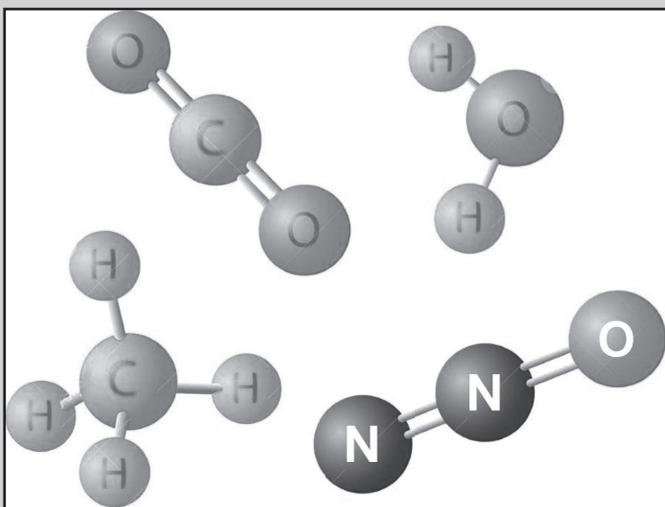




25th Annual Report
2015-2016



Vadilal Chemicals Limited

REGISTERED OFFICE:

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

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	Comraerdal 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 Mixture			Sulfur Hexa Floride



VADILAL CHEMICALS LIMITED
(CIN:L24231GJ1991PLC015390)

25TH ANNUAL REPORT 2015-16
CORPORATE INFORMATION

BOARD OF DIRECTORS:

Shri Rajesh R. Gandhi	Chairman & Managing Director
Shri Devanshu L. Gandhi	Managing Director
Smt. Deval D. Gandhi	Director
Shri Kalpit R. Gandhi	Director
Shri Rohit J. Patel	Director
Shri Jignesh J. Shah	Director
Shri Ashish H. Modi	Director
Shri Udayan R. Patel	Director

FORMER DIRECTORS:

Shri Rajesh K. Pandya	Director (upto 01.04.2015)
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OTHER KEY MANAGERIAL PERSONNEL:

Shri Ravi Thakkar	Chief Financial Officer (w.e.f. 01.06.2015)
Shri Soham Raval	Company Secretary (w.e.f 15.11.2014)

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

BANKERS: Bank of Baroda
IDBI Bank

REGISTERED OFFICE: 503-504, Aditya Building, Nr. Sardar Patel Seva Samaj,
Mithakhali, Navrangpura, Ahmedbad- 380 006.
Ph.: 079-30086937-38-39 Fax: 079-30086940.
E-Mail: cs@vadilalgases.co.in Website: www.vadilalgases.co.in

REGISTRAR AND SHARE TRANSFER AGENT: Big Share Services Private Limited
E-2-3, Ansa Industrial Estate, Saki- Vihar Road,
Sakinaka, Andheri (E), Mumbai-400 072.
E-Mail: investor@bigshareonline.com, Ph: 022-40430295.

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25th ANNUAL GENERAL MEETING

Day - Tuesday

Date - 27-09- 2016

Time - 2.00 p.m.

Venue - GICEA, Gajjar Hall, Nirman Bhavan,
Opp. Law Garden, Ellisbridge,
Ahmedabad - 380 006.

SHAREHOLDER INFORMATION

1. **Name of Company :**

Vadilal Chemicals Limited

2. **Company CIN :**

L24231GJ1991PLC015390

3. **Book-Closure:**

Book-Closure from 21st September, 2016 to 27th September, 2016 (both days inclusive) for the purpose of Annual General Meeting of the Company for the year ended on 31st March, 2016.

4. **Stock Exchanges where the Shares are listed :**

AHMEDABAD STOCK EXCHANGE LIMITED Kamdhenu Complex, Opp. Sahjanand College, Panjara Pole, Ambawadi, Ahmedabad- 380015. Scrip Code: 64507	THE CALCUTTA STOCK EXCHANGE LIMITED 7, Lyons Range, Kolkata-700 001 Scrip Code: 32171
MADRAS STOCK EXCHANGE LIMITED No. 30, Second Line Beach, Chennai-600 001, Tamilnadu, India. Scrip Symbol: VADILACHEM	DELHI STOCK EXCHANGE LIMITED DSE House, 3/1, Asaf Ali Road, Katra Chobey Lal, New Delhi, DL 110002. Scrip Code: : 9254

The Annual Listing Fees upto the Financial Year 2016-2017 have been duly paid to the above Stock Exchange.

5. **Dematerialisation of Shares :**

The Company, consequent to introduction of Depository System (DS), entered into an agreement with NSDL and CDSL and has established an electronic connectivity with both the Depositories. Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL and CDSL.

In view of numerous advantages offered by DS, the members are requested to avail the facility of dematerialisation of the Company's shares on the Depository as aforesaid. If you wish to maintain your shareholding in the electronic form by joining DS, you will have to open an account with a Depository Participant (DP), who are agents of NSDL and CDSL and lodge your share certificates with your DP for Dematerialisation. The DP will then ensure that the physical share certificates are canceled and after verification by the Company, an equivalent number of shares will be credited to your account with the DP in the electronic form. You are also permitted under the DS to reconvert your electronic shareholding into the physical form of share certificates by a process of Rematerialisation. It may be noted that the DP would charge the investors for its services, which may vary from one DP to another.

It is reiterated that requests for Dematerialisation and Rematerialisation are to be made only to the DP with whom you have opened an account and not directly to the Company.

6. **Registrar & Share Transfer Agent :**

The Company has entrusted the work of Dematerialisation/Rematerialisation of shares to an outside Registrar, viz. Big Share Services (I) Private Ltd. As per SEBI Circular No. D&CC/FITTC/CIR-15/ 2002, dated 27-12-2002, the Company has assigned all the work related to Share Registry in terms of both physical and electronic to Big Share Services (I) Private Ltd. Hence, all Shareholders are requested to send/deliver the documents/correspondence including complaints relating to the Company's share transfer/demat/remat activity to Big Share Services (I) Private Limited, E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka.

Andheri(E), Mumbai - 400 072, Phone : 022-40430295/ 40430200.

7. **Share Transfer System :**

Presently, share transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Share Transfer Committee of the Board meets at regular intervals to approve transfers, issue of duplicate certificates, consolidation and splitting of shares etc.

As required under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with Stock Exchanges, a certificate is obtained every six months from a Practicing Company Secretary, with regard to, inter alia, effecting transfer, transmission and consolidation within one month of their lodgment. The certificates are forwarded to BSE, where the equity shares are listed.

In terms of SEBI's circular dated 31st December, 2002, a Secretarial Audit is conducted on a quarterly basis by Practicing Company Secretary for the purpose of reconciliation of the total Admitted Equity Share Capital with the Depositories and in the physical form with the total issued public paid-up Equity Capital of the Company. Certificates issued in this regard are forwarded to the Stock Exchanges, where the Equity Shares are listed.

8. Distribution of Shareholding as on 31st March, 2016 :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of total Shares
Up to 5000	751	79.30	240211	4.93
5001 to 10000	133	14.04	114861	2.36
10001 to 20000	21	2.21	32723	0.67
20001 to 30000	7	0.73	16600	0.34
30001 to 40000	1	0.10	3844	0.08
40001 to 50000	3	0.32	12948	0.27
50001 to 100000	8	0.84	54592	1.12
100001 & above	23	2.43	4398221	90.24
Total	947	100.00	4874000	100.00

9. Consolidation of Folios :

Some of the members might have more than one folio in their individual name or jointly with other person(s) mentioned in the same order. It is desirable to consolidate all similar holdings under one folio. Consolidation helps the members to monitor their holdings effectively. By doing so, it would also enable the Company to avoid unnecessary duplication of effort and related costs. Please write to the Company at the address of Share Dept. given above, requesting in writing, quoting the folio numbers that need to be consolidated and send the relevant Share Certificates.

10. Nomination facility :

The Companies (Amendment) Act, 1999 has provided for a facility of nomination in the Shares of a Company. Your Company has already offered the facility of nomination to the members. Individual Shareholders can avail of the facility of nomination and may submit to the Company the prescribed Form 2B at the Share Dept. of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name.

The Nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the Shares shall vest in the event of the death of the Shareholders. A minor can be a nominee provided the name of the guardian is given in the Nomination Form.

The facility of the nomination is not available to non-individual Shareholders such as Societies, Trusts, Bodies Corporate, Partnership Firms, Kartas of HUF and holders of Powers of Attorney.

In case of any assistance, please contact at the Registered Office of the Company at 503-504, Aditya Building, Nr. Sardar Patel Seva Samaj, Mithakhali, Navrangpura, Ahmedabad- 380 006. Telephone Nos. 079-3008 6937/ 38/ 39 and Fax No. 3008 6940.

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held on Tuesday, 27th September, 2016 at 2.00 p.m. At GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad- 380 006, to transact the following business:

ORDINARY BUSINESS:

- 1 To Consider and adopt:
 - (a) the audited financial statements of the company for the financial year ended on 31st March, 2016, the report of Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statements of the Company for the financial year ended on March 31, 2016.
2. To appoint a Director in place of Shri Devanshu L. Gandhi (holding DIN: 00010146), who retires by rotation as per provision of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company to hold office for the period of 3 years from the conclusion of this Annual General Meeting i.e. 25th AGM till the conclusion of the 28th Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with rules under Companies (Audit and Auditors) Rules, 2014, M/s. RRS & Associates, Chartered Accountants, Ahmedabad (FRN: 118336W), the retiring auditors of the company, be and are hereby re-appointed as Statutory Auditors of the Company for the period of 3 years, to hold the office from the conclusion of this Annual General Meeting till the conclusion of 28th Annual General Meeting for the financial year 2018-19 and to fix their remuneration apart from reimbursement of out of pocket expenses and applicable taxes."

Registered Office:
503-504, Aditya Building,
Nr. Sardar Patel Seva Samaj,
Mithakhali, Ahmedabad – 380006.
Date : 7th July, 2016

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

**(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 21st September, 2016 to 27th September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
4. 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.
5. 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.
6. 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.
7. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
8. 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.

E-VOTING

- The Company pleased to offer Evoting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force).

Accordingly, a member may exercise his vote through e-voting services provided by Central Depository Services (India) Limited (CDSL).

- The process and manner of e-voting is being sent to all the members whose e-mail Ids are registered with the Company/Depository Participant /Share Transfer Agent for communication purpose through electronic mode.
- The Members who has cast their votes by remote e-voting may also attend the Meeting but shall not be entitled to cast their votes again.
- The Board of Directors of the company has appointed Mr. Manoj R. Hurkat of M/s. Manoj Hurkat & Associates, Practicing Company Secretary, Ahmedabad as Scrutinizer to scrutinize the poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- Voting rights shall be reckoned on the paid up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut off date i.e. 20th September, 2016.
- Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut off date i.e. 20th September, 2016 may obtain the User ID and Password in the manner as mentioned below:
- If e-mail Id address or mobile number of the member is registered against folio No./ DP ID/ Client ID, then on the home page of <http://www.evotingindia.com>, the member may click "Forgot password" and enter folio No. or DP ID or Client ID and PAN to generate password.
- Member may call CDSL toll free number 18002005533.
- Member may send an e-mail request to helpdesk.evoting@cdslindia.com
- If the member is already registered with CDSL e-voting platform then he can use his existing user ID and password for casting the vote through remote e-voting.
- The Scrutinizer after Scrutinizing the votes cast at the meeting (poll) and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.vadilalgases.co.in and on the website of CDSL viz. <http://www.evotingindia.com>. The results shall simultaneously be communicated to the stock exchange.

The Instructions for shareholders voting electronically are as under:

- The Voting Period begins on Saturday, 24th September, 2016 at 9.00 a.m. and ended on Monday, 26th September, 2016 at 5.00 p.m. During the Period shareholders of the company holding shares either in physical form or in Dematerialised form as on the cut off date (record date) of 20th September, 2016 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - The process and manner of e-voting is being sent to all the members whose e-mail Ids are registered with the Company/Depository Participant /Share Transfer Agent for communication purpose through electronic mode.
 - 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 25th Annual General Meeting. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility :
- The shareholders should log on to the e-voting website www.evotingindia.com.
- a. Click on Shareholders.
 - b. Now Enter your User ID
 - c. For CDSL: 16 digits beneficiary ID,
 - d. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - e. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Label (sticker) pasted on back of the Annual Report.</p>
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> • Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction.

- After entering these details appropriately, click on "SUBMIT" tab.
 - Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - Click on the EVSN for the relevant <Vadilal Chemicals Ltd.> on which you choose to vote.
 - 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.
 - Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - 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.
 - Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote .
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
9. 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).

Registered Office:

503-504, Aditya Building,

Nr. Sardar Patel Seva Samaj,

Mithakhali, Ahmedabad – 380006.

Date : 7th July, 2016

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

(RAJESH R GANDHI)

(DIN: 00009879)

Chairman & Managing Director

DIRECTORS' REPORT

To,
The Members,
VADILAL CHEMICALS LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith the 25th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2016.

