri Udayan R Patel (DIN 06674232) - Member

Note:

Audit Committee has six Directors and at least two third are Independent Directors. The Chairman of the Audit Committee is an Independent Director and having thorough financial and accounting knowledge.

The powers of the Audit Committee as conferred by the Board of Directors inter alia are:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

The role of the Audit Committee includes the overview of the Company's financial reporting process and related disclosures to ensure that the financials are correct, sufficient and credible. The Committee will also undertake the review, with our management, of our annual and quarterly financial statements before submission to the Board for approval. The Committee shall also review the adequacy of our internal control systems, internal audit functions and discuss any significant findings of the internal auditors. The Committee shall also discuss with our statutory auditors prior to their commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern. The Audit Committee shall examine the reasons for substantial defaults in the payments by the Company to depositors, debenture holders, shareholders (in case of non - payment of declared dividends) and creditors. The Committee shall also review the functioning of whistle blower/vigil mechanism as and when introduced by the Company.

During the year 2013 - 2014, the Audit Committee met 5 (Five) times. Details of these Meetings are as follows:-

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
1	29th May, 2013	2	14th August, 2013
3	13th November, 2013	4	10th February, 2014
5	14th February, 2014		

The attendance of the Members at the Audit Committee Meetings during 2013 - 2014 was as follows:-

Sr. No.	Name of the Audit Committee Members	Number of Audit Committee Meetings held while holding the office	Number of Audit Committee Meetings attended
1	Shri Jignesh J Shah (DIN 01202435) (w.e.f 03/01/2014)	2	2
2	Shri Virendra R Gandhi (DIN 00010155) (w.e.f 29/05/2013)	5	3
3	Shri Devanshu L. Gandhi (DIN 00010146) (w.e.f 03/01/2014)	2	2
4	Shri Rajesh K. Pandya (DIN 02711000) (w.e.f 03/01/2014)	2	1
5	Shri Udayan R Patel (DIN 06674232) (w.e.f 03/01/2014)	2	Nil
6	Shri Rohit J Patel (DIN 00012367)	4	4
7	Shri Kshitish M Shah (DIN 00563191) (upto 14/02/2014)	5	4
8	Shri Jayesh P Khandwala (DIN 00477718) (upto 30/09/2013)	1	Nil
9	Shri Dilip L Parikh (DIN 03391680) (upto 03/01/2014)	3	3
10	Shri Ramchandra R Gandhi (DIN 00009918) (upto 29/05/2013)	1	Nil

The necessary arrangements were made to answer shareholder queries at the 22nd Annual General Meeting of the Company held on 30th September, 2013.

4. REMUNERATION COMMITTEE:

i. Composition

As on 31st March, 2014, the remuneration Committee comprises of the following Non – executives Independent directors as its member:-

- (1) Mr. Kshitish M Shah* (DIN 00563191) – Chairman
- (2) Mr. Rohit J Patel (DIN 00012367) - Member
- (3) Mr. Dilip L Parikh** (DIN 03391680) - Member

* ceased as Director w.e.f. 14/02/2014

** ceased as Director w.e.f. 03/01/2014

The Remuneration Committee was re-nomenclature to the Nomination and Remuneration Committee w.e.f 14th August, 2014 which comprises of following members:

- (1) Mr. Rohit J Patel (DIN 00012367) - Member
- (2) Mr. Jignesh J Shah (DIN 01202435) - Member
- (3) Mr. Udayan Patel (DIN 06674232) - Member

ii. Brief description of the terms of the reference:

The Board terms of reference of the Remuneration Committee include:

- To determine on behalf of the board, the Company's Policy on remuneration package for Executive Directors including pension rights and compensation payments.
- To decide any other related matters.

iii. Details of remuneration paid during the year ended 31-03-2014.

- Managing Directors / Executive Directors.

Name	Position held during the Period	Total Remuneration In Rupees
Shri Virendra R Gandhi (DIN 00010155)	Managing Director	Rs. 29,90,639/-
Shri Rajesh R Gandhi (DIN 00009879)	Managing Director	NIL
Shri Devanshu L Gandhi (DIN 00010146)	Managing Director	NIL

- Non – Executive Directors:

Remuneration by way of sitting fees for attending Board/ Committee Meetings have been paid to the non – executive Directors. No other remuneration by way of commission or otherwise was paid to them during the year. During the year, a total sum of ` 2,84,000/- was paid as sitting fees.

There was no pecuniary relationship or transaction of the Non – executive Directors with the company. The company has not granted any stock option to any of its Directors.

5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders/ Investor's Grievance Committee has been constituted to look into investors complaints like transfer of shares, non – receipt of declared dividend, etc and take necessary steps for redressal thereof. As a measure of good corporate governance and to focus on the Shareholders' grievances and towards strengthening investor relation and to expedite the transfer process in the physical segment, the committee is constituted.

As on 31st March, 2013, the Committee comprised of Shri Ramchandra R Gandhi (DIN 00009918), Shri Rajesh R Gandhi (DIN 00009879), Shri Devanshu L Gandhi (DIN 00010146) and Shri Virendra R Gandhi (DIN 00010155). Shri Ramchandra Gandhi (DIN 00009918), non executive director was Chairman of the Shareholders Grievances Committee.

Thereafter w.e.f. 29th May, 2013, Shri Ramchandra R. Gandhi (DIN 00009918) ceased to be Director of the Company.

The committee was reconstituted and re-nomenclature to Stakeholders Relationship Committee w.e.f. 14th August, 2014. The Committee comprises of following members:

1. Mr. Rohit J Patel (DIN 00012367) - Chairman
2. Mr. Rajesh R Gandhi (DIN 00009879) - Member
3. Mr. Devanshu L Gandhi (DIN 00010146) - Member

As on 31st March, 2014, no investor complaint in pending

6. CODE OF CONDUCT

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a Code of Conduct for Prevention of Insider Trading. This Code of Conduct is applicable to all Directors and such other Designated Employees of the Company who can have access to unpublished price sensitive information relating to the Company.

The Company's code of conduct has clearly laid down procedures for reporting unethical behavior, actual or suspected fraud or violation of the ethics policies. No employee of the company was denied access to the Audit Committee.

7. GENERAL BODY MEETINGS

A. Schedule of the last three Annual General Meetings of the Company is presented below:-

Year	Date of AGM	Time	Venue
2012 - 2013	30th September, 2013	1.00 P.M.	At the Registered Office
2011 – 2012	28th September, 2012	11.00 A.M.	At the Registered Office
2010 – 2011	29th September, 2011	11.00 A.M.	Gajjar Hall, Opp. Law Garden, Ellisbridge, Ahmedabad

Special Resolutions were passed by a show of hands. There was no item in agenda that needs approval by Postal ballot at the forthcoming AGM. The Postal Ballot has been conducted from time to time in compliance with applicable provisions of Section 192A of the Companies Act, 1956 and rules made there under as and when required.

8. SUBSIDIARY COMPANIES

As at March 31, 2014, the Company had no subsidiary company.

9. DISCLOSURES

Legal Compliances:

The Company has formalized a system for legal compliance applicable to the Company. Status of legal compliance and steps taken to rectify non – compliances, if any, are placed before the Board of Directors at its meetings.

There were no instances of material non – compliance during the year under review unless otherwise explicitly stated in the Financial Statement and Directors report. No stricture or penalties were imposed on the Company by SEBI, Stock exchanges or any statutory on any matter related to capital markets during the last three years.

Disclosure of Accounting Treatment:

In Preparation on financial statements, the Company has generally followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The Significant accounting policies that are consistently applied have been set out in the Notes to the Accounts.

Related Party Transaction:

There are no related party transactions during the year of material nature.

Disclosure on Risk Management:

Business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the Company to mitigate the risks.

10. MEANS OF COMMUNICATION

Half yearly result sent to each household of Shareholders : No

Quarterly results are published in : Business Standard (English) and Jaihind (Gujarati)

The Management Discussion and Analysis form part of the Annual Report, which is circulated to all members of the Company.

11. GENERAL SHAREHOLDERS INFORMATION

A. Schedule & Venue of the 23rd Annual General Meeting of the Company:-

Day : Wednesday

Date : 12th November, 2014

Time : 11.30 a.m.

Venue : "Vadilal House", Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380009

B. Financial Year and Calendar:-

The Financial Year of the Company starts on 1st April and ends on 31st March every year.

Financial Calendar for 2014 - 2015 (Tentative Schedule) for adoption of quarterly results for:

Annual General Meeting	Last week on September/October, 2014
Quarter ending 30th June, 2014	On or before 14th August, 2014
Quarter ending 30th September, 2014	On or Before 14th November, 2014
Quarter ending 31st December, 2014	On or Before 14th February, 2015
Quarter & Year ending 31st March , 2015 (un- Audited)	On or Before 14th May, 2015

C. Book Closure Date:- 3rd November, 2014 to 12th November, 2014 (both days inclusive)

D. Listing on Stock Exchanges and Scrip Codes:-

Name of Stock Exchange		
1. Ahmedabad Stock Exchange Limited	-	64507
2. The Calcutta Stock Exchange Limited	-	VADILACHEM
3. Madras Stock Exchange Limited	-	9254
4. Delhi Stock Exchange Limited	-	32171

The Company has also entered into a tripartite agreement with National Securities Depository Limited (NSDL) and CDSL. The ISIN no. for Company's securities is INE961A01015.