FINANCIAL RESULTS

(₹ in Lacs)

Sr. No.	Particulars	Year ended 31-03-2016	Year ended 31-03-2015
(a)	Earning /(Loss) before Interest, Tax, Depreciation and Amortization (EBITDA)	(66.40)	366.9
(b)	Finance Cost	120.95	154.32
(c)	Depreciation and amortization expenses	111.19	132.75
	Less : Recoupment from Revaluation Reserve / Deferred Government Grant	0	0
(d)	Profit before Exceptional and Extraordinary Items and Tax	(298.54)	79.83
(e)	Exceptional Items Provision for diminution in the value of Long Term Investments	0	0
(f)	Profit before Extraordinary Items and Tax	(298.54)	79.83
(g)	Extraordinary Items	0.00	0.00
(h)	Profit before Tax	(298.54)	79.83
(i)	Tax Expenses		
	Current Tax / MAT Tax	66.00	38.10
	Less : MAT Credit entitlement	<u>(0.00)</u>	<u>(0.00)</u>
		66.00	38.10
	Deferred Tax charge / (release)	03.03	(18.33)
	Short/(Excess) Provision of Tax / Deferred Tax of earlier years (Net)	<u>01.58</u>	<u>(0.37)</u>
		<u>70.61</u>	<u>20.14</u>
(j)	Profit for the period	<u>(369.15)</u>	<u>59.69</u>
(k)	Surplus in the Statement of Profit and Loss:		
	Balance as per last Financial Statements	130.60	70.91
	Profit for the year	(369.15)	59.69
	Less : Appropriations:	0	0
	Net Surplus in the statement of Profit and Loss	<u>(238.55)</u>	<u>130.6</u>

STATE OF COMPANY'S AFFAIRS:

The total turnover of the Company is Rs. 4231.46 lacs during the year ended on 31st March, 2016 as against Rs. 4488.45 lakhs earned during the previous year ended on 31st March, 2015. The company has earned Net revenue from operations of Rs. 3905.13 lakhs earned by the Company during the year under review as compared to Rs. 4178.88 lakhs Net revenue from operations of last year and The company has also earned other income of Rs. 44.66 lakhs during the year under review as against Rs. 38.02 lakhs earned during the previous year.

The Company has incurred Loss before Interest, Tax, Depreciation and Amortisation (EBITDA) of Rs. (66.40) lakhs during the year ended on 31st March, 2016 as compared to Rs. 366.90 lakhs earned during the previous year ended on 31st March, 2015.

The Company has incurred net Loss of Rs. (369.15) lakhs for the year ended on 31st March, 2016 after providing Finance Cost and Depreciation and Amortisation expenses and after making Provision for Deferred Tax Charge and other adjustments, as compared to Profit of Rs. 59.69 lakhs earned by the Company during the previous year ended on 31st March, 2015.

DIVIDEND :

The Board of Directors have not recommended any dividend for the Financial Year 2015-16 due to losses incurred by the Company.

TRANSFER TO RESERVE:

The Company is not required to transfer any amount to reserve due to dividend not recommended by the directors for the financial year 2015-16.

EXTRACT OF ANNUAL RETURN:

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

FINANCE:

During the year under review, the Company has not availed Secured Loan from Banks or Financial Institutions. During the year, company has made regular repayment of outstanding Loan & interest and there is no any overdue payment to Banks and FIs.

DETAILS OF PUBLIC DEPOSITS:

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

SUBSIDIARY/ ASSOCIATES/ JOINT VENTURE COMPANY:

The Company has associate company namely Vadilal Forex and Consultancy Services Limited. Vadilal Cold Storage is Partnership Firm in which company is one of the partner and holding 2% Stake in the said firm. The Company has considered the said firm as Joint Venture. Except the same, during the year, no company has become subsidiary/ associates/ joint venture company. A report of financial position of associate/ Joint Venture company as required under Section 129(3) of the Companies Act, 2013 and rules made thereunder in the prescribed form AOC-1 as **Annexure- II** to the consolidated financial statement and hence not repeated here for sake of brevity.

CONSOLIDATE FINANCIAL STATEMENT:

Pursuant to the requirement of Section- 129(3) read with Schedule-III of the Companies Act, 2013 and rules made thereunder, Consolidated Financial Statement of the company with Vadilal Forex and Consultancy Services Limited and Vadilal Cold Storage, Partnership Firm for the year ended 31st March, 2016 has been attached in the financial statement of the company. The audited consolidated financial statement form part of the Annual Report.

CORPORATE GOVERNANCE:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS:

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

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

During the year 2015-16, The Company has not given any loans/ guarantees/ securities or company has not made any investment which fall under section 186 of the companies act, 2013.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

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

Your Directors draw attention of the members to Note No. 29 to the financial statement which sets out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, Mr. Rajesh K. Pandya has resigned from the office of the Director of the Company with effect from 1st April, 2015.

Mr. Kalpit R. Gandhi and Mrs. Deval D. Gandhi, who were appointed as additional directors of the company at the Board Meeting held on 31-03-2015 were appointed/ regularised as Directors of the Company designated as Non Executive and Non Independent Directors, liable to retire by rotation at the 24th Annual General Meeting of the Members of the Company held on 26th November, 2015.

There is no other changes in the constitution of Board of Directors of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Devanshu L. Gandhi, Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offer himself for re-appointment. The retiring by rotation of Mr. Devanshu L. Gandhi, as aforesaid and his re-appointment shall not be termed as discontinuation in his office as Managing Director of the Company. The Members are requested to consider his re-appointment as Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

BOARD EVALUATION :

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act.

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

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

The Board of Directors have reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role at the Board Meeting held on 11th February, 2016.

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

COMMITTEES OF DIRECTORS:

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

AUDIT COMMITTEE :

Audit Committee comprises the following Members as on 31-03-2016 :-

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

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

Three audit committee meetings were held during the year-2015-16. Meetings were held on 1st June, 2015, 26th June, 2015 and 13th August, 2015.

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

NOMINATION AND REMUNERATION COMMITTEE :

The Nomination and Remuneration Committee comprises the following Members as on 31-03-2016 :-

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

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

No Nomination and Remuneration Committee meeting held during the year 2015-16.

STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The Stakeholders' Relationship Committee comprises the following Members as on 31-03-2016 :-

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

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

There were three meetings of Stakeholder Relationship Committee held during the year 2015-16. The Meetings were held on 19th June, 2015, 30th June, 2015 and 28th August, 2015. The Committee has approved the transfer of Shares during the year 2015-16.

The Committee looks after duplicate Share Certificates, splitting and consolidation of Shares, redressal of Shareholder's complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends, etc., if requests receive for the same. The Board of Directors has delegated the power of approving transfer of Shares etc. to the Stakeholders' Relationship Committee.

No request for issue of duplicate Share Certificates, splitting and consolidation of Shares received by the company during the year 2015-16.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Nomination and Remuneration Committee have recommended and Board of Directors, at its meeting held on 31st March, 2015 have adopted the Policy on appointment and remuneration of Directors in terms of the provisions of Section 178 of the Companies Act, 2013 at the meeting held on 31st March, 2015 and applicable provisions of applicable Listing Regulations. The said policy is enclosed with the Directors' report and marked as "**Annexure - IV**".

CONSTITUTION OF BOARD OF DIRECTORS:

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

NUMBER OF BOARD MEETINGS :

During the year under review, Five Meetings of Board of Directors were held on 01/06/2015, 26/06/2015, 13/08/2015, 09/11/2015 and 11/02/2016.

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

As required under Section 134(1)(m) of the Companies Act, 2013 and Rules made thereunder, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the **Annexure – V** attached herewith and forming part of the Directors' Report.

RISK MANAGEMENT:

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

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

CORPORATE SOCIAL RESPONSIBILITY:

Provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility is not applicable to the company.

INTERNAL FINANCIAL CONTROL:

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

AUDITORS AND AUDITORS' REPORT:

Section 139(2) of the Companies Act, 2013 (effective 1st April, 2014), mandates that a listed company or such other prescribed classes of companies shall not appoint or re-appoint an audit firm as Statutory Auditors for more than two terms of five consecutive years each.

M/s. RRS & Associates, Chartered Accountants, Ahmedabad were re-appointed as Statutory Auditors of the company for the period of one year at the last annual General Meeting 2014-15.

The Audit Committee and the Board of Directors recommended the re-appointment of M/s. RRS & Associates, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company to hold office for the period of 3 years from the conclusion of this 25th Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company for the year 2018-2019.

The Company has received a certificate from the said Auditors under Section 139 of the Companies Act, 2013 to the effect that their appointment, if made, would be within the prescribed limits under Section 139 of the Act and they are not disqualified under the Act. The Members are requested to consider their appointment as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company for the financial year 2018-2019.

There is no qualification/ reservation/ adverse remark raised by statutory auditors of the company which are required to be clarified in the directors report for the affairs of the company for the financial year 2015-16.

SECRETARIAL AUDITOR:

The Board has appointed M/s SPANJ & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2015-16 at the meeting of Board of Directors of the Company held on 11th February, 2016. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure- VI** to this Report.

The clarification of the Board for the observations made in Secretarial Audit Report has already been provided in this report under this head and under the head "Material Information"

In respect of the qualification in the Secretarial audit report regarding not maintaining minimum 25% Public Shareholding, the Board clarifies that the company is in the process of taking necessary actions as required under SEBI Circular No. CIR/MRD/

DSA/05/2015 dated 17th April, 2015.

INSURANCE:

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

PARTICULARS OF EMPLOYEES:

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

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

WHISTLE BLOWER POLICY / VIGIL MECHANISM:

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

The Audit Committee has approved and Board of Directors have adopted Policy of Vigil Mechanism in their Meeting held on 14th August, 2014.

MATERIAL INFORMATION :

- During the period under review, Vortex Ice-cream Private Limited jointly with Mr. Virendra R. Gandhi (the erstwhile Director) and others have filed a petition against the Company and it's the then Directors, before the Company Law Board, Mumbai bench dated 18th April, 2015 under Section 397 and 398 of the Companies Act, 1956 alleging Oppression and Mismanagement. The Hon'ble Company Law Board, Mumbai Bench, after hearing both the parties, passed an interim order dated 13th May, 2015 giving various directions / orders.
- During the period under review, the Company has appointed an independent investigation agency to know the facts in the matter of huge amount paid to M/s Success Vyapar Ltd., Kolkatta. On the basis of the Investigation report by independent agency and as decided by the Board of Directors, at its meeting held on 24-06-2016, the Company has taken the following steps :
 - a. On the basis of the investigation report of Independent Agency and on the basis of Affidavit dated 12-12-2015 submitted by Mr. Virendra R. Gandhi to the Hon'ble Company Law Board, the Board of Directors of the Company has decided to make provision of Rs. 4,75,00,000/- as a "Provision for doubtful advance" in order to reflect true and fair state of affairs in the Books of Accounts of the Company for the financial year 2015-16.
 - b. The company has filed a Civil suit No. 299 of 2016 dated 28-06-2016 against the then Chairman & Managing Director and M/s Success Vyapar Limited, Kolkatta for the recovery of payment of Rs 4,75,00,000/-.

GENERAL:

- 1 During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31st March, 2016 till the date of this report.
2. During the year under review, there was no significant and/or material order passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.
3. The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013 does not require.
4. During the year under review, no Director or Managing Director of the Company has received any remuneration or commission from subsidiary of the Company in terms of provisions of Section 197(14) of the Companies Act, 2013.
5. The disclosure in terms of Rule – 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.

ACKNOWLEDGEMENT:

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

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

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

Registered Office:
503-504, Aditya Building,
Nr. Sardar Patel Seva Samaj,
Mithakhali, Ahmedabad – 380006.
Date : 7th July, 2016

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

**(RAJESH R GANDHI)
(DIN: 0009879)**

Chairman & Managing Director

ANNEXURE – I TO THE DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

REGISTRATION & OTHER DETAILS:

1.	CIN	L24231GJ1991PLC015390
2.	Registration Date	11/04/1991
3.	Name of the Company	VADILAL CHEMICALS LIMITED
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	503-504, Aditya Building, Nr. Sardar Patel seva Samaj, Mithakhali, Navrangpura, Ahmedabad- 380 006.
6.	Whether listed company	Listed at Ahmedabad stock Exchange Limited, Calcutta Stock Exchange Limited, Madras Stock Exchange Limited and Delhi Stock Exchange Limited.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Big Share Services Private Limited, E-2-3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai- 400 072. Phone No. : 022 4043 0295.

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1	Ammonia Gas	2814	35.00%
2	Hydrogen	2804	18.00%
3	Liquor Ammonia	2814	16.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of Shares held	Applicable Section
1	Vadilal Forex and Consultancy Services Limited	U93000GJ1995PLC026204	Associate	28.00%	2(6)
2	Vadilal Cold Storage (Partnership Firm)	---	Joint Venture	2.00%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	849384	492665	1342049	27.53	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	893600	2209254	3102854	63.66	893600	2209254	3102854	63.66	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Directors' Relatives	849384	492665	1342049	27.53	0	0	0	0	0
Non Residential Individual	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	1742984	2701919	4444903	91.19	1742984	2701919	4444903	91.19	0

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.					0				
i) Indian	0	5900	5900	0.12	0	5900	5900	0.12	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1116	422081	423197	8.68	3516	419681	423197	8.68	0
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Hindu Undivided Families (HUF)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	1116	427981	429097	8.8	3516	425581	429097	8.8	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1116	427981	429097	8.8	3516	425581	429097	8.8	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1744100	3129900	4874000	100	1746500	3127500	4874000	100	0

- Category of Promoters/Promoter Group Shareholders has been re-grouped / rearranged from "Directors relatives" to "Promoters-Individuals"
- There is no change in the Promoters/ Promoter Group Share holding during the year 2015-2016.

B) Shareholding of Promoters-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2015)			Shareholding at the end of the year (31-3-2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Vadilal International Private Limited	2013204	41.3	0	2013204	41.3	0	0
2	Devanshu Laxmanbhai Gandhi	434661	8.91	0	434661	8.91	0	0
3	Vadilal Marketing Private Limited	423650	8.69	0	423650	8.69	0	0
4	Vortex Ice cream Private Limited	383650	7.87	0	383650	7.87	0	0
5	Kalpiti Realty and Services Limited	173650	3.56	0	173650	3.56	0	0
6	Rajesh Ramchandra Gandhi	157037	3.22	0	157037	3.22	0	0
7	Virendra Ramchandra Gandhi	135002	2.77	0	135002	2.77	0	0
8	Deval Devanshu Gandhi	119250	2.45	0	119250	2.45	0	0
9	Smt Pushpaben L. Gandhi	97589	2.00	0	97589	2.00	0	0
10	Byad Packaging Industries Pvt Ltd.	86300	1.77	0	86300	1.77	0	0
11	Mamta Rajesh Gandhi	76416	1.56	0	76416	1.56	0	0
12	Shri Ramchandra R. Gandhi	56271	1.15	0	56271	1.15	0	0
13	Smt. Ilaben V. Gandhi	49482	1.01	0	49482	1.01	0	0
14	Usha Navinchandra Modi	48544	0.99	0	48544	0.99	0	0
15	Nayana Surendra Choksi	43050	0.88	0	43050	0.88	0	0
16	Shri Janmajay V. Gandhi	37177	0.76	0	37177	0.76	0	0
17	Miss Khevna V. Gandhi	33740	0.69	0	33740	0.69	0	0
18	Smt. Dharini V. Gandhi	36540	0.75	0	36540	0.75	0	0
19	Veronica Constructions Private Limited	22400	0.46	0	22400	0.46	0	0
20	Shri Kalpit R. Gandhi	17290	0.35	0	17290	0.35	0	0
	TOTAL	4444903	91.19	0	4444903	91.19	0	0

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

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 1-4-2014)		Cumulative Shareholding during the year (from 1-4-2014 to 31-3-2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4444903	91.19	4444903	91.19
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	4444903	91.19	4444903	91.19

- There is no change in the shareholding position of promoter group in comparison to last year.

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	NITABEN ALIAS HEMALI PIYUSH SURATI	6631	0.14	6631	0.14
2	ADATIYA HITESHBHAI NAVANITLAL	6600	0.14	6600	0.14
3	DIPESHBHAI MAHENDRAKUMAR ADATIA	6600	0.14	6600	0.14
4	KRISHNA AMAN KHAJANCHI	4403	0.09	4403	0.09
5	VAIBHAVI HIREN GANDHI	4403	0.09	4403	0.09
6	MANOJKUMAR VADILAL MODI	3844	0.08	3844	0.08
7	PUNNU SECURITIES LTD	2500	0.05	2500	0.05
8	CHETNA YOGENDRA MODI	2500	0.05	2500	0.05
9	YOGENDRA MODI	2500	0.05	2500	0.05
10	JAGDISH R. PATEL	2400	0.05	2400	0.05
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	-	-	-	-
	At the end of the year				
1	NITABEN ALIAS HEMALI PIYUSH SURATI	6631	0.14	6631	0.14
2	ADATIYA HITESHBHAI NAVANITLAL	6600	0.14	6600	0.14
3	DIPESHBHAI MAHENDRAKUMAR ADATIA	6600	0.14	6600	0.14
4	KRISHNA AMAN KHAJANCHI	4403	0.09	4403	0.09
5	VAIBHAVI HIREN GANDHI	4403	0.09	4403	0.09
6	MANOJKUMAR VADILAL MODI	3844	0.08	3844	0.08
7	PUNNU SECURITIES LTD	2500	0.05	2500	0.05
8	CHETNA YOGENDRA MODI	2500	0.05	2500	0.05
9	YOGENDRA MODI	2500	0.05	2500	0.05
10	JAGDISH R. PATEL	2400	0.05	2400	0.05

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	Mr. Rajesh R. Gandhi, Chairman and Managing Director				
	At the beginning of the year	157037	3.22	157037	3.22
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	157037	3.22	157037	3.22
2.	Mr. Devanshu L. Gandhi, Managing Director				
	At the beginning of the year	434661	8.92	434661	8.92
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	434661	8.92	434661	8.92

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Mr. Ravi Thakkar, Chief Financial Officer				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0
	At the beginning of the year	0	0	0	0
4.	Mr. Soham Raval, Company Secretary				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	*Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	26076465	92585166	23928779	142590410
ii) Interest due but not paid	0	12857504	0	12857504
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	26076465	105442670	23928779	155447914
Change in Indebtedness during the financial year				
Addition	6141843	0	3043511	9185354
Reduction	11495114	16197850	2664488	30357452
Indebtedness at the end of the financial year				
i) Principal Amount	16202847	89244821	24307802	129755470
ii) Interest due but not paid	0	9892523	0	9892523
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	16202847	99137344	24307802	139647993

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

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

A. **REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Rajesh R. Gandhi, Chairman and Managing Director	Mr. Devanshu L. Gandhi, Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission- as % of profit- others, specify...	0	0	0
5	Others, please specify:Contribution to Provident Fund	0	0	0
	Total (A)	0	0	0

B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors						Total Amount (Gross)
		Mr. Rohit J. Patel	Mr. Jignesh J. Shah	Mr. Udayan R. Patel	Mr. Ashish H. Modi	Mrs. Deval D. Gandhi	Mr. Kalpit R. Gandhi	
1	Independent Directors							
	Fee for attending board committee meetings	32000	40000	32000	32000	0	0	136000
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (1)	32000	40000	32000	32000	0	0	136000
2	Other Non-Executive Directors							
	Fee for attending board committee meetings		0	0	0	32000	40000	72000
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	32000	40000	72000
	Total (B)=(1+2)	32000	40000	32000	32000	32000	40000	
	Total Managerial Remuneration (A+B)	32000	40000	32000	32000	32000	40000	208000 (Gross)
	Overall Ceiling as per the Act	N.A.						

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

SN	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Ravi Thakkar, Chief Financial Officer	Mr. Soham Raval, Company Secretary	
1	Gross salary	499140	327552	826692
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40590	26665	67255
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit others, specify...			
5	Others(Gratuity, Mediclaim)	9407	6797	16204
	Total	549137	361014	910151

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE – II TO THE DIRECTORS' REPORT**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

Sr. No.	Particulars	Rs. in Lacs
1	Name of the subsidiary	NIL
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary	
4	Share capital	
5	Reserves & surplus	
6	Total assets	
7	Total Liabilities	
8	Investments	
9	Turnover	
10	Profit / (Loss) before taxation	
11	Provision for taxation	
12	Profit / (Loss) after taxation	
13	Proposed Dividend	
14	% of shareholding	

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sr No	Particulars	Associate Company	Joint Venture
		Amount in Rs.	Amount in Rs.
1	Name of associate	Vadilal Forex and Consultancy Services Limited	Vadilal Cold Storage
2	Latest audited Balance Sheet Date	31st March, 2016	31st March, 2016
3	Shares of Associate held by the company on the year end		
i	No.of shares	70000	—
ii	Amount of Investment in Associate	700000	—
iii	Extend of Holding%	28.00%	2.00%
4	Description of how there is significant influence	-	-
5	Reason why the Associate is not consolidated	NA	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet	4.72 lacs	7.06 lacs
7	Profit for the year (before tax)	22.58 lacs	10.48 lacs
i	Considered in Consolidation	6.32 lacs	0.21 lacs
ii	Not Considered in Consolidation	16.26 lacs	10.27 lacs

Note-1 : Vadilal Cold Storage is the Partnership Firm in which company is one of the partner and holding 2% stake.

Note-2 : 1. Names of associates or joint ventures which are yet to commence operations - NA
2. Names of associates or joint ventures which have been liquidated or sold during the year - NA

ANNEXURE – III TO THE DIRECTORS' REPORT**FORM NO. AOC -2**

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

VADILAL GASES LIMITED

Sr.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Vadilal Gases Limited (VGL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.
b	Nature of contracts/arrangements/transaction	Purchase and Sell of Industrial Gases by the Company to Vadilal Gases Limited
c	Duration of the contracts/arrangements /transaction	Company has taken approval of shareholders for transactions of Rs. 30 crore per financial year commencing from 2014-2015. Transactions made during the year 2015-16 are disclosed in the Annual Report.
d	Salient terms of the contracts or arrangements or transaction including the value, if any	VCL, in the ordinary course of business, enters into transactions of purchase and sale of industrial Gases from VGL. During the year - 2015-2016, VCL has made purchase Industrial Gases of Rs. 7,65,18,196/- and sold the Industrial Gases to Vadilal Gases Limited of Rs. 2,86,03,104/-
e	Justification for entering into such contracts or arrangements or transactions'	The Company and VGL, both are engaged in the business of manufacturing of Industrial Gases. VGL is in the business of manufacturing of various grades of Argon & Nitrogen Gases, Calibration Gases, Mixture Gases etc. and sells its products/ materials to VCL, while VCL, after re-labelling the products received from VGL, sells in the open market. The Company has taken approval of Shareholders at the 24 th Annual General Meeting of Rs. 30 crore per financial year for the period of 5 years commencing from 2014-15.
f	Date of approval by the Board	13-8-2015
g	Amount paid as advances, if any	Nil
h	Date on which the Ordinary resolution was passed in General meeting as required under first proviso to section 188	Will be considered in ensuing Annual General Meeting.

OTHER NON- MATERIAL RELATED PARTY TRANSACTIONS:**I. VADILAL INDUSTRIES LIMITED**

Sr.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vadilal Industries Limited, a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.
b)	Nature of contracts/arrangements/transaction	Sell of Industrial Gases by the Company to Vadilal Industries Limited
c)	Duration of the contracts/arrangements /transaction	Transactions made during the year – 2015-2016 are disclosed in the Annual Report.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any.	The Company, in ordinary course of business and on principal to principal basis, sold Industrial Gases to VIL of Rs. 10,90,524/- during the year 2015-2016.
e)	Justification for entering into such contracts or arrangements or transactions'	VIL requires Industrial Gases for its manufacturing units situated at Pundhra and Bareilly. For that purpose, it purchases Industrial Gases from the Company on regular basis.
f)	Date of approval by the Board	13-8-2015
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188.	No such approval is required as the transactions, as the said transactions are non material transactions and they are within the threshold limit.

ANNEXURE – IV TO THE DIRECTORS' REPORT
VADILAL CHEMICALS LIMITED
NOMINATION AND REMUNERATION POLICY

Introduction:

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

Objective and purpose of the Policy:

The objective and purpose of this policy are:

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

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

Effective Date:

This policy shall be effective from 31st March, 2015.

Constitution of the Nomination and Remuneration Committee:

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

Sr. No.	Name of the Member	Designation	Category
1	Mr. Rohit J. Patel	Chairman	Independent
2	Mr. Jignesh Shah	Member	Independent
3	Mr. Udayan Patel	Member	Independent

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

Definitions:

- Board means Board of Directors of the Company.
- Directors means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means Vadilal Chemicals Limited.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means -
 - (i) Chief Executive Officer and / or Managing Director;
 - (ii) Whole-time Director;
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:

The Policy is applicable to :

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

General:

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

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

The Committee shall:

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

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

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. **Managing Director/Whole-time Director:**

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. **Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

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

- **Removal:**

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

- **Retirement :**

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

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

- **General:**

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

- **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. **Fixed pay:**

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

2. **Minimum Remuneration:**

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

3. **Provisions for excess remuneration:**

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

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

1. **Remuneration / Commission:**

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

2. **Sitting Fees:**

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

3. **Commission:**

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

4. **Stock Options:**

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

Registered Office:

503-504, Aditya Building,

Nr. Sardar Patel Seva Samaj,

Mithakhali, Ahmedabad – 380006.

Date : 7th July, 2016

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

(RAJESH R GANDHI)

(DIN: 00009879)

Chairman & Managing Director

ANNEXURE- V TO THE DIRECTORS REPORT

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ending on 31st March, 2016.