Note: The necessary listing fees for the year 2014-2015 have been/are being paid to all the Stock Exchanges.

E. Registered Office of the Company:-

VADILAL CHEMICALS LIMITED
B-202, SAFAL PEGASUS, ANAND NAGAR ROAD,
NR. PRAHALAD NAGAR GARDEN, SATELLITE,
AHMEDABAD – 380015

G. Registrar and Transfer Agent and Share Transfer System:-

The Company has appointed M/s Bigshare Services Private Limited as the Registrar and Share Transfer Agent of the Company for both Physical as well as Demat mode.

The Company has entrusted the M/s Bigshare Services Private Limited with the responsibility of ensuring effective resolution and disposal of all kinds of investor grievances such as Demat, Remat, non receipt of Dividend, etc.

Investors may contact our Registrar and Share Transfer Agent at the following address for their queries:-

M/s Bigshare Services Private Limited
E-2 & 3, Ansa Industrial Estate,
Saki – Vihar Road, Sakinaka,
Andheri (E), Mumbai -400 072
Tel: +91-22-40430200
Fax: +91-22-28475207
Email: investor@bigshareonline.com

H. Distribution of Shareholding:-

Distribution of shareholding as on 31st March, 2014 is given below:

Category (Amount of Share)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	752	78.99	240410	4.93
501-1000	133	13.97	114661	2.35
1001-2000	22	2.31	34646	0.71
2001-3000	7	0.74	16600	0.34
3001-4000	1	0.10	3844	0.08
4001-5000	3	0.32	12948	0.27
5001-10000	10	1.05	69817	1.43
10001 & above	24	2.52	4381074	89.89
Total	952	100	4874000	100

I. Pattern of Shareholding as on 31-03-2014 :-

Sr. No.	Category	No. of Shareholders	No. of Shares	(%)
1.	Corporate Bodies	4	179550	3.68
2.	Corporate Bodies (Promoter Co.)	5	2929204	60.10
3.	Directors Relatives	16	458587	9.41
4.	Promoters	5	443534	9.10
5.	Public	905	423197	8.68
6.	Relatives of Directors	17	439928	9.03
	TOTAL	952	4874000	100.00

Address of Correspondence:

The Company's Corporate Office/ Registered Office is situated at B-202 Safal Pegasus, Anand Nagar Road, Nr. Prahalad Nagar Garden, Satellite, Ahmedabad – 380015. Shareholder's correspondence should be addressed to the Office of the Company as stated above.

Share Transfer System:

The application for transfer of shares held in physical form is received at the office of the Registrar and share transfer Agents of the Company. Shareholders'/ Investor's Grievance Committee approves valid transfer of shares and shares certificates are dispatched within a period of 30 days from the date of receipt, provided the same are in order in every respect.

Secretarial Audit for Reconciliation of Capital:

As stipulated by SEBI, Practising Company Secretaries Carry out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the total issued and listed capital. This Audit is carried out every quarter and report thereon is submitted to the Stock Exchange(s) where shares of the Company are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

Location:

The Company's plants are located at:

1. Plot No. 2504, Phase IV, GIDC, Vatva, Ahmedabad
2. 40 Shed Area, Plot No. 799, GIDC, Estate, Vapi, Dist : Valsad.
3. Plot No. 615, GIDC Estate, PANOLI, Dist : Bharuch.
4. D—397, MIDC, TTC Area, Village : Kukshet, Dist . Thane, Navi Mumbai.
5. Plot No. 18/A APIIC Ind, Estate, Patancheru, Dist : Medak.
6. Plot No. E-43, RIICO Industrial Estate, Khushkhera, Tal : Thijara, Bhiwadi, Dist : Alwar.

NOTE:

Various statutory registers and records of the Company for the period prior to 24th May, 2014 are not available at the registered office of the Company as Mr. Virendra R. Gandhi (DIN 00010155), erstwhile Chairman and Managing Director has not handed over the charge. Hence, various details pertaining to that period contained in this report has been compiled on the basis of various external records and other published/disclosed materials.

Place: Ahmedabad
Date: 1st October, 2014

FOR VADILAL CHEMICAL LIMITED
sd/-
(RAJESH R. GANDHI)
(DIN 00009879)
CHAIRMAN & MANAGING DIRECTOR

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members
VADILAL CHEMICALS LIMITED
B-202, Safal Pegasus, Nr. Auda Garden,
Pralhadnagar, Ahmedabad - 380015

We have examined relevant available records of Vadilal Chemicals Limited for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Ahmedabad Stock Exchange Limited, The Calcutta Stock Exchange Limited, Madras Stock Exchange Limited and Delhi Stock Exchange Limited for the financial year ended 31st March, 2014. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

As per information and explanation given to us by the Company, various statutory registers and records of the Company for the period prior to 24th May, 2014 are not available at the Registered Office of the Company as Mr. Virendra R. Gandhi; erstwhile Chairman & Managing Director of the Company has not handed over charge. Therefore, we have relied upon external records and other published material/document and secondary data/record available with the Company/Directors in verifying extent of compliance of the conditions of Corporate Governance.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the said Clause – 49 of the Listing Agreement.

This certificate 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.

For, **MANOJ HURKAT & ASSOCIATES**
Company Secretaries
SD/-
MANOJ R. HURKAT
Partner
COP No. : 2574

Place: Ahmedabad
Date : 1st October, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

This section in the Annual Report is incorporated in adherence to the Clause 49 of the Listing Agreement regarding Corporate Governance. The Report contains certain forward-looking statements which are based on the certain assumptions and expectations of certain future events.

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.

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.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

OUTLOOK

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

RISKS AND CONCERNS

Through the Overall growth of Indian economy, especially the manufacturing sector has increased the potential of Gas Industry, there is certain risk from import in certain sectors due to reduction in import duties as part of globalization. Also the increasing prices of steel shall result in proportionate increase in cost of Cylinders and accessories resulting higher outflows.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your 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.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Company has a profit before tax of ` (67.44) Lacs during the current year in comparison to ` 171.95 Lacs earned by the Company during previous year. During the current year, the Company's performance is likely to improve. Company's current ratio and debt equity ratio are favourable. There is no overdue outstanding term loan or working capital Facilities from Banks.

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

Your Company has manpower strength of about 50 employees & continues to enjoy cordial relationship with them and not even a single man day has been lost due to strike/lockout.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT:

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.

For and on Behalf of the Board of Director
sd/-

RAJESH R. GANDHI
(DIN 00009879)

Chairman & Managing Director

Place: Ahmedabad

Date: 1st October, 2014

COMPLIANCE CERTIFICATE**AUTHORISED CAPITAL: ₹ 10 Crores****CIN: L24231GJ1991PLC015390**

To,
The Members
VADILAL CHEMICALS LIMITED
B-202, Safal Pegasus, Anand Nagar Road,
Nr. Prahalaad Nagar Garden, Satellite,
Ahmedabad - 380 015

We have examined the available registers, records, books and papers of **M/S. VADILAL CHEMICALS LIMITED** (the Company) as maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. We have been informed by the Company that the various statutory registers and records of the Company for the period prior to 24th May, 2014 are not available as Mr. Virendra R. Gandhi (holding DIN 00010155), erstwhile Chairman and Managing Director has not handed over the charge. Accordingly, various details contained in this certificate have been examined on the basis of various external records and other published/ disclosed materials provided to us by the Company. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. As per information and explanation provided by the Company, it is reported that the Company has kept and maintained registers as stated in Annexure 'A' to this Certificate as per the provisions and the rules made thereunder. However, as the registers were not made available for our examination, we are unable to comment about the entries required to be recorded/updated therein.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company is Public limited company with its equity shares listed on Ahmedabad Stock Exchange Limited, The Calcutta Stock Exchange Limited, The Madras Stock Exchange Limited and The Delhi Stock Exchange Limited. Hence, no further comments are required to be offered under this clause.
4. As per information and explanation provided by the Company, it is certified that the Board of Directors met seven times on 29th May, 2013, 14th August, 2013, 13th November, 2013, 3rd January, 2014, 10th February, 2014, 14th February, 2014 and 17th February, 2014. However, we could not examine the proof of despatch of the notices given by the Company to its Directors in this regard. We have been informed that the proceedings of the meetings were recorded in the Minutes book maintained by the Company. However, the same were not made available for our examination. Hence, we are not able to comment on the same. We have been informed by the Company that the Company has not passed any circular resolution during the year under scrutiny.
5. The Company closed its Register of Members from Saturday, the 14th September, 2013 to Monday, the 16th September, 2013 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2013 was held on 30th September, 2013. As the proof of giving due notices to the members of the Company was not provided to us, we are unable to comment on the same. Similarly, in the absence of availability of Minutes book of general meeting, we are unable to comment as to whether the resolutions passed thereat were duly recorded or not.
7. The Company has not held any Extraordinary General Meeting of the members of the Company during the financial year.
8. As informed by the Company, we hereby certify that the Company has not made any loan or given any guarantee or provided security to its Directors or any other person as covered by Section 295 of the Act.
9. As informed by the Company, we hereby certify that there are no contracts, entered into, falling within the provisions of Section 297 of the Act.
10. As the Register under section 301 of the Act was not made available for our examination, we are unable to comment as to whether the Company has made necessary entries in respect of general disclosures made by the Directors of the Company under Section 299 of the Companies Act, 1956.
11. As informed by the Company, it is hereby certified that there were no new instances falling within the purview of section 314 of the Act during the financial year, therefore, the Company was not required to obtain any fresh approvals from the Board of Directors, members or the Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year under review.
13. The Company has:

- (i) delivered share certificates upon lodgement thereof for transfer during the financial year. There was no allotment of any securities and no securities were lodged for transmission or for any other purpose during the financial year under review.
 - (ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year under review.
 - (iii) not posted warrants to any member of the company, as no dividend was declared during the financial year.
 - (iv) not transferred any amounts in Unpaid Dividend Account, application money due for refund, matured deposits, matured debentures, and the interest accrued thereon which have remained unclaimed or unpaid for a period of 7 (seven) years to Investor Education and Protection Fund, as there were no such amounts required to be transferred during the year as certified by the Company.
 - v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company was duly constituted. During the financial year, Mr. Jignesh J Shah, Mr. Ashish H Modi, Mr. Rajesh K Pandya, and Mr. Udayan R Patel were duly appointed as Additional Directors of the Company. Apart from this, no other Additional Director, Alternate Director and Director to fill casual vacancy was appointed during the financial year.
 15. During the financial year, Mr. Virendra R Gandhi was re-appointed as Managing Director for a period of 5 years i.e. from 1st April, 2014 to 31st March, 2019 at the Board meeting held on 13th November, 2013. The company has further informed that Mr. Virendra R. Gandhi has ceased to be the Managing Director of the Company w.e.f. 24th May, 2014 subsequent to the withdrawal of powers of management of Mr. Virendra R. Gandhi by the Board of Directors of the Company and the Board of Directors of the Company took note of the same.
 16. As informed by the Company, there was no appointment of any sole-selling agent during the financial year.
 17. As informed by the Company, there was no requirement to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year except for the appointment of cost auditors for which necessary form 23-C was filed by the Company.
 18. All the Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued Equity Shares or any debentures or any other securities during the financial year under review.
 20. The Company has not bought back any shares during the financial year under review.
 21. The Company has not issued any preference shares/debentures and hence there is no question of redemption of the same.
 22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not accepted or invited any deposit including unsecured loans falling within the purview of Section 58A of the Companies Act, 1956 during the year and hence no comments are offered for the same. There was outstanding amount of deposit ` 20000 as on 1st April, 2013 which has been repaid by the Company during the financial year 2013-14. Hence, as on 31st March, 2014, there were no outstanding deposits.
 24. As informed by the Company, there has not been any amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year under review, hence no comments are offered for the same. The Company has taken various vehicles/assets on hire purchase basis during the financial year.
 25. As informed by the Company, there was no loan and investments made or no guarantees given or securities provided to other bodies corporate falling within the purview of Section 372A of the Act during the year under scrutiny and hence no comments are offered for the same. As informed by the Company, an amount of ` 4.75 Crores to Success Vyapar Limited and an amount of ` 1.13 Crores to Krishna Construction was provided by Mr. Virendra R. Gandhi, erstwhile Chairman & Managing Director without any authority of the Board of Directors of the Company and hence, the same is shown/ treated as other current assets pending recovery.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of Memorandum with respect to Authorised Share Capital of the Company during the year under scrutiny.

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30. The Company has not altered its Articles of Association during the year under scrutiny.
31. As informed by the Company, there has not been any prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and there has not been any fines and penalties or any other punishment imposed on the Company.
32. The Company has not received any amount as security from its employees during the year under certification and hence the question of deposit of the same as per provisions of Section 417(1) of the Act does not arise.
33. The Company has not constituted any Provident Fund for its employees and therefore the provisions of Section 418 of the Act are not applicable to the Company.

For, **MANOJ HURKAT & ASSOCIATES**
Company Secretaries
sd/-
MANOJ R. HURKAT
Partner
COP No. : 2574

Place: Ahmedabad
Date : 1st October, 2014

Annexure – A

LIST OF REGISTERS AS MAINTAINED BY THE COMPANY:

1. Register of members under Section 150 and Index of Members under section 151
2. Minutes of General Meetings under section 193
3. Minutes of Board meetings under section 193
4. Minutes of Committee meetings under section 193.
5. Register of charges under section 143
6. Books of accounts under section 209
7. Register of contracts under section 301
8. Register of general notice of directors under section 301(3)
9. Register of Directors etc. under section 303
10. Register of Directors' shareholding under section 307
11. Register of renewed and duplicate certificate under Rule 6 of the Companies (Issue of Share certificate) Rules, 1960.
12. Registered of Loan, Investments, Guarantee, Security etc. u/s 372A

Note: The above list of Registers is laid down as certified by the Company. However, we could not examine any of the above registers at the time of issuing this compliance certificate as the Company has informed that the various registers and records for the period prior to 24th May, 2014 are not available, as Mr. Virendra R. Gandhi, erstwhile Chairman and Managing Director has not handed over the charge.

Annexure – B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during/relating to the financial year ending on 31st March 2014

A. Registrar of Companies, Gujarat

Sr. No.	Form No.	Under Section	Purpose	Date of Filing	Whether filed within time?
1.	32	303	Cessation of Mr. Ramchandra R Gandhi as Director of the Company w.e.f 29/05/2013	06/06/2013	Yes
2.	I-XBRL	233(B)	Form for filing XBRL document in respect of cost audit report with the Central Government	20/09/2013	Yes
3.	A-XBRL	209 (1) (d)	Filing XBRL document in respect of compliance report with Central Government	20/09/2013	Yes
4.	62	58A	Submission of Statement in lieu of Advertisement with Registrar of Companies pursuant to The Companies (Acceptance of Deposit) Rules.	26/09/2013	Yes
5.	32	303	Appointment of Mr. Jignesh J Shah, Mr. Udayan R Patel & Mr. Rajesh K Pandya as Directors of the Company w.e.f 30/09/2013 and Cessation of Mr. Pankaj R Patel & Mr. Jayesh P Khandwalla as Directors of the Company w.e.f 30/09/2013	25/10/2013	Yes
6.	66	383A	Compliance Certificate for the financial year ended 31 st March, 2013.	26/10/2013	Yes
7.	25C	269(2)	Appointment of Mr. Rajesh R Gandhi as Managing Director of the Company for a period of five year from 1 st January, 2013 to 31 st December, 2017.	29/10/2013	No (With Additional Fees)
8.	25C	269(2)	Appointment of Mr. Devanshu L Gandhi as Managing Director of the Company for a period of five year from 1 st January, 2013 to 31 st December, 2017.	29/10/2013	No (With Additional Fees)
9.	20B	159	Annual Return made up to 30 th September, 2013.	28/12/2013	No (With Additional Fees)
10.	32	303	Appointment of Mr. Ashish H Modi as Director of the Company w.e.f 03/01/2014	08/01/2014	Yes
11.	23	192	Re-appointment of Mr. Virendra R Gandhi as Managing Director of the Company for a period of 3 years upto 31 st March, 2017.	09/01/2014	No (With Additional Fees)
12.	32	303	Cessation of Mr. Dilip L Parikh and Mr. Kshitish M Shah as Directors of the Company w.e.f 11/02/2014	04/03/2014	Yes
13.	23AC & ACA XBRL	220	Filing of Balance Sheet, Statement of Profit & Loss Accounts alongwith notes for the F.Y. 2012-13	04/03/2014	No (With Additional Fees)

B. Central Government:

Sr. No.	Form No.	Under Section	Purpose	Date of Filing	Whether filed within time?
1.	23C	233B	Application for appointment of Cost Auditors for the financial year 2012-13	06/06/2013	No (With Additional Fees)
2.	23C	233B	Application for appointment of Cost Auditors for the financial year 2013-14	25/06/2013	Yes

C. Regional Director or other Authorities

NIL

For, MANOJ HURKAT & ASSOCIATES

Company Secretaries

sd/-

MANOJ R. HURKAT

Partner

COP No. : 2574

Place: Ahmedabad
Date : 1st October, 2014

CEO CERTIFICATE

To,
The Board of Directors
VADILAL CHEMICALS LIMITED
B-202, Safal Pegasus, Anandnagar Road,
Nr. Prahaladnagar Garden, Satellite,
Ahmedabad – 380015

1. We have reviewed the Balance sheet, Statement of Profit & Loss and all its Schedules and Notes on Accounts, as well as Cash Flow Statement as at 31st March, 2014 and certify that to the best of our knowledge and belief:
 - (i) These Statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 - (ii) These Statements read together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. No transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct unless otherwise explicitly stated in the Financial Statement and the Directors report
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
4. We do further certify that there had been :
 - i. no significant changes in internal control during the year;
 - ii. no significant changes in accounting policies during the year; and
 - iii. no instances of significant fraud, of which we are aware during the period.

Place: Ahmedabad
Date: 1st October, 2014

sd/-
Devanshu L. Gandhi
(DIN: 00010146)
Managing Director

sd/-
Rajesh R. Gandhi
(DIN: 00009879)
Chairman & Managing Director

INDEPENDENT AUDITORS' REPORT

To the Members of,
Vadilal Chemicals Limited

Report On the Financial Statements

We have audited the accompanying financial statements of **Vadilal Chemicals Limited**, which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

Emphasis of Matter

We draw attention to:

- 1) *The Company has paid ` 4.75 Crores to Success Vyapar Limited on various dates during the year, company had not provided to us the records confirming the approval of Board of Directors for making this payment. (Refer Note: 32)*
- 2) *The Company has paid ` 1.33 Crores to M/s Krishna Construction on various dates during the year, company had not provided to us the records confirming the approval of Board of Directors for making this payment. (Refer Note: 33)*

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations 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 appears from our examination of those books
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

ANNUAL REPORT 2013-2014

- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act.

For **RRS & Associates**
Chartered Accountants
(Registration No. 118336W)

Rajesh R. Shah
Partner
Membership No.: 034549

Place : Ahmedabad
Date : 14th August, 2014

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of ever date.

1.
 - a. As informed to us, the Company is in the process of updating of proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b. All 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. In our opinion and according to the information and explanation given to us, substantial part of fixed assets has not been disposed off by the company during the year.
2.
 - a. As explained to us, stock has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. As per information given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
3.
 - a. The company has not granted any loans, secured or unsecured, to / from firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, hence provision of clause (iii) (b) to (iii) (d) are not applicable to the company.
 - e. During the year the company has taken unsecured loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The year end balance and maximum amount outstanding during the year in respect of the loan taken from such company was ` 15,89,50,094/- and ` 15,89,50,094/- respectively.
 - f. In our opinion and according to the information and explanation given to us, the rate of interest of such loans taken, and other terms & conditions are not prima facie prejudicial to the interest of the Company.
 - g. In our opinion and according to the information and explanation given to us, the interest payments are regular and the principal amount is repayable on demand.
4. In our opinion, there are adequate internal control procedures Commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any major weakness in internal control.
5.
 - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Company Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanation given to us the above transactions, wherever they exceed the threshold limit specified, are made at prices which are not prejudicial to the interest of the company
6. As per the explanations given to us, the company has not accepted deposits from the public.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Company Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9.
 - a. According to the information and explanations given to us, undisputed statutory dues including Provident Fund, ESI, Income-tax, Wealth-tax, Custom duty, Excise duty, cess and any other material statutory dues have been generally regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at the last day of the financial year for a period of more than six months from the date they become payable.
 - b. According to the records of the company and on the basis of the information and explanation given to us, disputed statutory dues that have not been deposited as on 31/03/2014 are E.S.I.C for the year 2005 to 2006, pending before E.S.I.C Court, amounting to ` 21,31,160. Another dispute of Excise of the year 1997 to 2003 is pending before the Supreme Court, amounting to ` 37,00,000/-.
10. In our opinion and according to the records of the company, the company has not incurred cash losses during the financial year covered by our audit and immediate preceding financial year.
11. 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 institution, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company is dealing in or trading in Shares, Securities, Debenture and other investments. The Company has maintained proper records of transaction and timely entry has been made therein. The Shares and securities, debentures and others shares held by the company in its own name.
15. In our opinion and according to the information and explanation given to us, the Company has not given any Guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, on the basis of information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment by the company.
18. As the Company has not made any preferential allotment of share, hence the provision of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
19. The Company has not issued any debenture during the year. Accordingly, the provisions of Clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, nor such type of the case been reported or informed to us by the management.

For RRS & Associates
Chartered Accountants
(Registration No. 118336W)

Rajesh R. Shah
Partner
Membership No.: 034549

Place : Ahmedabad
Date : 14th August, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	31st March, 2014	31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	48,740,000	48,740,000
(b) Reserves and Surplus	3	33,262,184	37,332,568
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	162,864,043	156,968,250
(b) Deferred Tax Liabilities (Net)	5	10,919,067	15,149,258
(c) Long Term Provisions	6	359,101	319,627
(3) Current Liabilities			
(a) Short-Term Borrowings	7	23,720,783	55,117,896
(b) Trade Payables	8	4,405,539	7,069,110
(c) Other Current Liabilities	9	17,686,844	16,893,746
(d) Short-Term Provisions	10	1,989,288	2,405,607
Total Equity & Liabilities		303,946,848	339,996,062
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
Tangible Assets		97,287,205	115,523,655
Intangible Assets		135,457	210,356
(b) Non-current investments	12	1,014,435	1,014,435
(c) Long term loans and advances	13	2,110,515	2,398,487
(d) Other non-current assets	14	72,076	52,334,263
(2) Current Assets			
(a) Inventories	15	9,969,283	11,831,494
(b) Trade receivables	16	82,904,628	88,338,949
(c) Cash and cash equivalents	17	18,484,477	48,415,439
(d) Short-term loans and advances	18	33,098,930	19,928,984
(e) Other current assets	19	58,869,842	-
Total Assets		303,946,848	339,996,062

The accompanying notes are an integral parts of financial statements.

As per our report of even date attached.

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

sd/-

Rajesh R. Shah
(Partner)
Membership No. : 034549

Place : Ahmedabad
Date : 14th August, 2014

For and on behalf of the Board of Directors

sd/-

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

sd/-

Devanshu L. Gandhi (DIN 00010146)
Managing Director

Place : Ahmedabad
Date : 14th August, 2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	2013-14	2012-13
I INCOME :			
<u>Revenue from operations (Gross)</u>			
Sale of Products	21	409,127,506	473,635,995
Less : Excise Duty		30,585,070	33,371,174
Revenue from operations (Net)		378,542,436	440,264,821
Other Income	22	7,898,386	13,130,532
Total Revenue (I)		386,440,822	453,395,353
II EXPENSES :			
Cost of materials consumed	23	136,208,489	151,114,428
Purchase of Stock-in-Trade		127,535,116	156,764,025
Changes in inventories of Finished Goods, WIP & Stock in trade	24	1,149,463	(744,302)
Employee Benefit Expense	25	17,111,166	14,924,361
Financial Costs	26	18,299,406	16,699,762
Depreciation and Amortisation Expense	11	26,363,603	25,045,893
Other Expenses	27	66,517,679	72,395,694
Total Expenses (II)		393,184,921	436,199,861
III Profit before tax (I-II)		(6,744,100)	17,195,492
IV Tax expense:			
(1) Current tax		1,710,000	3,475,000
Less : MAT credit entitlement		0	(570,497)
Net Current Tax		1,710,000	2,904,503
(2) (Excess) / Short Provision for earlier year		(153,522)	0
(3) Deferred tax		(4,230,193)	893,520
V Profit/(Loss) for the period		(4,070,385)	13,397,469
VI Earning per equity share: (Face value ` 10/- each)	30		
Basic and Diluted		(0.84)	2.75

The accompanying notes are an integral parts of Profit & Loss Statement.

As per our report of even date attached.

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

sd/-

Rajesh R. Shah
(Partner)
Membership No. : 034549

Place : Ahmedabad
Date : 14th August, 2014

For and on behalf of the Board of Directors

sd/-

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

sd/-

Devanshu L. Gandhi (DIN 00010146)
Managing Director

Place : Ahmedabad
Date : 14th August, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Year Ended 2013-14	Year Ended 2012-13
A. CASH FLOW FROM OPERATIVE ACTIVITIES		
Net Profit / (Loss) before tax	(6,744,100)	17,195,492
<u>Adjustment for :</u>		
Depreciation	26,363,603	25,045,893
Interest Income	(2,356,191)	(4,465,563)
Dividend Income	(120)	(120,120)
Interest Paid	18,299,406	16,699,762
(Profit) / Loss on sales of assets	(1,714,643)	(161,203)
(Profit) / Loss on sales of Investment	-	(4,883,365)
(Profit) / Loss from Partnership Firm	35,306	(39,058)
Operating Profit before working capital changes	33,883,261	49,271,838
Add / Less : Working Capital Adjustments		
(Increase)/ Decrease in Current Assets	(61,873,750)	(11,239,850)
Increase / (Decrease) in Current Liabilities	(3,456,565)	2,216,477
Cash generated from operation	(31,447,054)	40,248,465
Income tax paid	(4,178,673)	(3,502,429)
Net cash flow from Operating Activity	(35,625,727)	36,746,036
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(8,247,180)	(42,867,615)
Sales of Fixed Assets	1,909,569	523,992
Fixed Deposit with Bank	52,189,043	(13,646,254)
Sale of Investment	-	5,089,446
Dividend Received	120	120,120
Interest Received	2,356,191	4,465,563
Net Cash used in Investing Activities	48,207,743	(46,314,748)
C. CASH FLOW USED IN FINANCING ACTIVITIES		
Interest Paid	(18,299,406)	(16,699,762)
Proceed/(Repayment) of Secured Loans	(36,030,324)	40,285,497
Proceed/(Repayment) of Unsecured Loans	11,738,251	16,339,620
Net Cash used in Financing Activities	(42,591,479)	39,925,355
Net Increase/Decrease in Cash & Cash Equivalents Total (A+B+C)	(30,009,463)	30,356,643
Cash & Cash Equivalents At The Beginning Of The Year		
Cash on Hand	353,635	377,980
Bank Balance	45,841,591	15,583,865
Fixed Deposits For Less Than 3 Months	1,264,821	1,141,559
	47,460,047	17,103,404
Cash & Cash Equivalents At The End Of The Year		
Cash on Hand	257,081	353,635
Bank Balance	15,854,181	45,841,591
Fixed Deposits For Less Than 3 Months	1,339,322	1,264,821
	17,450,584	47,460,047

Notes :

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 issued by The Institute of Chartered Accountants of India.