A. Conservation of Energy:**Steps taken or impact on Conservation of Energy:**

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

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

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

Capital investment on energy conservation equipment:

There is no specific investment plan for energy conservation.

B. Technology Absorption:

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

N.A.

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

N.A.

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

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

The expenditure incurred on Research and Development :

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Registered Office:

503-504, Aditya Building,

Nr. Sardar Patel Seva Samaj,

Mithakhali, Ahmedabad – 380006.

Date : 7th July, 2016

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

(RAJESH R GANDHI)

(DIN: 0009879)

Chairman & Managing Director

ANNEXURE-VI TO THE DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of

The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

VADILAL CHEMICALS LIMITED

Regd. Off : 503-504, Aditya Building,

Nr. Sardar Patel SevaSamaj, Mithakhali,

Navrangpura, Ahmedabad - 380006

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure - A for the Financial Year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998;

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at para (iv) and point (c) to (h) of para (v) mentioned hereinabove during the period under review as the same were not applicable to the Company.

- (vi) We further report that as per information and explanations given by the representatives of the company stating that in view of complexities of product specifications, units at multiple locations (functional as well as non functional) and recent change in the substantial powers of management of the company coupled with functional anarchy in administration of the company, it was not possible to ascertain the other sector specific laws which are applicable to the company and its compliance management system prevalent in the company. Therefore, we have not verified the compliance management system relating to other applicable sector specific laws as the same could not be quantified in view of complexities of product specifications and functional as well as non-functional manufacturing units at multiple locations,.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

During the period under review, we were given to understand that the company is in process of implementing adequate compliance management system for compliance with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove. The securities of the company are not listed on nationwide stock exchanges NSE and BSE and four stock exchanges on which securities are listed have become non functional. Statutory registers and records as required under The Companies Act, 2013 and Rules made there under for the current financial year covering period from 01st April, 2015 to 31st March, 2016 were available for our verification.

Moreover, while verifying compliance with the provisions of SCRA and SCRR as well as clauses of listing agreement read with SEBI (LODR) Regulations, the data relating to shareholding pattern revealed that the promoters are holding 91% of the total share capital of the company and criteria of minimum public holding of 25% has not been maintained.

We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under the above referred laws and regulations applicable to the Company.

I further report that the compliance by the company of the direct and indirect tax laws has not been reviewed during this audit as the same had been subject to review by the statutory financial audit and other designated professionals.

As observed in our previous year's report, in the previous financial year i.e. 2014-15, substantial powers of day today administration and management of the company of Mr. Virendra Gandhi, as the then Managing Director of the company were withdrawn by the Board of Directors at its meeting held on 24/05/2014 and said powers were assigned to other two Managing Directors of the company i.e. Mr. Rajesh Gandhi and Mr. Devanshu Gandhi. Further, Mr. Virendra Gandhi, whose office was liable to retire by rotation at the 23rd Annual General Meeting (previous AGM) of the company held on 12/11/2014 and who had offered himself for re-appointment, was not reappointed as a Director of the Company due to non-approval by the Members and hence, ceased to be a Director of the Company with effect from date of the 23rd Annual General Meeting i.e. 12/11/2014.

We further report that M/s Votex Ice cream Pvt. Ltd., Mr. Virendra Gandhi and others had preferred a petition before Company Law Board for oppression and mismanagement u/s 397, 398, 402 and other applicable provisions of the Companies Act, 1956 against the then Directors of the Company. As per the petition and rejoinders filed by the parties, allegations and counter allegations for violations of various provisions of the Companies Act have been made by both the parties, however, the matter is subjudice.

In terms of an interim order dated 11/05/2015 passed by Hon'ble Company Law Board, Mumbai Bench, the respondent company has been permitted to dispose off some of the properties of the company by passing necessary resolutions by the process of Postal ballot.

However, it was stipulated in the order that an observer agreeable to both the parties should be appointed subject to approval of CLB under whose supervision the transaction of disposal of the properties of the company should be carried out.

As per interim order, the company has initiated process of passing of resolution by postal ballot under section 180 (1) (a) of The Companies Act, 2013 read with applicable rules and had passed necessary resolution. As informed, the process of ascertaining an observer mutually agreeable to both the parties has been initiated and accordingly Mr. Justice R. A. Mehta was appointed with consensus of both the parties. However, later on, VCL has filed a petition to remove him, as he insisted to involve petitioners in the sale proceeds. and the same is pending before the CLB.

As per information made available, the Company had appointed an independent investigation agency to know the facts in the matter of amount paid to M/s Success Vyapar Ltd. and based on the investigation report of the independent chartered accountants, dated 27/05/2015 it was reported that there was an unauthorized investment in the shares of Success Vyapar Limited to the tune of Rs. 4.75 Crores.

On the basis of the Investigation report by said independent agency, the Board of Director in their board meeting held on 24/06/2016 has decided :

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

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

It is observed that in view of the various pending litigations on account of management dispute and allegations and counter allegation as well as unauthorized financial transactions as per the independent agency's report, the consequential effect of non compliance with the provisions of companies Act read with accounting standards cannot be ascertained as the same is dependant of the final outcome of the litigations.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever required.

We further report that as reported in the present report, it was not possible to ascertain systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable sector specific laws, rules, regulations and guidelines .

We further report during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above except passing of special resolution under section 180 (1) (a) of the companies Act, 2013 by postal ballot to give powers to the Board of Directors to dispose off properties of the company under section 180 (1) (a) of The Companies Act, 2013 as permitted by an interim order passed on 13/05/2015 by the Company Law Board, Mumbai Bench.

Place: Ahmedabad

Signature : Sd/-

Date : 7th July, 2016

Name of practicing C S : Ashish C. Doshi, Partner
SPANJ & ASSOCIATES
Company Secretaries

ACS/FCS No. : F3544

C P No : 2356

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

ANNEXURE - A

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer Committee, Stakeholders Relationship Committee along with attendance register held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under The Companies Act, 2013 and rules made there under as made available to us.

5. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act to the extent received
7. Intimations received from Directors under The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
8. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Act and attachments thereof during the period under report.
9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
10. Various policies framed by the Company from time to time as required under the Act as well as Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time.

Annexure - B

To,

The Members

VADILAL CHEMICALS LIMITED

Regd. Off : 503-504, Aditya Building,

Nr. Sardar Patel SevaSamaj, Mithakhali,

Navrangpura, Ahmedabad - 380006

Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2016

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

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

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

Place: Ahmedabad

Date : 7th July, 2016

Signature : Sd/-

Name of practicing C S : Ashish C. Doshi, Partner
SPANJ & ASSOCIATES
Company Secretaries

ACS/FCS No. : F3544

C P No : 2356

ANNEXURE – VII to the Directors' Report:

PARTICULARS OF EMPLOYEES:

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

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

Name of the Managing Directors, Chief Financial Officers and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year
Mr. Rajesh R. Gandhi, Chairman and Managing Director @	N.A.	N.A.
Mr. Devanshu L. Gandhi, Managing Director @	N.A.	N.A.
Mr. Ravi Thakkar, Chief Financial Officer	N.A.	18
Mr. Soham Raval, Company Secretary	N.A.	12

@ The Managing Directors of the Company are not drawing any remuneration from the Company. The Company does not pay any remuneration to the Non-executive Directors except sitting fees for attending Board and Committee Meetings.

- b. The percentage increase in the median remuneration of employees in the financial year: 15%
- c. The number of permanent employees on the rolls of Company: 43
- d. The explanation on the relationship between average increase in remuneration and Company performance:
On an average, employees received an annual increase of 14%. The individual increments varied from 10% to 18%, based on individual performance.
In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.
- e. Market capitalisation of the Company & price earnings ratio:
The Company's shares are not frequently traded in the Stock Exchange and hence, the details of Market Capitalisation are not provided.
1. The Earning Per Share of the Company as on 31-03-2016 is Rs. -7.57 as compared to Rs. 1.22 as on 31-3-2015.
- f. The average annual increase was around 14%. The Managing Directors are not drawing any remuneration from the Company and hence, the average percentile increase in the remuneration of employees is not comparable with that of Managing Directors.
- g. The key parameters for any variable component of remuneration in case of Managing Directors of the Company is linked with the Company performance. In case of other key managerial personnel(s), the same is linked with Company performance and individual performance.
- h. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:
Not applicable.
- i. The Company affirms remuneration is as per the remuneration policy of the Company.
- j. The Statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company including Managing Directors was in receipt of remuneration in excess of the limits set out in the said rules.

Registered Office:
503-504, Aditya Building,
Nr. Sardar Patel Seva Samaj,
Mithakhali, Ahmedabad – 380006.
Date : 7th July, 2016

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

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

INDEPENDENT AUDITOR'S REPORT

To
The Members,
VADILAL CHEMICALS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **VADILAL CHEMICALS LIMITED ('the company')** which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit & loss Statement and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Director, none of the director is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure-B; and

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigation's on its financial position in the financial statements - Refer Note 20 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR, RRS. & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 118336W

RAJESH R SHAH

PARTNER

PLACE: AHMEDABAD.

DATE : 07/07/2016.

MEMBERSHIP NO. 034549.

Annexure - A to Independent Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of Vadilal Chemicals Limited ("the Company") the standalone financial statements for the year ended 31 March 2016, we report that:

1. In respect of Fixed Assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
 - b. According to the information and explanation given to us, the Fixed Assets of the Company have been physically verified by the management at reasonable period during the year and no material discrepancies have been noticed on such verification. In our opinion the frequency of physical verification of fixed asset is reasonable having regard to the size of the company and nature of its business.
 - c. According to information and explanations given to us and on the basis of our examination of records of the company the title deeds of immovable properties are held in the name of the company.
2. In respect of its inventories:
 - a. As explained to us, Stock has been physically verified at the year-end by the management. In our opinion, the frequency of verification is reasonable.
 - b. As per the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us by the management, the Company has generally maintained & verified all records of its inventories and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and therefore, the provisions of clause (iii) of the Order are not applicable to the company.
4. According to the information and explanation given to us, the company has not granted loans to directors or any other person in whom director is interested and also has not made loans, guarantees provided security in connection with loan to any person or other body corporate and has not acquired securities of any other body corporate. Therefore, the provisions of section 185 and section 186 of companies Act, 2013 are not applicable to the company. Thus paragraph 3(iv) of the order is not applicable to the company.
5. During the year, the company has not accepted any deposits from public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and therefore, the provisions of clause (v) of the Order are not applicable to the company.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of the section 148 of the Companies Act; hence this clause is not applicable to the company.
7. In respect to statutory dues:
 - a. In our opinion and according to the information and explanations given to us, Company is generally regular in depositing with appropriate authorities undisputed statutory dues of Income tax, Wealth-tax, Service Tax, Custom duty, Cess, Provident Funds, ESI and any other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at 31st March, 2016 for a period of more than six months from the date on which they became payable

- b. According to information and explanations given to us, there is a disputed statutory dues that have not been deposited as on 31.03.2016 are E.S.I.C. for the year 2005-2006, pending before E.S.I.C. court, amounting to Rs. 2,13,160/-. Another dispute of Excise of the year 1997 to 2003 is pending before the Supreme Court, amounting to Rs. 42,06,369/-
8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of any dues to a financial institutions and banks. The company has not issued any debentures during the year or in the preceding year.
9. In our opinion and on the basis of information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
10. According to the information and explanations and based on the report of the Independent Chartered Accountants M/s Pipara & Co., as regard the details of fraud on or by the company noticed or reported during the year is given below:
During the year fraud were noticed by the management involving the then Chairman and Managing Director and Success Vypar Limited, the amount of Rs. 4,75,00,000/- was involved in the above matter and which result into misappropriation funds of the company. The company has filed a Civil suit No. 299 of 2016 dated 28/06/2016 against the then Chairman & Managing Director and M/s Success Vyapar Limited, Kolkatta for the recovery of payment of Rs. 4,75,00,000/-.
11. The Company has not paid/provided for managerial remuneration during the year and hence report on the same does not arise.
12. According to the explanation given to us, the company is not a Nidhi Company and therefore the provisions of clause (xii) of the Order are not applicable.
13. According to the information and explanations given to us, and based on our examinations of the records of the company, transactions with related parties are in compliance with section 177 and section 188 of the Act, where applicable and the details of the transaction have been disclosed in financial statement as required by the applicable accounting standards.
14. According to the explanation and information given to us, the company has not made preferential allotment of equity shares during the financial year.
15. According to the explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transaction with directors or connected with them. Accordingly, paragraph 3 (15) of the Order is not applicable.
16. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR, RRS & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 118336W

RAJESH R SHAH
PARTNER
MEMBERSHIP NO. 034549.

PLACE: AHMEDABAD.
DATE : 07/07/2016.

Annexure-B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial report of **Vadilal Chemicals Limited** ("the Company") as on 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act, 2013

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of audit opinion on the Company's internal financial controls systems over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting included those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of the internal financial controls over financial reporting to future periods are subjects to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

FOR, RRS & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 118336W

RAJESH R SHAH
PARTNER
MEMBERSHIP NO. 034549.