The figures in brackets represent outflows.

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

As per our report of even date attached.

FOR R R S & Associates

Chartered Accountants

(Firm Reg. No.: 118336W)

sd/-

Rajesh R. Shah

(Partner)

Membership No. : 034549

Place : Ahmedabad

Date : 14th August, 2014

For and on behalf of the Board of Directors

sd/-

Rajesh R. Gandhi (DIN 00009879)

Chairman and Managing Director

sd/-

Devanshu L. Gandhi (DIN 00010146)

Managing Director

Place : Ahmedabad

Date : 14th August, 2014

SIGNIFICANT ACCOUNTING POLICIES :**(1) BASIS OF PREPARATION OF ACCOUNTS**

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under.

(2) USE OF ESTIMATES:

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

(3) SALE/REVENUE RECOGNITION:

- (i) Sales are recognized on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude value added tax, central sales tax and trade discount/rebate.
- (ii) Income from partnership firm in which company is a Partner is accounted on the basis of provisional accounts subject to audit of said Partnership firm.
- (ii) Dividend income is accounted for when the right to receive it is established. Interest on deposits is recognized on accrual basis.

(4) FIXED ASSETS:

Tangible Fixed Assets 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.

(5) DEPRECIATION:

Depreciation is provided on the straight line method and at the rates and in the manner specified in Schedule - XIV to the Companies Act, 1956, as amended from time to time.

The Company Capitalizes software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of 3 to 5 years on straight line method.

(6) CASH FLOW :

The Cash flow statement is prepared by the "Indirect Method" Set out in Accounting Standard 3 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.

(7) INVESTMENT:

Long term investments are stated at cost. Provision is made to recognize a diminution, other than temporary, in the value of investments. Investment that are readily realizable and intended to be held for not more than a year are classified as current investments.

Current investment are carried at the lower of cost or fair value determined on an individual investment basis.

(8) 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, labour and systematic allocation of variable and fixed Production overhead. Finished products include excise duty wherever applicable.

(9) 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 Plan

Expenses for defined benefit gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitment are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

(e) Other Employee Benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encased or veiled in twelve months immediately following the year and are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid.

(10) FOREIGN CURRENCY TRANSACTIONS:

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expenses in the profit and loss account.

Current assets and current liabilities are translated at year end exchange rates. The resulting gains and losses are appropriately recognized in the Profit and Loss account. Non monetary item are reported using exchanged rate prevailing on the date of transaction.

Gains or Losses on settlement, in a subsequent period of transactions entered in to in an earlier period are credited or charged to Profit and Loss account.

(11) 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.

(12) EARNING PER SHARE:

Basic Earning per share is calculated by dividing the net profit after tax for the year attributable to Equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earning per share is calculated by dividing the net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

(13) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

Contingent liabilities are not recognized but the same is disclosed in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

(14) TAXES ON INCOME :

Provision for Current Tax is made as per the provisions of the Income Tax Act, 1961.

Deferred tax is recognized, on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable and virtual certainty as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realizes.

Note : 2
SHARE CAPITAL

Particulars	As at 31.03.2014	As at 31.03.2013
AUTHORIZED SHARES 1,00,00,000 Equity Shares of ` 10/- each.	100,000,000	100,000,000
	100,000,000	100,000,000
ISSUED, SUBSCRIBED & FULLY PAID UP SHARES		
ISSUED : 5009500 Equity Shares of ` 10/- each (P.Y. 5009500 Equity Shares of ` 10/- each)	50,095,000	50,095,000
SUBSCRIBED & FULLY PAID-UP : 4874000 Equity Share of ` 10/- each Fully Paid-up (P.Y.4874000 Equity Share of ` 10/- each Fully Paid-up)	48,740,000	48,740,000
Total	48,740,000	48,740,000

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

Particulars	31 March 2014		31 March 2013	
	Nos		Nos	
Equity Shares				
At the beginning of the period	48,74,000	48,740,000	48,74,000	48,740,000
Add :- Shares issued during the year	-	-	-	-
Less :- Shares Bought back during the year	-	-	-	-
Outstanding at the end of the period	48,74,000	48,740,000	48,74,000	48,740,000

b. Terms/ rights attached to equity shares

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

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

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

Particulars	31 March 2014		31 March 2013	
	No of Share	% Holding	No of Share	% Holding
Equity shares of ` 10/- each fully paid				
Vadilal International Pvt.Ltd.	2,013,204	41.30	2,013,204	41.30
Devanshu L. Gandhi	434,661	8.92	434,661	8.92
Vadilal Marketing Pvt.Ltd.	423,650	8.69	423,650	8.69
Vortex Ice-Cream Pvt.Ltd.	383,650	7.87	383,650	7.87

Note : 3
RESERVE & SURPLUS

Particulars	As at 31.03.2014	As at 31.03.2013
Capital Reserve	1,493,788	1,493,788
Securities Premium Account	15,289,734	15,289,734
General Reserve	9,388,000	9,388,000
Surplus /(Deficit) in the Statement of Profit & Loss		
Balance as per last Financial Statement	11,161,046	(2,236,423)
Add : Profit for the year	(4,070,385)	13,397,469
Less : Appropriations	-	-
Net surplus/(Deficit) in the statement of profit and loss	7,090,662	11,161,046
Total	33,262,184	37,332,568

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Note : 4

LONG TERM BORROWINGS

Particulars	As at 31.03.2014	As at 31.03.2013
Vehicle Loan (Secured)		
- From Bank (Secured against Vehicles)	1,828,973	11,718,147
- From Financial Institution (Secured against Vehicles)	2,084,976	-
Loans & Advances from Related Parties (Unsecured)		
Veronica Construction Pvt. Ltd. *	158,950,094	145,250,103
	162,864,043	156,968,250
The Above amount includes :		
Secured Borrowing	3,913,949	11,718,147
Unsecured Borrowing	158,950,094	145,250,103
Total	162,864,043	156,968,250

Repayment Schedule of Vehicle Loan :

Particulars	Rate of Interest	As at 31.03.2014	2014-15	2015-16	2016-17	2017-18
Vehicle Loan						
- Hire Purchase Loans against Commercial Vehicles						
HDFC BANK LTD.	12.50%	213,385	213,385	-	-	-
ICICI BANK LTD.	11.40%	2,763,024	2,723,565	39,459	-	-
ICICI BANK LTD.	12.25%	288,082	288,082	-	-	-
ICICI BANK LTD.	10.50%	4,058,065	3,751,705	306,360	-	-
ICICI BANK LTD.	9.99%	743,128	548,008	195,120	-	-
ICICI BANK LTD.	11.50%	225,462	178,591	46,871	-	-
ICICI BANK LTD.	12.00%	165,815	141,149	24,666	-	-
ICICI BANK LTD.	10.51%	601,080	314,657	286,423	-	-
ICICI BANK LTD.	9.74%	2,660,106	1,730,032	930,074	-	-
DAIMLER FINANCIAL HP LOAN.	10.01%	3,526,268	1,441,292	1,592,363	492,613	-
Total		15,244,415	11,330,466	3,421,336	492,613	-

* The Company has taken a loan from Veronica Construction Private Limited @ 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.

Note : 5

DEFERRED TAX LIABILITY (Net)

Particulars	As at 31.03.2014	As at 31.03.2013
Deferred Tax Liability		
Arising on accounts of timing difference of :-		
Fixed Asset -		
Impact of difference between Tax depreciation & Depreciation Charged for Financial Reporting	12,187,422	16,260,131
Total (a)	12,187,422	16,260,131
Deferred Tax Assets		
Arising on accounts of timing difference of :-		
Gratuity	613,649	538,282
Leave Encashment	504,831	449,722
Bonus	149,875	122,869
Total (b)	1,268,355	1,110,873
Net Deferred Tax Liability (a-b)	10,919,067	15,149,258

Note : 6
LONG TERM PROVISIONS

Particulars	As at 31.03.2014	As at 31.03.2013
Provision from Employee Benefits :		
- Leave Encashment	359,101	319,627
Total	359,101	319,627

Note : 7
SHORT TERM BORROWINGS

Particulars	As at 31.03.2014	As at 31.03.2013
Secured Loans		
- From Banks (Bank Overdraft against FD From State Bank of H'bad - A'bad)	-	12,432
- From Banks (Cash Credit Account From State Bank of H'bad – A'bad Secured by Hypothecation of Book Debt)	-	29,442,941
Loan repayable on demand		
From Other Parties		
Cylinder Deposit (Interest Free) (Against Company Cylinders with Customers)	23,720,783	25,662,523
Total	23,720,783	55,117,896

Note : 8
TRADE PAYABLES

Particulars	As at 31.03.2014	As at 31.03.2013
Micro, Small and Medium Enterprises *	-	-
Others	4,405,539	7,069,110
Total	4,405,539	7,069,110

* In the absence of information regarding the status of creditors As Micro - Small & Medium Enterprise in accordance with Micro, Small & Medium Enterprise Development Act, 2006, the disclosure regarding amount due to such parties as at Balance sheet date and provision for interest liability thereon as per the requirement under the said Act, has not been made.