PLACE: AHMEDABAD.
DATE : 07/07/2016.

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	NOTES	AS AT 31.03.2016 (₹)	AS AT 31.03.2015 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	48,740,000	48,740,000
(b) Reserves and Surplus	3	(111,097)	36,803,833
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	102,181,515	115,503,669
(b) Deferred Tax Liabilities (Net)	5	8,303,736	8,000,340
(c) Long Term Provisions	6	602,302	494,200
(3) Current Liabilities			
(a) Short-Term Borrowings	7	30,381,469	28,449,127
(b) Trade Payables	8	6,964,284	17,597,133
(c) Other Current Liabilities	9	9,963,280	15,737,897
(d) Short-Term Provisions	10	2,620,950	3,572,725
Total		209,646,439	274,898,924
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
Tangible Assets		92,716,767	95,409,855
Intangible Assets		189,886	360,080
(b) Non-current investments	12	3,664,435	3,664,435
(c) Long term loans and advances	13	2,158,960	2,063,475
(d) Other non-current assets	14	83,354	77,929
(2) Current Assets			
(a) Inventories	15	8,777,291	11,201,000
(b) Trade receivables	16	73,022,547	78,220,107
(c) Cash and bank balances	17	10,324,032	15,488,157
(d) Short-term loans and advances	18	18,546,431	20,875,819
(e) Other current assets	19	162,736	47,538,067
Total		209,646,439	274,898,924
Summary of significant accounting policies	1		
The accompanying notes are integral part of the financial statements.			

As per our report of even date attached.

For and on behalf of the Board of Directors

FOR R R S & AssociatesChartered Accountants
(Firm Reg. No.: 118336W)**Rajesh R. Shah**
(Partner)
Membership No. : 034549PLACE : AHMEDABAD
DATE : 07-07-2016**Rajesh R. Gandhi**
Chairman & Managing Director
DIN: 00009879**Ravi Thakkar**
Chief Financial OfficerPLACE : AHMEDABAD
DATE : 07-07-2016**Devanshu L. Gandhi**
Managing Director
DIN: 00010146**Soham Raval**
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	NOTES	YEAR ENDED 31.03.2016 (₹)	YEAR ENDED 31.03.2015 (₹)
I INCOME :			
Revenue from operations (Gross)			
Sale of Products	21	423,145,612	448,845,107
Less : Excise Duty		32,633,240	30,956,730
Revenue from operations (Net)		390,512,372	417,888,377
Other Income	22	4,465,739	3,801,833
Total Revenue (I)		394,978,111	421,690,210
II EXPENSES :			
Cost of materials consumed	23	129,018,227	143,693,940
Purchase of Stock-in-Trade		140,879,501	159,520,253
Changes in inventories of Finished Goods, WIP & Stock in trade	24	865,974	(482,657)
Employee Benefit Expense	25	16,467,660	17,803,824
Financial Costs	26	12,094,553	15,432,697
Depreciation and Amortisation Expense	11	11,118,676	13,275,003
Other Expenses	27	66,887,478	64,463,952
Total Expenses (II)		377,332,069	413,707,012
III Profit before Exceptional Item & tax (I-II)		17,646,042	7,983,198
IV Exceptional Items			
Provision for doubtful advances (refer note no.: 32)		47,500,000	-
V Profit before tax (III-IV)		(29,853,958)	7,983,198
VI Tax expense:			
(1) Current tax		6,600,000	3,810,000
(2) Short Provision for earlier year		157,575	37,052
(3) Deferred tax		303,396	(1,833,137)
VII Profit/(Loss) for the period (V-VI)		(36,914,929)	5,969,283
VIII Earning per equity share: (Face value ₹ 10/- each)	30		
Basic and Diluted		(7.57)	1.22

The accompanying notes are integral part of the Profit & Loss statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

FOR R R S & Associates

Chartered Accountants
(Firm Reg. No.: 118336W)

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

PLACE : AHMEDABAD
DATE : 07-07-2016

Rajesh R. Gandhi
Chairman & Managing Director
DIN: 00009879

Ravi Thakkar
Chief Financial Officer

PLACE : AHMEDABAD
DATE : 07-07-2016

Devanshu L. Gandhi
Managing Director
DIN: 00010146

Soham Raval
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	YEAR ENDED 31.03.2016 (₹)	YEAR ENDED 31.03.2015 (₹)
A. CASH FLOW FROM OPERATIVE ACTIVITIES		
Net Profit / (Loss) before tax	(29,853,958)	7,983,198
<u>Adjustment for :</u>		
Depreciation	11,118,676	13,275,005
Interest Income	(768,158)	(703,434)
Dividend Income	(192)	(7,072)
Interest Paid	12,094,553	15,432,697
(Profit) / Loss on sales of assets	(48,825)	(113,379)
(Profit) / Loss from Partnership Firm	14,870	(33,719)
Operating Profit before working capital changes	(7,443,034)	35,833,296
Add / Less : Changes in assets and liabilities		
(Increase)/ Decrease in Assets	56,304,412	25,550,218
Increase / (Decrease) in Liabilities	(12,841,030)	12,796,532
Cash generated from operation	36,020,348	74,180,046
Income tax paid	(5,851,779)	(2,314,680)
Net cash flow from Operating Activity	30,168,569	71,865,366
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(8,255,394)	(15,159,238)
Sales of Fixed Assets	48,825	137,120
Investment in Partnership firm	-	(2,650,000)
Fixed Deposit with Bank	5,267,255	(4,233,362)
Dividend Received	192	7,072
Interest Received	768,158	703,434
Net Cash used in Investing Activities	(2,170,964)	(21,194,974)
C. CASH FLOW USED IN FINANCING ACTIVITIES		
Interest Paid	(12,094,553)	(15,432,697)
Proceed/(Repayment) of Short term borrowings	1,932,342	4,728,344
Proceed/(Repayment) of Long term borrowings	(17,732,263)	(47,195,722)
Net Cash used in Financing Activities	(27,894,474)	(57,900,075)
Net Increase/Decrease in Cash & Cash Equivalents Total (A+B+C)	103,131	(7,229,682)
Cash & Cash Equivalents At The Beginning Of The Year		
Cash on Hand	439,666	257,081
Bank Balance	9,021,112	15,854,181
Fixed Deposits For Less Than 3 Months	760,124	1,339,322
	10,220,902	17,450,584
Cash & Cash Equivalents At The End Of The Year		
Cash on Hand	447,419	439,666
Bank Balance	3,681,789	9,021,112
Fixed Deposits For Less Than 3 Months	6,194,824	760,124
	10,324,032	10,220,902

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 conform to current year presentation.

As per our report of even date attached.

For and on behalf of the Board of Directors

FOR R R S & AssociatesChartered Accountants
(Firm Reg. No.: 118336W)**Rajesh R. Gandhi**
Chairman & Managing Director
DIN: 00009879**Devanshu L. Gandhi**
Managing Director
DIN: 00010146**Rajesh R. Shah**
(Partner)
Membership No. : 034549**Ravi Thakkar**
Chief Financial Officer**Soham Raval**
Company SecretaryPLACE : AHMEDABAD
DATE : 07-07-2016PLACE : AHMEDABAD
DATE : 07-07-2016

Note 1**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, 2013 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(SLM). Depreciation is provided based on useful life of the assets as prescribed in schedule II to the Companies Act, 2013.

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 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 basic 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.

PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹				
Note : 4						
LONG TERM BORROWINGS						
Vehicle Loan (Secured)						
- From Bank and Financial Institution (Secured against Vehicle)	10,129,180	21,556,117				
Less: Current maturities of vehicle loan	<u>(7,085,009)</u>	<u>(11,495,118)</u>				
(A)	3,044,171	10,060,999				
Loans & Advances from Related Parties (Unsecured)						
Veronica Construction Pvt. Ltd. *	99,137,344	105,442,670				
(B)	99,137,344	105,442,670				
The Above amount includes :						
Secured Borrowing	10,129,180	21,556,117				
Unsecured Borrowing	99,137,344	105,442,670				
Total	(A + B) 102,181,515	115,503,669				
Repayment Schedule of Vehicle Loan :						
Particulars	Rate of Interest	As at 31.03.2016	2016-17	2017-18	2018-19	2019-20
Vehicle Loan		₹	₹	₹	₹	₹
ICICI BANK LTD.	12.49%	8,593,068	5,548,897	3,044,171	-	-
ICICI BANK LTD.	9.99%	-	-	-	-	-
ICICI BANK LTD.	11.50%	-	-	-	-	-
ICICI BANK LTD.	12.00%	-	-	-	-	-
ICICI BANK LTD.	10.51%	-	-	-	-	-
ICICI BANK LTD.	9.74%	-	-	-	-	-
DAIMLER FINANCIAL HP LOAN.	10.01%	560,789	560,789	-	-	-
HDB FINANCIAL SERVICES HP LOAN.	13.75%	975,323	975,323	-	-	-
Total	-	10,129,180	7,085,009	3,044,171	-	-
* 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.						
PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹				
Note : 5						
DEFERRED TAX LIABILITY (Net)						
Deferred Tax Liability						
Arising on accounts of timing difference of :-						
Fixed Asset -						
Impact of difference between Tax depreciation & Depreciation Charged for Financial Reporting	9,011,280	9,422,492				
(A)	9,011,280	9,422,492				
Deferred Tax Assets						
Arising on accounts of timing difference of :-						
Gratuity	4,279	723,858				
Leave Encashment	601,094	522,537				
Bonus	102,171	175,757				
(B)	707,544	1,422,152				
Net Deferred Tax Liability (A-B)	8,303,736	8,000,340				
Note : 6						
LONG TERM PROVISIONS						
Provision from Employee Benefits :						
- Leave Encashment	602,302	494,200				
Total	602,302	494,200				

PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
Note : 7		
SHORT TERM BORROWINGS		
Secured Loans		
- From Banks (C.Y: Bank Overdraft against FD From IDBI Bank-A'bad) (P.Y.: Bank Overdraft against FD From BOB Bank-A'bad)	6,073,667	4,520,348
Cylinder Deposit (Interest Free) (Against Company Cylinders with Customers)	24,307,802	23,928,779
Total	30,381,469	28,449,127
Note : 8		
TRADE PAYABLES		
Micro, Small and Medium Enterprises *	-	-
Others	6,964,284	17,597,133
Total	6,964,284	17,597,133
* 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.		
PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
Note : 9		
OTHER CURRENT LIABILITIES		
Current Maturities of Long term borrowings		
- From Banks and Financial Institutions(Secured against Vehicles)	7,085,009	11,495,118
Rent Deposit	465,600	465,600
Other Payable		
Statutory dues payable*	1,362,931	2,209,887
Advance From Customers	1,049,740	1,567,292
Total	9,963,280	15,737,897
The Above amount includes :		
Secured Borrowing	7,085,009	11,495,118
Total	7,085,009	11,495,118
* It includes Excise, Vat, Tds, Professional tax, Esi, etc...		
Note : 10		
SHORT TERM PROVISION		
Provision for Employee Benefits :		
- Leave Encashment	1,342,986	1,406,740
- Bonus	330,650	568,792
- Gratuity (Net fixed deposit with LIC (Against gratuity))	13,849	-
Others :		
- Provision for Expenses	933,465	1,597,193
Total	2,620,950	3,572,725
(C.Y.: Total Fixed deposit with LIC Rs.2746547 Less Total gratuity liability of Rs.2760396, Net short balance of Rs.-13849 (2746547-2760396).		
(P.Y.: Total Fixed deposit with LIC Rs.2532389 Less Total gratuity liability of Rs.2342568, Net excess balance of Rs.189821 (2532389-2342568) showing under Note:18 "Short term Loans & Advances".		