Note : 9
OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2014	As at 31.03.2013
Current Maturities of Long term borrowings		
- From Banks (Secured against Vehicles)	10,189,174	10,101,219
- From Financial Institution (Secured against Vehicles)	1,141,292	-
- Fixed Deposit (Unsecured) - From Public	-	20,000
Rent Deposit	630,600	630,600
Interest accrued but not due on Public Deposit	-	1,144
Other Payable		
Statutory dues payable*	1,355,502	1,254,350
Others Liabilities	3,310,537	2,581,349
Advance From Customers	1,059,738	2,305,084
Total	17,686,844	16,893,746
The Above amount includes :		
Secured Borrowing	11,330,466	10,101,219
Unsecured Borrowing	-	20,000
Total	11,330,466	10,121,219
* It includes Excise, Vat, Professional tax etc		

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Note : 10 SHORT TERM PROVISION

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for Employee Benefits :		
- Leave Encashment	1196858	1066478
- Bonus	461936	378699
Others :		
- Provision for Expenses	330,494	960,430
Total	1,989,288	2,405,607

Note : 11 TANGIBLE FIXED ASSETS

Particulars	TANGIBLE FIXED ASSETS (A)							INTANGIBLE FIXED ASSETS (B)	Total (A+B)
	Land	Factory Building	Plant & Machinery	Gas Cylindrical Tanks/Gas Cylinders	Computers	Furniture & Fixtures	Vehicles	Software	
Cost of assets									
At 1 April 2012	11,529,749	20,251,324	15,483,410	198,816,937	4,170,184	9,840,876	49,486,393	-	309,578,873
Additions	-	-	3,256,580	18,221,885	390,579	396,629	20,456,288	224,720	42,946,681
Disposal / Adjustment	-	-	-	162,518	-	-	3,377,242	-	3,539,760
Exchange Differences	-	-	-	-	-	-	-	-	-
At 31 march 2013	11,529,749	20,251,324	18,739,990	216,876,304	4,560,763	10,237,505	66,565,439	224,720	348,985,794
Additions	-	1,883,304	60,675	1,486,000	82,050	188,485	4,546,666	-	8,247,180
Disposal / Adjustment	-	-	36,197	1,562,013	87,215	-	1,114,286	-	2,799,711
Exchange Differences	-	-	-	-	-	-	-	-	-
At 31 march 2014	11,529,749	22,134,628	18,764,468	216,800,291	4,555,598	10,425,990	69,997,819	224,720	354,433,262
Depreciation									
At 1 April 2012	-	9,492,265	9,156,689	153,979,070	3,339,455	5,917,270	29,498,109	-	211,382,858
Charge for the year	-	558,608	854,476	18,914,224	378,903	588,709	3,736,609	14,364	25,045,893
Disposal / Adjustment	-	-	-	107,345	-	-	3,069,626	-	3,176,971
At 31 march 2013	-	10,050,873	10,011,165	172,785,949	3,718,358	6,505,979	30,165,092	14,364	233,251,780
Charge for the year	-	577,048	892,362	19,299,383	263,948	605,038	4,650,925	74,899	26,363,603
Disposal / Adjustment	-	-	28,682	1,463,460	54,071	-	1,058,572	-	2,604,785
At 31 march 2014	-	10,627,921	10,874,845	190,621,872	3,928,235	7,111,017	33,757,445	89,263	257,010,600
Net Block									
At 31 march 2013	11,529,749	10,200,451	8,728,825	44,090,355	842,405	3,731,526	36,400,347	210,356	115,734,011
At 31 march 2014	11,529,749	11,506,707	7,889,623	26,178,419	627,363	3,314,973	36,240,374	135,457	97,422,662

Note : 12

NON - CURRENT INVESTMENT

Particulars	No. of Shares	As at 31.03.2014	As at 31.03.2013
Trade Investments (valued at cost unless stated otherwise)			
Investment in Equity Instruments			
In Equity Shares of Associate Company			
Quoted, fully paid up			
Vadilal Enterprise Ltd of ` 10/- each	100 (100)	1,835	1,835
Others			
Maharashtra Polybotens Ltd of ` 1/- each	150 (150)	12,350	12,350
Unimers India Ltd of ` 10/- each	200 (200)	7,250	7,250
Total (a)		21,435	21,435
Unquoted, fully paid-up			
Others			
Vadilal Forex and Consultancy Services Ltd of ` 10/- each	70000 (70000)	700,000	700,000
Kalpiti Realty & Services Ltd of ` 10/- each	30000 (30000)	3,000	3,000
Total (b)		703,000	703,000
Total (a + b)		724,435	724,435
Investment in Partnership Firm			
M/s. Vadilal Cold Storage *(Refer Note below)		290,000	290,000
Total (c)		290,000	290,000
Grand Total (a+b+c)		1,014,435	1,014,435
Aggregate market value of quoted investments		15,023	16,648
Aggregate total quoted investments		21,435	21,435
Aggregate total Unquoted investments		703,000	703,000
Note : Figures in brackets are related to Previous Year.			
*Details of Investment in Partnership Firm -			
The company continues to be a partner in the following partnership firm. The details Regarding investment in the total capital of the Partnership firm as well as Profit/Loss Sharing ratio of the company along with other Partners is stated hereunder.			
Investment in Vadilal Cold Storage			
Total Capital of the Firm		14,290,000	14,290,000
Investment in :-			
Capital Account		290,000	290,000
Current Account (Refer Note 13 Long Term Loans & Advances)		530,128	565,433
		820,128	855,433
Name of the partners and share in profit (%)			
M/s. Vadilal Chemicals Limited		2%	2%
M/s. Vadilal Industries Limited		98%	98%

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Note : 13

LONG TERM LOANS AND ADVANCES

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered good unless otherwise stated		
Security Deposit	1,312,938	1,365,715
Other Loans and advances		
Advance to Vadilal Cold Storage (Balance in current account with Firm in which company is a partner)	530,128	565,433
Prepaid Expenses	106,330	207,249
Loans to Employees	125,619	224,590
Deposit with Government Authority & Others	35,500	35,500
Total	2,110,515	2,398,487

Note : 14

OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered good unless otherwise stated		
Deposits with bank of more than 12 months	-	52,267,544
In Margin Money Deposit (Ags Bank Guaratnee)	45,416	45,416
Interest Receivable	26,660	21,303
Total	72,076	52,334,263

Note : 15

INVENTORIES

Particulars	As at 31.03.2014	As at 31.03.2013
Raw Material	3,424,939	3,870,612
Finished Goods	465,737	1,054,206
Stock-in-Trade	5,352,633	5,913,627
Stores & Spares	719,384	986,155
Shares of RPL	6,590	6,894
Total	9,969,283	11,831,494

Note : 16

TRADE RECEIVABLES

Particulars	As at 31.03.2014	As at 31.03.2013
<u>Outstanding for a period exceeding six months from the date they are due for payment</u>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	12,968,331	10,210,609
<u>Others</u>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	69,936,297	78,128,340
Total	82,904,628	88,338,949

VADILAL CHEMICALS LIMITED

Note : 17
CASH & CASH EQUIVALENT

Particulars	As at 31.03.2014	As at 31.03.2013
Balances with banks		
Cash and Cash equivalents		
Balance with Bank -In current account	15,854,181	45,841,591
Cash on hand	257,081	353,635
Others		
In Fixed Deposit with original maturity of less than three months	1,339,322	1,264,821
Sub Total (A)	17,450,584	47,460,047
Other Bank Balance		
In Fixed Deposit with for more than 3 months but less than 12 months	1,033,893	955,392
Sub Total (B)	1,033,893	955,392
In Fixed Deposit with for more than 12 months	-	52,267,544
In Margin Money Deposit (Against Bank Guaratnee)	45,416	45,416
Less : Transferred to Other Non Current Assets	(45,416)	(52,312,960)
Sub Total (C)	-	-
Total [A + B + C]	18,484,477	48,415,439

Note : 18
SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered good unless otherwise stated		
Security Deposit	391,180	479,143
Other Loans and advances		
Advance to Suppliers	21,600,520	9,376,417
Advance to Drivers	9,341	134,001
Mat Credit Entitlement (FY:2012-13)	-	570,497
Prepaid Expenses	2,856,966	2,979,317
Loans to Employees	243,626	248,500
Deposit with Government Authority	3,492,500	4,258,508
Advance Income Tax (Net of Provision)	4,504,797	1,882,601
Total	33,098,930	19,928,984

Note : 19
OTHER CURRENT ASSETS

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered good unless otherwise stated		
The New India Insurance Claim Receivable	38,067	-
Krishna Construction	11,331,775	
Success Vyapar Limited	47,500,000	
Total	58,869,842	-

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

Particulars	As at 31.03.2014	As at 31.03.2013
1. Contingent Liabilities		
a. Claims against the company not acknowledge as debts		
i) E.S.I.C	213,160	213,160
ii) Priya Shanghi	1,451,701	-
iii) Ragini Shanghi	1,395,915	-
iv) J.K Engineering Works	672,000	-
v) Excise Penalty	3,700,000	
b. Guarantees		
i) Bank Guarantees Outstanding	404,000	404,000
Total	7,836,776	617,160

Note : 21

REVENUE FROM OPERATIONS

Particulars	As at 31.03.2014	As at 31.03.2013
Sale of Products	407,036,800	467,378,817
Other Operating Revenues :		
Net Cylinder Rent	2,090,706	3,173,679
Net gain/(loss) on sale of trade investments	-	3,083,499
Total	409,127,506	473,635,995

Note : 22

OTHER INCOME

Particulars	2013-14	2012-13
Interest Income	2,356,191	4,465,563
Dividend Income	120	120,120
Net gain/loss on sale of investments	-	4,883,365
Net gain/loss on sale of assets	1,714,643	161,203
Profit From Partnership Firms	-	39,058
Other Non-operating income		
Vaporizer Rent/Mobilisation Charges	38,764	157,500
Service Charges	22,500	105,000
Office Rent Income	2,014,624	1,849,340
Miscellaneous Income	1,751,544	1,180,702
Interest on Income Tax Refund	-	168,681
Total	7,898,386	13,130,532

Note : 23

COST OF MATERIAL CONSUMED

Particulars	2013-14	2012-13
Opening Stock of Raw Material	3,870,612	1,950,384
Add: Purchased during the year	135,762,816	153,034,656
	139,633,428	154,985,040
Less: Closing Stock	3,424,939	3,870,612
Total	136,208,489	151,114,428

Note : 24
CHANGE IN INVENTORIES

Particulars	2013-14	2012-13
Opening Stock		
Finished Goods	1,054,206	295,698
Stock in Trade	5,913,627	5,927,833
Total (A)	6,967,833	6,223,531
Closing Stock		
Finished Goods	465,737	1,054,206
Stock in Trade	5,352,633	5,913,627
Total (B)	5,818,370	6,967,833
Total (A-B)	1,149,463	(744,302)

Note : 25
EMPLOYMENT BENEFIT EXPENSES

Particulars	2013-14	2012-13
Salaries and wages	14,220,520	12,188,709
Contributions to Provident and other fund	1,708,376	1,751,591
Staff welfare expenses	1,182,270	984,061
Total	17,111,166	14,924,361

Note : 25.1
EMPLOYEE BENEFITS

With effect from 1st January 2007, the company adopted Accounting Standard ('AS') 15 (Revised 2005) - "employee benefits" issue by The Institute of Chartered Accountant of India. As per the Transitional provision specified in the Standard, the difference in the liability as per the existing policy followed by the Company and that arising on adoption of this Standard is required to be charged to opening reserves and surplus account

Gratuity plan

The following table sets out the status of the gratuity plan as required under AS 15 (Revised 2005) and the reconciliation of opening and closing balances of the present Value of the defined benefit obligation:

Particulars	31.03.14 (Funded)	31.03.13 (Funded)
Change in present value of obligations		
Obligations at beginning of the year	1,659,059	1,356,913
Service cost	127,051	98,767
Interest cost	136,872	115,338
Actuarial (gain) / loss	151,139	248,368
Benefits paid	(182,770)	(160,327)
Obligation at the end of the year	1,891,351	1,659,059
Reconciliation of opening and closing of Fair value of Plan Assets	LIC 1994-96	LIC 1994-96
Fair value of Plan assets at beginning of the year	2,138,202	1,961,653
Expected return of plan asset	186,024	166,741
Actuarial gain/ (loss) on plan Assets	(41,695)	9,808
Contribution	(182,770)	(160,327)
Benefits paid	182,770	160,327
Fair value of plan assets at end of the year	2,282,531	2,138,202
Total Actuarial gain/ (loss) to be recognized	192,834	238,560

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Particulars	31.03.14 (Funded)	31.03.13 (Funded)
Reconciliation of present value of the obligation and fair value of plan assets		
Present value of the defined benefit obligation at the end of the year	1,891,351	1,659,059
Fair value of plan assets at the end of the year	2,282,531	2,138,202
Funded status amount of Assets recognized in the balance sheet	(391,180)	(479,143)
Gratuity cost for the year		
Service cost	127,051	98,767
Interest cost	136,872	115,338
Expected return of plan asset	(186,024)	(166,741)
Actuarial gain/ (loss) on plan Assets	192,834	238,560
Net gratuity cost	270,733	285,924
Assumptions (LIC 1994-96)		
Interest rate	9.31%	8.25%
Estimated rate of return of plan assets	8.70%	8.70%
Rate of growth in salary levels	6.00%	6.00%

Amounts for the Current & Previous four periods are as follows

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Defined Benefit Obligation	1,891,351	1,659,059	1,356,913	1,224,405	1,236,625
Plan Assets	2,282,531	2,138,202	1,961,653	1,799,682	1,630,712
Surplus/ (Deficit)	(391,180)	(479,143)	(604,740)	(575,277)	(394,087)
Experience adjustments on plan liability	-	-	-	-	-
Experience adjustments on plan assets	(391,180)	(479,143)	(604,740)	(575,277)	(394,087)

Leave Encashment Plan

The following table sets out the status of the pension plan as Required under AS 15 (Revised 2005) and the reconciliation of opening and closing balances of the present Value of the defined benefit obligation.

Particulars	31.03.14 (Non Funded)	31.03.13 (Non Funded)
Change in present value of obligations		
Obligations at beginning of the year	1,386,105	1,178,916
Service cost	955,882	77,559
Interest cost	114,354	100,208
Actuarial (gain) / loss	(869,187)	66,783
Benefits paid	(31,195)	(37,361)
Obligation at the end of the year	1,555,959	1,386,105
Change in Plan assets		
Fair value of Plan assets at beginning of the year	-	-
Expected return of plan asset	-	-
Actuarial gain/ (loss) on plan Assets	(31,195)	(37,361)
Contribution	31,195	37,361
Benefits paid	-	-
Total Actuarial gain/ (loss) to be recognized	869,187	(66,783)
Reconciliation of present value of the obligation and fair value of plan assets		
Present value of the defined benefit obligation at the end of the year	1,555,959	1,386,105
Fair value of plan assets at the end of the year	-	-
Funded status amount of Assets recognized in the balance sheet	1,555,959	1,386,105
Leave Encashment cost for the year		
Service cost	955,882	77,559
Interest cost	114,354	100,208
Expected return of plan asset	-	-
Actuarial gain/ (loss) on plan Assets	(869,187)	66,783
Net leave encashment cost	201,049	244,550
Assumptions		
Interest rate	8.25%	8.25%
Estimated rate of return of plan assets	-	-
Rate of growth in salary levels	9.31%	6.00%

Amounts for the Current & Previous four periods are as follows

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Defined Benefit Obligation	-	-	-	-	-
Plan Assets	1,555,959	1,386,105	1,178,916	842,797	852,272
Surplus/ (Deficit)	-	-	-	-	-
Experience adjustments on plan liability	1,555,959	1,386,105	1,178,916	842,797	852,272
Experience adjustments on plan assets	-	-	-	-	-

Note : 26
FINANCIAL COST

Particulars	2013-14	2012-13
Interest Expenses		
Interest on Bank	-	-
Interest on Public Deposit	13,232	15,618
Interest on Other loans	17,959,754	16,450,802
	17,972,986	16,466,420
Other borrowing costs		
Bank Charges	326,420	233,342
Total	18,299,406	16,699,762

Note : 27
OTHER EXPENSES

Particulars	2013-14	2012-13
Plant Operation Charges		
Cylinder Filling Labour	660,271	821,888
Consumption of Stores and Spares Parts		
Opening Stores and Spares	986,155	841,928
Add: Purchase during the year	843,313	1,402,471
Less: Closing Stores and Spares	719,384	986,155
	1,110,084	1,258,244
Loss on sale of Investment	-	2,739,271
Water charges	206,510	258,403
Factory Electricity Expenses	1,097,336	614,182
Factory Expenses	687,000	895,077
Repairs on		
Cylinders	2,449,174	2,071,024
Plant and machinery	472,724	441,650
Building	113,673	1,054,110
Others	559,286	340,459
Sub Total (A)	7,356,058	10,494,308
Administrative Expenses		
Rent, Rates & Taxes	2,123,407	1,720,464
Lease Rent	-	146,011
Insurance Expenses	1,709,624	1,612,184
Postage & Telegram	1,206,361	1,305,373
Legal Expenses & Professional Charges/Consultancy	2,556,910	1,275,440
Travelling Expenses	890,304	923,359
Security Service Charges	1,289,216	1,418,654
Office Expenses	1,277,305	1,192,899
Office Electricity Expenses	407,448	358,022
Other Misc. Expenses	973,010	1,192,868
Bad-debts written off	45,847	3,312,075
Sundry Balances Written Off	93,433	59,375
Loss From Partnership Firms	35,306	-

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Particulars	2013-14	2012-13
Payment to Auditor		
As auditor :		
Audit Fees	181,000	136,000
Tax Audit Fees	90,000	45,000
For Taxation matters	22,500	22,500
For Other service	28,000	51,500
	321,500	255,000
Donation	16,000	21,000
Conveyance Expenses	582,098	595,323
Stationery Expenses	676,298	697,763
Listing Fees	106,663	65,984
Director Sitting Fees	284,000	56,000
Membership Fees	1,173,122	20,836
Sub Total (B)	15,767,852	16,228,630
Selling and Distribution Expenses		
Transport & Octroi Expenses	39,987,130	42,680,705
Vehicle Repairs & Petrol	590,693	496,405
Sales Incentive & Commission	1,464,827	1,238,579
Advertisement Expenses	285,360	241,165
Sales Tax / Excise duty Expenses	1,065,759	1,015,902
Sub Total (C)	43,393,769	45,672,756
Total (A+B+C)	66,517,679	72,395,694

Note : 28

SEGMENT REPORTING

Based on the guiding principle given in Accounting Standard AS-17 on Segment Reporting issued by The Institute of Chartered Accountants of India, the company's primary business is industrial gases. The business of the company includes gases and mixtures which have similar risks and returns, accordingly there are no separate reportable segment as far as primary segment is concerned. As sales outside India is Rs.Nil, secondary reportable geographical segment-wise reporting is not required to be shown.