Note : 11

TANGIBLE FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSSBLOCK			DEPRICIATION BLOCK			NETBLOCK			
	OPENING BALANCE 01.04.2015	ADDITION DURING THE YEAR	DEDUCTION	CLOSING BALANCE 31.03.2016	OPENING BALANCE 01.04.2015	PROVIDED DURING THE YEAR	DEDUCTION TRANSFER	CLOSING BALANCE 31.03.2016	BALANCE AS ON 31.03.2016	BALANCE AS ON 31.03.2015
LAND	11,529,749	-	-	11,529,749	-	-	-	-	11,529,749	11,529,749
FACTORY BUILDING	16,174,821	2,237,703	-	18,412,524	9,363,732	585,690	-	9,949,422	8,463,102	6,811,089
OFFICE BUILDING	6,821,873	-	-	6,821,873	1,958,658	115,914	-	2,074,572	4,747,301	4,863,215
CARPETED ROAD (RCC)	11,344,554	-	-	11,344,554	658,917	1,134,455	-	1,793,372	9,551,182	10,685,637
PLANT & MACHINERY	21,159,008	1,551,973	-	22,710,981	13,895,139	674,025	-	14,569,164	8,141,817	7,263,869
FURNITURE	7,242,499	-	-	7,242,499	5,826,828	257,008	-	6,083,836	1,158,663	1,415,671
OFFICE EQUIPMENT	3,307,830	-	-	3,307,830	2,980,049	127,142	-	3,107,191	200,639	327,781
COMPUTER	4,660,378	134,790	-	4,795,168	4,470,290	142,816	-	4,613,106	182,062	190,088
GAS CYLINDERS & TANKS	216,682,567	4,330,928	33,950	220,979,545	193,130,413	2,036,776	33,950	195,133,239	25,846,306	23,552,154
TRANSPORT VEHICLE	69,997,818	-	-	69,997,818	41,227,217	5,874,656	-	47,101,873	22,895,945	28,770,601
TOTAL	368,921,097	8,255,394	33,950	377,142,541	273,511,242	10,948,482	33,950	284,425,774	92,716,767	95,409,855
INTEGIBLE ASSETS	553,680	-	-	553,680	193,600	170,194	-	363,794	189,886	360,080
GRAND TOTAL	369,474,777	8,255,394	33,950	377,696,221	273,704,842	11,118,676	33,950	284,789,568	92,906,653	95,769,935

PARTICULARS

No. of
SharesAS AT
31.03.2016
₹AS AT
31.03.2015
₹

Note : 12

NON - CURRENT INVESTMENT

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

Kalpit 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)

2,940,000

2,940,000

Total (c)

2,940,000

2,940,000

Grand Total (a+b+c)

3,664,435

3,664,435

Aggregate market value of quoted investments

57,051

26,689

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.

PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
*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	16,940,000	16,940,000
Investment in :-		
Capital Account	2,940,000	2,940,000
Current Account (Refer Note 13 Long Term Loans & Advances)	548,977	563,846
	<u>3,488,977</u>	<u>3,503,846</u>
Name of the partners and share in profit (%)		
M/s. Vadilal Chemicals Limited	2%	2%
M/s. Vadilal Industries Limited	98%	98%
Note : 13		
LONG TERM LOANS AND ADVANCES		
Unsecured, Considered good unless otherwise stated		
Security Deposit	1,302,938	1,362,938
Other Loans and advances		
Advance to Vadilal Cold Storage (Balance in current account with Firm in which company is a partner)	548,977	563,846
Prepaid Expenses	56,545	79,709
Loans to Employees	215,000	21,481
Security Deposit with Sales tax Authorities	35,500	35,500
Total	<u>2,158,960</u>	<u>2,063,475</u>
Note : 14		
OTHER NON CURRENT ASSETS		
Unsecured, Considered good unless otherwise stated		
In Margin Money Deposit (Against Bank Guaratnee)	83,354	77,929
Total	<u>83,354</u>	<u>77,929</u>
Note : 15		
INVENTORIES		
Raw Material	2,474,257	4,106,655
Finished Goods	885,508	784,312
Stock-in-Trade	4,549,545	5,516,715
Stores & Spares	862,448	786,990
Share Of RPL	5,533	6,328
Total	<u>8,777,291</u>	<u>11,201,000</u>
Note : 16		
TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
a) Unsecured, Considered Good :	3,582,063	3,604,223
Others		
a) Unsecured, Considered Good :	69,440,484	74,615,884
Total	<u>73,022,547</u>	<u>78,220,107</u>

PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
Note : 17		
CASH & BANK BALANCES		
Balances with banks		
Cash and Cash equivalents		
Balance with Bank -In current account	3,681,789	9,021,112
Cash on hand	447,419	439,666
Others		
In Fixed Deposit with original maturity of less than three months	6,194,824	760,124
(A)	10,324,032	10,220,902
Other Bank Balance		
In Fixed Deposit with for more than 3 months but less than 12 months	-	5,267,255
(B)	-	5,267,255
In Margin Money Deposit (Against Bank Guaratnee)	83,354	77,929
Less : Transferred to Other Non Current Assets	(83,354)	(77,929)
(C)	-	-
Total [A + B + C]	10,324,032	15,488,157
Note : 18		
SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered good unless otherwise stated		
Net fixed deposit with LIC (Against gratuity)	-	189,821
Other Loans and advances		
Advance to Suppliers	10,352,271	11,809,560
Advance to Drivers/Staff	24,151	47,400
Prepaid Expenses	2,890,166	3,299,726
Loans to Employees	210,051	155,109
Balance with Excise/Sales tax Authorities	3,003,172	2,401,787
Advance Income Tax (Net of Provision)	2,066,620	2,972,416
Total	18,546,431	20,875,819
Note : 19		
OTHER CURRENT ASSETS		
Unsecured, Considered good unless otherwise stated		
The New India Insurance Claim Receivable	162,736	38,067
Unsecured, Considered doubtful		
Success Vyapar Limited	47,500,000	
Less: Provision for doubtful advance (refer note no.:32) #	(47,500,000)	- 47,500,000
Total	162,736	47,538,067
Note : 20		
CONTINGENT LIABILITIES (To the extent not provided for)		
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	1,451,701
iii) Ragini Shanghi	1,395,915	1,395,915
iv) J.K Engineering Works	1,264,954	1,020,124
v) Excise Duty & Penalty	4,206,369	3,700,000
b. Guarantees		
i) Bank Guarantees Outstanding	403,630	403,630
Total	8,935,729	8,184,530

PARTICULARS	YEAR ENDED 31.03.2016 ₹	YEAR ENDED 31.03.2015 ₹
Note : 21		
REVENUE FROM OPERATIONS		
Sale of Products	421,162,782	446,643,214
Other Operating Revenues :		
Net Cylinder Rent	1,982,830	2,201,892
Total	423,145,612	448,845,107
Note : 22		
OTHER INCOME		
Interest Income	768,158	703,434
Dividend Income	192	7,072
Net gain on sale of assets	48,825	113,379
Other Non-operating income		
Office Rent Income	1,663,292	1,862,308
Other Income	1,168,520	228,950
Sundry Balance Written-back	816,752	837,486
Interest on Income Tax Refund	-	49,204
Total	4,465,739	3,801,833
Note : 23		
COST OF MATERIAL CONSUMED		
Opening Stock of Raw Material	4,106,655	3,424,939
Add: Purchased During the year	127,385,829	144,375,656
	131,492,484	147,800,595
Less: Closing Stock	2,474,257	4,106,655
Total	129,018,227	143,693,940
Note : 24		
CHANGE IN INVENTORIES		
Opening Stock		
Finished Goods	784,312	465,737
Stock in Trade	5,516,715	5,352,633
Total (A)	6,301,027	5,818,370
Closing Stock		
Finished Goods	885,508	784,312
Stock in Trade	4,549,545	5,516,715
Total (B)	5,435,053	6,301,027
Total (A-B)	865,974	(482,657)
Note : 25		
EMPLOYMENT BENEFIT EXPENSES		
Salaries and wages	13,013,175	13,722,930
Contributions to Provident and other fund	1,492,046	1,942,898
Staff welfare expenses	1,962,439	2,137,996
Total	16,467,660	17,803,824

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	YEAR ENDED	YEAR ENDED			
	31.03.2016	31.03.2015			
	₹	₹			
Change in present value of obligations					
Obligations at beginning of the year	2,342,568	1,891,351			
Service cost	183,262	142,472			
Interest cost	186,468	176,085			
Actuarial (gain) / loss	66,410	132,660			
Benefits paid	(18,312)	-			
Obligation at the end of the year	2,760,396	2,342,568			
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	2,532,389	2,282,531			
Expected return of plan asset	201,578	198,580			
Actuarial gain/ (loss) on plan Assets	(7,166)	34,367			
Contribution	19,746	16,911			
Benefits paid	-	-			
Fair value of plan assets at end of the year	2,746,547	2,532,389			
Total Actuarial gain/ (loss) to be recognized	73,576	98,293			
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	2,760,396	2,342,568			
Fair value of plan assets at the end of the year	2,746,547	2,532,389			
Funded status amount of Assets recognized in the balance sheet	13,849	(189,821)			
Gratuity cost for the year					
Service cost	183,262	142,472			
Interest cost	186,468	176,085			
Expected return of plan asset	(201,578)	(198,580)			
Actuarial gain/ (loss) on plan Assets	73,576	98,293			
Net gratuity cost	241,728	218,270			
Assumptions (LIC 1994-96)					
Interest rate	8.07%	7.96%			
Estimated rate of return of plan assets	8.07%	7.96%			
Rate of growth in salary levels	6.00%	6.00%			
Amounts for the Current & Previous four periods are as follows					
Particluars	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
	₹	₹	₹	₹	₹
Defined Benefit Obligation	2,760,396	2,342,568	1,891,351	1,659,059	1,356,913
Plan Assets	2,746,547	2,532,389	2,282,531	2,138,202	1,961,653
Surplus/ (Deficit)	13,849	(189,821)	(391,180)	(479,143)	(604,740)
Experience adjustments on plan liability	-	-	-	-	-
Experience adjustments on plan assets	13,849	(189,821)	(391,180)	(479,143)	(604,740)
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	YEAR ENDED	YEAR ENDED			
	31.03.16	31.03.15			
	(Non-Funded)	(Non-Funded)			
	₹	₹			
Change in present value of obligations					
Obligations at beginning of the year	1,900,940	1,555,959			
Service cost	145,226	110,047			
Interest cost	151,315	144,860			
Actuarial (gain) / loss	(194,409)	166,997			
Benefits paid	(57,784)	(76,923)			
Obligation at the end of the year	1,945,288	1,900,940			

PARTICULARS	YEAR ENDED 31.03.16 (Non-Funded) ₹	YEAR ENDED 31.03.15 (Non-Funded) ₹			
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	(57,784)	(76,923)			
Contribution	57,784	76,923			
Benefits paid	-	-			
	-	-			
Total Actuarial gain/ (loss) to be recognized	194,409	(166,997)			
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	1,945,288	1,900,940			
Fair value of plan assets at the end of the year	-	-			
UnFunded status amount of Assets recognized in the balance sheet	1,945,288	1,900,940			
Leave Encashment cost for the year					
Service cost	145,226	110,047			
Interest cost	151,315	144,860			
Expected return of plan asset	-	-			
Actuarial gain/ (loss) on plan Assets	(194,409)	166,997			
Net leave encashment cost	102,132	421,904			
Assumptions					
Interest rate	8.07%	7.96%			
Estimated rate of return of plan assets	-	-			
Rate of growth in salary levels	6.00%	6.00%			
Amounts for the Current & Previous four periods are as follows					
Particulars	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
	₹	₹	₹	₹	₹
Defined Benefit Obligation	-	-	-	-	-
Plan Assets	1,945,288	1,900,940	1,555,959	1,386,105	1,178,916
Surplus/ (Deficit)	-	-	-	-	-
Experience adjustments on plan liability	1,945,288	1,900,940	1,555,959	1,386,105	1,178,916
Experience adjustments on plan assets	-	-	-	-	-
PARTICULARS			YEAR ENDED	YEAR ENDED	
			31.03.2016	31.03.2015	
			₹	₹	
Note : 26					
FINANCIAL COST					
Interest Expenses					
Interest on Bank			1,427,218	1,381,370	
Interest on Public Deposit			-	-	
Interest on Other loans			10,637,419	13,953,527	
			12,064,637	15,334,897	
Other borrowing costs					
Bank Charges			29,916	97,800	
Total			12,094,553	15,432,697	

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015
	₹	₹
Note : 27		
OTHER EXPENSES		
Plant Operation Charges		
Cylinder Filling Labour	754,066	706,083
Consumption of Stores and Spares Parts		
Opening Stores and Spares	786,990	719,384
Add: Purchase during the year	1,358,015	960,468
Less: Closing Stores and Spares	862,448	786,990
	1,282,557	892,862
Water charges	425,008	475,775
Factory Electricity Expenses	672,467	634,513
Factory Expenses	430,879	372,167
Repairs on		
Cylinders	1,528,918	827,009
Plant and machinery	334,933	264,578
Building	10,460	3,000
Others	489,115	831,827
(A)	5,928,403	5,007,814
Administrative Expenses		
Rent, Rates & Taxes	992,577	2,180,025
Insurance Expenses	1,386,645	1,555,675
Postage & Telephone Expenses	1,203,510	1,249,946
Legal & Professional Charges	8,050,078	2,714,003
Travelling Expenses	1,451,025	612,127
Security Service Charges	1,328,562	1,498,706
Office Expenses	1,728,347	1,562,919
Office Electricity Expenses	304,899	349,042
Other administrative Expenses	313,793	595,269
Change in excise duty on inventory	(18,941)	(24,796)
Prior period Expense	203,627	15,271
Bad-debts written off	412,771	2,916,086
Loss / (Profit) From Partnership Firms(Net)	14,870	(33,719)
Income tax Expense	-	33,601
Penalty Expense	30,670	-
Payment to Auditor		
As auditor :		
Audit Fees	260,000	209,000
Tax Audit Fees	100,000	90,000
For Other service	40,000	30,000
	400,000	329,000
Donation	4,100	5,000
Conveyance Expenses	601,126	638,443
Printing & Stationery Expenses	665,017	544,087
Listing & Roc Filling Fees	88,157	61,572
Director Sitting Fees	236,800	296,000
Membership Fees	50,134	272,270
(B)	19,447,767	17,370,528
Selling and Distribution Expenses		
Transport & Vehicle Tax Expenses	34,882,033	36,048,533
Transport Vehicle Repairs	5,680,544	4,767,402
Advertisement & Sales Promotion Expenses	117,560	106,181
Sales Tax /Service Tax/ Excise duty Expenses	831,171	1,163,495
(C)	41,511,308	42,085,611
Total (A+B+C)	66,887,478	64,463,952

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. Key Management Personnel : (P.Y.: Mr. Virendra R. Gandhi (Till 24/05/14))
2. Relatives of Key Management Personnel : (P.Y.: Mr. Janmejy V. Gandhi)
(P.Y.: Ms. Khevna V. Gandhi)

Particulars	Associates	Key. Mgt. Personnel	Relatives of Key Mgt Personnel	Total
	₹	₹	₹	₹
Managerial Remuneration	-	-	-	-
	-	(484,000)	-	(484,000)
Salary Paid	-	-	-	-
	-	-	(131,582)	(131,582)

Note : Figures in brackets are related to Previous year.

	YEAR ENDED 31.03.2016 ₹	YEAR ENDED 31.03.2015 ₹
Note : 30		
EARNING PER SHARE (EPS) AS PER ACCOUNTING STANDARD - 20		
Net Profit/(Loss) for the year	(36,914,929)	5,969,283
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	(7.57)	1.22

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

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

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

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

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

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

Note : 33**OTHER DETAILS****Note : 33.1****Consumption Of Raw Materials :-**

Product	2015-16 ₹	2014-15 ₹
Ammonia Gas	129,018,227	143,693,940

Note : 33.2

Goods Purchased (Traded) :-

Product	2015-16 ₹	2014-15 ₹
Ammonia Tanker	28,748,416	40,731,048
Other Gases & Gas Mixtures	110,865,473	115,570,750
Gas Cylinder	1,265,612	3,218,455
Total....	140,879,501	159,520,253

Note : 33.3

Sales , Opening & Closing stock of Finished goods :-

Product	Sales		Opening stock		Closing stock	
	2015-16 ₹	2014-15 ₹	2015-16 ₹	2014-15 ₹	2015-16 ₹	2014-15 ₹
Ammonia Gas	120,317,508	128,002,706	195,938	402,329	389,371	195,938
Liquor Ammonia	68,203,999	66,234,725	588,374	255,408	496,137	588,374
Total....	188,521,507	194,237,431	784,312	657,737	885,508	784,312

Note : 33.4

Sales , Opening & Closing stock of Traded goods :-

Product	Sales		Opening stock		Closing stock	
	2015-16 ₹	2014-15 ₹	2015-16 ₹	2014-15 ₹	2015-16 ₹	2014-15 ₹
Ammonia Tanker	29,060,718	41,702,214	—	—	—	—
Other Gases & Gas Mixtures	199,355,832	175,403,988	1,319,435	1,683,490	1,239,277	1,319,435
Gas Cylinder	4,224,725	4,342,852	4,197,278	3,669,143	3,310,268	4,197,278
Total....	232,641,275	221,449,054	5,516,713	5,352,633	4,549,545	5,516,713

Note : 33.5

Closing Stock of Raw-Material Components :-

Product	Raw-Material Components	
	2015-16 ₹	2014-15 ₹
Ammonia Gas	24,74,257	41,06,655

Note : 33.6

Details of Share (Sale & Purchase) During the Period 01.04.15 to 31.03.16 :-

Name	Opening		Purchase		Sale		Profit(+) / Loss(-) Nos.	Surplus(+) /Erosion(-) Value ₹	Closing	
	Nos.	Value ₹	Nos.	Value ₹	Nos.	Value ₹			Nos.	Value ₹
Reliance Power Ltd	112	6,328	-	-	-	-	-	(795)	112	5,533
Total	112	6,328	-	-	-	-	-	(795)	112	5,533

Note : 34

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

Signature to Notes 1 to 34

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

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

PLACE : AHMEDABAD
DATE : 07-07-2016

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Chairman & Managing Director
DIN: 00009879

Ravi Thakkar
Chief Financial Officer

PLACE : AHMEDABAD
DATE : 07-07-2016

Devanshu L. Gandhi
Managing Director
DIN: 00010146

Soham Raval
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To
The Members,
VADILAL CHEMICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **VADILAL CHEMICALS LIMITED** ('the Holding Company') and its associate and jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Consolidated Cash Flow Statements for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including associate and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the Company and its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in term of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Company and its associate and jointly controlled entity as at 31st March, 2016, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of associate and jointly control entity, whose financial statements reflects total assets of Rs 535.71 lacs, total revenues of Rs 356.70 lacs and net cash flows amount to Rs. 0.19 lacs for the year ended on that date, as considered in the consolidated financial statements. Theses financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it related to the amounts and disclosures included in respect of these associated and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated cash flow statement dealt with by this Report are in agreement with the consolidated books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016, taken on record by the Board of Holding Director of the Company and the reports of the statutory auditor of the associate company, none of the director is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure-A; which is based on the auditors' report of the Holding company and of the associate company. Our report express an unmodified opinion on the adequacy and operating effectiveness of the Holding company and associate company, internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation's on its financial position in the financial statements – Refer Note 20 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

FOR, RRS & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN: 118336W

RAJESH R SHAH
 PARTNER
 MEMBERSHIP NO. 034549.

PLACE: AHMEDABAD.

DATE : 07/07/2016.

Annexure-A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial report of **Vadilal Chemicals Limited** ("the Holding Company") and its associate company as on 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Director of the Holding company and its associate company are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit or Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act, 2013

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its associate company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed

risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the associate company in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis of audit opinion on the internal financial controls systems over financial reporting of the aforesaid entities.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting included those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also , projection of any evaluation of the internal financial controls over financial reporting to future periods are subjects to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and taking into consideration the reports of the other auditors referred to in the other matter paragraph below, the Holding Company and its associate company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal controls stated in the Guidance Note.

Other Matters

Our aforesaid reports u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to associate company, is based on the corresponding reports of the auditors of such company.

FOR, RRS & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 118336W

RAJESH R SHAH
PARTNER
MEMBERSHIP NO. 034549.

PLACE: AHMEDABAD.
DATE : 07/07/2016.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	NOTES	AS AT 31.03.2016 (₹)	AS AT 31.03.2015 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	48,740,000	48,740,000
(b) Reserves and Surplus	3	1,086,439	37,421,649
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	102,181,515	115,503,669
(b) Deferred Tax Liabilities (Net)	5	8,303,736	8,000,340
(c) Long Term Provisions	6	602,302	494,200
(3) Current Liabilities			
(a) Short-Term Borrowings	7	30,381,469	28,449,127
(b) Trade Payables	8	6,965,794	17,598,533
(c) Other Current Liabilities	9	10,022,825	15,722,592
(d) Short-Term Provisions	10	2,655,343	3,601,830
Total		210,939,422	275,531,940
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
Tangible Assets		92,965,681	95,651,449
Intangible Assets		189,886	360,080
(b) Non-current investments	12	1,921,971	1,378,085
(c) Long term loans and advances	13	1,609,983	1,499,628
(d) Other non-current assets	14	83,354	77,929
(e) Goodwill on Consolidation		2,783,333	2,783,333
(2) Current Assets			
(a) Inventories	15	8,777,291	11,201,000
(b) Trade receivables	16	73,047,273	78,244,397
(c) Cash and bank balances	17	10,357,886	15,502,898
(d) Short-term loans and advances	18	19,040,028	21,295,074
(e) Other current assets	19	162,736	47,538,067
Total		210,939,422	275,531,940
Summary of significant accounting policies	1		
The accompanying notes are integral part of the Consolidated financial statements.			

As per our report of even date attached.

For and on behalf of the Board of Directors

FOR RRS & AssociatesChartered Accountants
(Firm Reg. No.: 118336W)**Rajesh R. Shah**
(Partner)
Membership No. : 034549PLACE : AHMEDABAD
DATE : 07-07-2016**Rajesh R. Gandhi**
Chairman & Managing Director
DIN: 00009879**Ravi Thakkar**
Chief Financial OfficerPLACE : AHMEDABAD
DATE : 07-07-2016**Devanshu L. Gandhi**
Managing Director
DIN: 00010146**Soham Raval**
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	NOTES	YEAR ENDED 31.03.2016 (₹)	YEAR ENDED 31.03.2015 (₹)
I INCOME :			
Revenue from operations (Gross)			
Sale of Products	21	423,546,433	449,147,198
Less : Excise Duty		32,633,044	30,956,517
Revenue from operations (Net)		<u>390,913,389</u>	<u>418,190,681</u>
Other Income	22	4,475,998	3,817,062
Total Revenue (I)		395,389,387	422,007,743
II EXPENSES :			
Cost of materials consumed	23	129,018,227	143,693,940
Purchase of Stock-in-Trade		140,879,501	159,520,253
Changes in inventories of Finished Goods, WIP & Stock in trade	24	865,974	(482,657)
Employee Benefit Expense	25	16,502,358	17,830,974
Financial Costs	26	12,094,553	15,432,697
Depreciation and Amortisation Expense	11	11,135,272	13,291,160
Other Expenses	27	67,211,627	64,802,112
Total Expenses (II)		377,707,512	414,088,479
III Profit before tax (I-II)		17,681,875	7,919,265
IV Exceptional Items			
Provision for doubtful advances (refer note no.: 33)		47,500,000	-
V Profit before tax (III-IV)		(29,818,125)	7,919,265
VI Tax expense:			
(1) Current tax		6,600,000	3,813,000
(2) (Excess) / Short Provision for earlier year		157,575	39,980
(3) Deferred tax		303,396	(1,833,137)
VII Profit/(Loss) for the period (V-VI)		(36,879,096)	5,899,422
VIII Share in Profit of Associate		543,886	429,908
IX Profit for the period (VII+VIII)		(36,335,210)	6,329,330
X Earning per equity share: (Face value ₹ 10/- each)	30		
Basic and Diluted		(7.45)	1.30
The accompanying notes are an integral parts of Consolidated Profit & Loss Statement.			

As per our report of even date attached.

For and on behalf of the Board of Directors

FOR RRS & AssociatesChartered Accountants
(Firm Reg. No.: 118336W)**Rajesh R. Shah**
(Partner)
Membership No. : 034549PLACE : AHMEDABAD
DATE : 07-07-2016**Rajesh R. Gandhi**
Chairman & Managing Director
DIN: 00009879**Ravi Thakkar**
Chief Financial OfficerPLACE : AHMEDABAD
DATE : 07-07-2016**Devanshu L. Gandhi**
Managing Director
DIN: 00010146**Soham Raval**
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	YEAR ENDED 31.03.2016 (₹)	YEAR ENDED 31.03.2015 (₹)
A. CASH FLOW FROM OPERATIVE ACTIVITIES		
Net Profit / (Loss) before tax	(29,818,125)	7,919,265
Adjustment for :		
Depreciation	11,135,272	13,291,160
Interest Income	(768,158)	(703,434)
Dividend Income	(192)	(7,072)
Interest Paid	12,094,553	15,432,697
(Profit) / Loss on sales of assets	(48,825)	(113,379)
Operating Profit before working capital changes	(7,405,475)	35,819,236
Add / Less : Changes in assets and liabilities		
(Increase)/ Decrease in Assets	56,229,634	25,577,270
Increase / (Decrease) in Liabilities	(12,760,782)	12,771,944
Cash generated from operation	36,063,377	74,168,450
Income tax paid	(5,851,779)	(2,320,599)
Net cash flow from Operating Activity	30,211,598	71,847,851
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(8,279,310)	(15,191,702)
Sales of Fixed Assets	48,825	137,120
Capital Contribution in the Firm	-	(2,597,000)
Fixed Deposit with Bank	5,267,255	(4,233,362)
Dividend Received	192	7,072
Interest Received	768,158	703,434
Net Cash used in Investing Activities	(2,194,880)	(21,174,438)
C. CASH FLOW USED IN FINANCING ACTIVITIES		
Interest Paid	(12,094,553)	(15,432,697)
Proceed/(Repayment) of Short term borrowings	1,932,342	4,728,344
Proceed/(Repayment) of Long term borrowings	(17,732,263)	(47,195,722)
Net Cash used in Financing Activities	(27,894,474)	(57,900,075)
Net Increase/Decrease in Cash & Cash Equivalents Total (A+B+C)	122,244	(7,226,662)
Cash & Cash Equivalents At The Beginning of The Year		
Cash on Hand	449,231	258,543
Bank Balance	9,026,288	15,864,440
Fixed Deposits For Less Than 3 Months (including share from joint controlled entities)	760,124	1,339,322
	10,235,643	17,462,305
Cash & Cash Equivalents At The End of The Year		
Cash on Hand	460,061	449,231
Bank Balance	3,703,001	9,026,288
Fixed Deposits For Less Than 3 Months (including share from joint controlled entities)	6,194,824	760,124
	10,357,886	10,235,643

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 and on behalf of the Board of Directors

FOR RRS & AssociatesChartered Accountants
(Firm Reg. No.: 118336W)**Rajesh R. Gandhi**
Chairman & Managing Director
DIN: 00009879**Devanshu L. Gandhi**
Managing Director
DIN: 00010146**Rajesh R. Shah**
(Partner)
Membership No. : 034549**Ravi Thakkar**
Chief Financial Officer**Soham Raval**
Company SecretaryPLACE : AHMEDABAD
DATE : 07-07-2016PLACE : AHMEDABAD
DATE : 07-07-2016

Note 1**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:****(1) PRINCIPLES OF CONSOLIDATION:**

The Consolidated Financial Statements relate to "Vadilal Chemicals Limited" (The Parent Company), Vadilal Cold Storage (Partnership Firm- Jointly Controlled) and Vadilal Forex and Consultancy Services Ltd. (An Associate Company). The Consolidated Statements have been prepared on the following basis.