Note : 29

RELATED PARTY DISCLOSURE UNDER AS-18

Names of related parties and description of relationship

- | | |
|--|--|
| 1. Associates | : Veronica Construction Pvt.Ltd |
| 2. Key Management Personnel | : Mr. Virendra R. Gandhi |
| 3. Relatives of Key Management Personnel | : Mr. Janmejay V. Gandhi
Ms. Khevna V. Gandhi |

Particulars	Associates	Key. Mgt. Personnel	Relatives of Key Mgt Personnel	Total
Finance (including loan and equity contribution in cash or in kind)				
Loan Taken from Veronica Construction Pvt Ltd	1,000 (8,278,008)			1,000 (8,278,008)
Repayment to Veronica Construction Pvt Ltd	1,443,857 (5,297,645)			1,443,857 (5,297,645)
Interest paid to Veronica Construction Pvt Ltd	15,142,848 (13,600,339)			15,142,848 (13,600,339)
Managerial Remuneration		2,990,639 (2,950,116)		2,990,639 (2,950,116)
Remuneration Paid			708,200 (584,382)	708,200 (584,382)
Balance outstanding at the year end payable	158,950,094 (145,250,103)			158,950,094 (145,250,103)

Note : Figures in brackets are related to Previous year.

Note : 30

EARNING PER SHARE (EPS) AS PER ACCOUNTING STANDARD - 20

Particulars	2013-14	2012-13
Net Profit/(Loss) for the year	(4,070,385)	13,397,469
Basic/ Weighted average number of Equity Shares outstanding during the year	48,74,000	48,74,000
Nominal value of Equity Shares	10	10
Basic/ Diluted Earning per Share	(0.84)	2.75

Note : 31

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 : 32

The amount of ₹ 4,75,00,000/- has been paid to M/s. Success Vypar Limited during the year on various dates by the then Chairman and Managing Director of the company. As per the Internal Auditor's Report, Company does not have on records the resolution passed by the board of director of the company confirming the approval of board of director for the payment to this party and the purpose of this payment. The Board of Directors has decided to show this as receivable under the head current assets.

Note : 33

The amount of ₹ 1,13,31,775/- has been paid to M/s. Krishna Construction during the year on various dates by the then Management of the company. As per the Internal Auditor's Report, Company does not have on records the approval note from the board of director, original bills and other relevant documents in respect of the said amount. The Board of Directors has decided to show this as receivable under the head current assets.

Note : 34

OTHER DETAILS

Note : 34.1

Consumption Of Raw Materials :-

Product	2013-14	2012-13
Ammonia Gas	136,208,489	151,114,428

Note : 34.2

Goods Purchased (Traded) :-

Product	2013-14	2012-13
Ammonia Tanker	9,400,196	30,555,265
Other Gases & Gas Mixtures	113,678,420	122,962,361
Gas Cylinder	4,456,500	3,246,399
Total	127,535,116	156,764,025

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Note : 34.3

**Sales, Opening & Closing
stock of Finished goods :-**

Product	Sales		Opening stock		Closing stock	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Ammonia Gas	128,036,095	146,218,209	614,052	58,800	210,329	614,052
Liquor Ammonia	63,876,942	64,520,358	440,154	236,898	255,408	440,154
Total....	191,913,037	210,738,567	1,054,206	295,698	465,737	1,054,206

Note : 34.4

**Sales, Opening & Closing
stock of Traded goods :-**

Product	Sales		Opening stock		Closing stock	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Ammonia Tanker	11,265,933	32,722,622	—	—	—	—
Other Gases & Gas Mixtures	199,295,024	217,346,153	2,166,401	2,322,458	1,683,490	2,166,401
Gas Cylinder	4,562,806	6,571,475	3,747,226	3,605,375	3,669,143	3,747,226
Total....	215,123,763	256,640,250	5,913,627	5,100,024	5,352,633	5,913,627

Note : 34.5

Closing Stock of Raw-Material Components :-

Product	2013-14	2012-13
Ammonia Gas	3424939	3870612

Note : 34.6

Details of Share (Sale & Purchase) During the Period 1.4.13 to 31.3.14 :-

Name	Opening		Purchase		Sale		Profit(+) / Surplus(+) / Loss(-) Erosion(-)		Closing	
	Nos.	Value	Nos.	Value	Nos.	Value			Nos.	Value
Reliance Power Ltd	112	6,894	-	-	-	-	-	(304)	112	6,590
Total	112	6,894	-	-	-	-	0	(304)	112	6,590

Note : 35

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

Signature to Notes 1 to 35

As per our report of even date attached.

FOR R R S & Associates

Chartered Accountants

(Firm Reg. No.: 118336W)

sd/-

Rajesh R. Shah

(Partner)

Membership No. : 034549

Place : Ahmedabad

Date : 14th August, 2014

For and on behalf of the Board of Directors

sd/-

Rajesh R. Gandhi (DIN 00009879)

Chairman and Managing Director

sd/-

Devanshu L. Gandhi (DIN 00010146)

Managing Director

Place : Ahmedabad

Date : 14th August, 2014

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	B-202, Safal Pegasus, Anand Nagar Road, Nr. Prahaladnagar Garden, Satellite, Ahmedabad - 380015
Name of the member (s)	
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	
Address	
E-mail Id	
Signature	

Or Failing him,

2. Name	
Address	
E-mail Id	
Signature	

Or Failing him,

3. Name	
Address	
E-mail Id	
Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on the 12th day of November, 2014 At 11.30 P.M. at "Vadilal House", Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad – 380009 and at any adjournment thereof in respect of such resolutions as are indicated below:

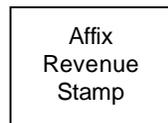
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Resolution No.	Resolution	Yes/ No
Ordinary Business		
1	To receive, consider and adopt Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with all annexure and attachment thereto including the Auditor's report and the Directors' Report thereon.	
2	To appoint a Director in place of Shri Virendra R Gandhi (DIN: 00010155), who retires by rotation and, being eligible, offers herself for re appointment.	
3	To appoint a Director in place of Shri Rajesh R Gandhi (DIN: 00009879), who retires by rotation and, being eligible, offers herself for re appointment.	
4	To appoint a Director in place of Shri Devanshu L Gandhi (DIN: 00010146), who retires by rotation and, being eligible, offers herself for re appointment.	
5	To appoint M/s RRS & Associates, Chartered Accountant, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting i.e. 23rd AGM till the conclusion of the next Annual General Meeting and to fix their remuneration.	
Special Business		
6	To pass Special Resolution under Section 180(1)(c) of the Companies Act, 2013 to borrow any sum of money on behalf of the Company.	
7	To pass Special Resolution under Section 180(1)(a) of the Companies Act, 2013, to mortgage or charge all the immovable, movable and intangible properties of the Company.	
8	To pass Special Resolution under Section 73 and 76 of the Companies Act, 2013 for inviting/accepting/ renewing deposits from its members and from public	
9	To pass Ordinary Resolution for appointment of Shri Rohit J Patel (DIN: 00012367) as an independent director of the Company.	
10	To pass Ordinary Resolution for appointment of Shri Jignesh J Shah (DIN: 01202435) as independent director of the Company.	
11	To pass Ordinary Resolution for appointment of Shri Ashish H Modi (DIN: 02506019) as independent director of the Company.	
12	To pass Ordinary Resolution for appointment of Shri Rajesh K Pandya (DIN: 02711000) as an independent director of the Company.	
13	To pass Ordinary Resolution for appointment of Shri Udayan R Patel (DIN: 06674232) as an independent director of the Company.	

Signed this..... day of..... 2014

Signature of shareholder:

Signature of Proxy holder(s):



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:

B-202, Safal Pegasus, Anand Nagar Road, Nr. Prahaladnagar Garden,
Satellite, Ahmedabad - 380015

DP ID	Client ID	Folio No.	No. of shares held

ATTENDANCE SLIP

Name of Shareholders: _____

Name of Proxy / Authorised Representative: _____

I hereby record my presence at the 23rd Annual General Meeting held at 11.30 p.m. on 12th November, 2014 at "Vadilal House", Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad – 380009.

Signature of Member / Proxy / Authorised 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.



Vadilal

Book - Post

₹,

If undelivered, please return to :
VADILAL CHEMICALS LIMITED
(CIN: L24231GJ1991PLC015390)
Registered Office: B-202, Safal Pegasus, Anand
Nagar Road, Nr. Prahaladnagar Garden,
Satellite, Ahmedabad - 380015