In the consolidated financial statements , 'Goodwill' represents the excess of the cost to the Company of its investment in the joint ventures over its share of equity.

Investment in the Joint Ventures are dealt with in accordance with Accounting Standard (AS) 27 ' Financial Reporting of Interest in Joint Venture'. The company's interest in jointly controlled entities are reported using proportionate consolidation, whereby the Company's share of jointly controlled assets and liabilities and share of income and expenses of the jointly controlled entities are reported as separate line items.

Investment in the Associates are dealt with in accordance with Accounting Standard (AS) 23 ' Accounting for Investment in Associates in Consolidated Financial Statements'. Effects has been given to the carrying amount of the investment in associates using the 'Equity Method'. The Company's share of the post acquisition profit or losses is included in the carrying cost of Investment.

(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(SLM). Depreciation is provided based on useful life of the assets as prescribed in schedule II to the Companies Act, 2013.

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 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 basic 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.

PARTICULARS	AS AT		AS AT	
	31.03.2016		31.03.2015	
	₹		₹	
Note : 2				
SHARE CAPITAL				
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 :				
50,09,500 Equity Shares of ₹10/- each (P.Y. 50,09,500 Equity Shares of ₹10/- each)	50,095,000		50,095,000	
SUBSCRIBED & FULLY PAID-UP :				
48,74,000 Equity Share of ₹10/- Each Fully Paid-up (P.Y. 48,74,000 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 2016		31 March 2015	
	No of Shares	₹	No of Shares	₹
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 2016		31 March 2015	
	No of Shares	% Holding	No of Shares	% 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				
Capital Reserve (A)		1,493,788	1,493,788	
Securities Premium Account (B)		15,289,734	15,289,734	
General Reserve				
Balance as per last account		6,960,365	9,388,000	
Adjustment relating to fixed assets (Net)		-	(2,427,635)	
	(C)	6,960,365	6,960,365	
Surplus /(Deficit) in the Statement of Profit & Loss				
Balance as per last Financial Statement		13,677,762	7,348,432	
Add : Profit for the year		(36,335,210)	6,329,330	
Less : Appropriations	-	-		
Net surplus/(Deficit) in the statement of profit and loss (D)		(22,657,449)	13,677,762	
Total (A+B+C+D)		1,086,439	37,421,649	

PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹				
Note : 4						
LONG TERM BORROWINGS						
Vehicle Loan (Secured)						
- From Bank and Financial Institution (Secured against Vehicle)	10,129,180	21,556,117				
Less: Current maturities of vehicle loan	(7,085,009)	(11,495,118)				
(A)	3,044,171	10,060,999				
Loans & Advances from Related Parties (Unsecured)						
Veronica Construction Pvt. Ltd. *	99,137,344	105,442,670				
(B)	99,137,344	105,442,670				
The Above amount includes :						
Secured Borrowing	10,129,180	21,556,117				
Unsecured Borrowing	99,137,344	105,442,670				
Total (A + B)	102,181,515	115,503,669				
Repayment Schedule of Vehicle Loan :						
Particulars	Rate of Interest	As at 31.03.2016 ₹	2016-17 ₹	2017-18 ₹	2018-19 ₹	2019-20 ₹
Vehicle Loan						
ICICI BANK LTD.	12.49%	8,593,068	5,548,897	3,044,171	-	-
ICICI BANK LTD.	9.99%	-	-	-	-	-
ICICI BANK LTD.	11.50%	-	-	-	-	-
ICICI BANK LTD.	12.00%	-	-	-	-	-
ICICI BANK LTD.	10.51%	-	-	-	-	-
ICICI BANK LTD.	9.74%	-	-	-	-	-
DAIMLER FINANCIAL HP LOAN.	10.01%	560,789	560,789	-	-	-
HDB FINANCIAL SERVICES HP LOAN.	13.75%	975,323	975,323	-	-	-
Total		10,129,180	7,085,009	3,044,171	-	-
* 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.						
PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹				
Note : 5						
DEFERRED TAX LIABILITY (Net)						
Deferred Tax Liability						
Arising on accounts of timing difference of :-						
Fixed Asset -						
Impact of difference between Tax depreciation & Depreciation Charged for Financial Reporting	9,011,280	9,422,492				
(A)	9,011,280	9,422,492				
Deferred Tax Assets						
Arising on accounts of timing difference of :-						
Gratuity	4,279	723,858				
Leave Encashment	601,094	522,537				
Bonus	102,171	175,757				
(B)	707,544	1,422,152				
Net Deferred Tax Liability	8,303,736	8,000,340				
(A-B)						
Note : 6						
LONG TERM PROVISIONS						
Provision from Employee Benefits :						
- Leave Encashment	602,302	494,200				
Total	602,302	494,200				

PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
Note : 7		
SHORT TERM BORROWINGS		
Secured Loans		
- From Banks (C.Y: Bank Overdraft against FD From IDBI Bank-A'bad) (P.Y.: Bank Overdraft against FD From BOB Bank-A'bad)	6,073,667	4,520,348
Cylinder Deposit (Interest Free) (Against Company Cylinders with Customers)	24,307,802	23,928,779
Total	30,381,469	28,449,127
Note : 8		
TRADE PAYABLES		
Micro, Small and Medium Enterprises *	-	-
Others	6,964,284	17,597,133
Share From Joint Ventures	1,510	1,400
Total	6,965,794	17,598,533
* 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.		
PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
Note : 9		
OTHER CURRENT LIABILITIES		
Current Maturities of Long term borrowings		
- From Banks and Financial Institutions(Secured against Vehicles)	7,085,009	11,495,118
Rent Deposit	465,600	465,600
Other Payable		
Statutory dues payable*	1,362,931	2,209,887
Advance From Customers	1,049,740	1,567,292
Share From Joint Ventures	59,545	(15,305)
Total	10,022,825	15,722,592
The Above amount includes :		
Secured Borrowing	7,085,009	11,495,118
Total	7,085,009	11,495,118
* It includes Excise, Vat, Tds, Professional tax etc		
Note : 10		
SHORT TERM PROVISION		
Provision for Employee Benefits :		
- Leave Encashment	1,342,986	1,406,740
- Bonus	330,650	568,792
- Gratuity (Net fixed deposit with LIC (Against gratuity))	13,849	-
Others :		
- Provision for Expenses	933,465	1,597,193
Share From Joint Ventures	34,393	29,105
Total	2,655,343	3,601,830
(C.Y.: Total Fixed deposit with LIC Rs.2746547 Less Total gratuity liability of Rs.2760396, Net short balance of Rs.-13849 (2746547-2760396).		
(P.Y.: Total Fixed deposit with LIC Rs.2532389 Less Total gratuity liability of Rs.2342568, Net excess balance of Rs.189821 (2532389-2342568) showing under Note:18 "Short term Loans & Advances".		

Note : 11

TANGIBLE FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSSBLOCK			DEPRICIATION BLOCK			NETBLOCK			
	OPENING	ADDITION	DEDUCTION	CLOSING	OPENING	PROVIDED	DEDUCTION	CLOSING	NETBLOCK	BALANCE
	BALANCE	DURING		BALANCE	BALANCE	DURING		BALANCE	AS ON	AS ON
	01.04.2015	THE YEAR		31.03.2016	01.04.2015	THE YEAR	TRANSFER	31.03.2016	31.03.2016	31.03.2015
LAND	11,529,749	-	-	11,529,749	-	-	-	-	11,529,749	11,529,749
FACTORY BUILDING	16,174,821	2,237,703	-	18,412,524	9,363,732	585,690	-	9,949,422	8,463,102	6,811,089
OFFICE BUILDING	6,821,873	-	-	6,821,873	1,958,658	115,914	-	2,074,572	4,747,301	4,863,215
CARPETED ROAD (RCC)	11,344,554	-	-	11,344,554	658,917	1,134,455	-	1,793,372	9,551,182	10,685,637
PLANT & MACHINERY	21,159,008	1,551,973	-	22,710,981	13,895,139	674,025	-	14,569,164	8,141,817	7,263,869
FURNITURE	7,242,499	-	-	7,242,499	5,826,828	257,008	-	6,083,836	1,158,663	1,415,671
OFFICE EQUIPMENT	3,307,830	-	-	3,307,830	2,980,049	127,142	-	3,107,191	200,639	327,781
COMPUTER	4,660,378	134,790	-	4,795,168	4,470,290	142,816	-	4,613,106	182,062	190,088
GAS CYLINDERS & TANKS	216,682,567	4,330,928	33,950	220,979,545	193,130,413	2,036,776	33,950	195,133,239	25,846,306	23,552,154
TRANSPORT VEHICLE	69,997,818	-	-	69,997,818	41,227,217	5,874,656	-	47,101,873	22,895,945	28,770,601
TOTAL	368,921,097	8,255,394	33,950	377,142,541	273,511,242	10,948,482	33,950	284,425,774	92,716,767	95,409,855
Share From Joint Ventures	705,219	23,916	-	729,135	463,625	16,596	-	480,221	248,914	241,594
TOTAL	369,626,316	8,279,310	33,950	377,871,676	273,974,867	10,965,078	33,950	284,905,995	92,965,681	95,651,449
INTEGIBLE ASSETS	553,680	-	-	553,680	193,600	170,194	-	363,794	189,886	360,080
GRAND TOTAL	370,179,996	8,279,310	33,950	378,425,356	274,168,467	11,135,272	33,950	285,269,789	93,155,567	96,011,529

Note : 12

NON - CURRENT INVESTMENT

PARTICULARS	No. of Shares	AS AT	AS AT
		31.03.2016 ₹	31.03.2015 ₹
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
Add: Accumulated Profits Since 2013-14 onwards		1,197,536	653,650
		1,897,536	1,353,650
Kalpiti Realty & Services Ltd of ₹ 10/- each	30000 (30000)	3,000	3,000
Total (b)		1,900,536	1,356,650
Total (a + b)		1,921,971	1,378,085
Grand Total (a+b)		1,921,971	1,378,085
Aggregate market value of quoted investments		57,051	26,689
Aggregate total quoted investments		21,435	21,435
Aggregate total Unquoted investments		1,900,536	1,356,650

Note : Figures in brackets are related to Previous Year.

PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
Note : 13		
LONG TERM LOANS AND ADVANCES		
Unsecured, Considered good unless otherwise stated		
Security Deposit	1,302,938	1,362,938
Other Loans and advances		
Prepaid Expenses	56,545	79,709
Loans to Employees	215,000	21,481
Security Deposit with Sales tax Authorities	35,500	35,500
Total	1,609,983	1,499,628
Note : 14		
OTHER NON CURRENT ASSETS		
Unsecured, Considered good unless otherwise stated		
In Margin Money Deposit (Against Bank Guarantee)	83,354	77,929
Interest Receivable	-	-
Total	83,354	77,929
Note : 15		
INVENTORIES		
Raw Material	2,474,257	4,106,655
Finished Goods	885,508	784,312
Stock-in-Trade	4,549,545	5,516,715
Stores & Spares	862,448	786,990
Share Of RPL	5,533	6,328
Total	8,777,291	11,201,000
Note : 16		
TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
a) Unsecured, Considered Good :	3,582,063	3,604,223
Others		
a) Unsecured, Considered Good :	69,440,484	74,615,884
Share From Joint Ventures	24,726	24,290
Total	73,047,273	78,244,397
Note : 17		
CASH & BANK BALANCES		
Balances with banks		
Cash and Cash equivalents		
Balance with Bank -In current account	3,681,789	9,021,112
Cash on hand	447,418	439,666
Share From Joint Ventures :		
Balance with Bank -In current account	21,212	5,176
Cash on hand	12,643	9,565
Others		
In Fixed Deposit with original maturity of less than three months	6,194,824	760,124
(A)	10,357,886	10,235,643
Other Bank Balance		
In Fixed Deposit with for more than 3 months but less than 12 months	-	5,267,255
(B)	-	5,267,255
In Margin Money Deposit (Against Bank Guaratnee)	83,354	77,929
Less : Transferred to Other Non Current Assets	(83,354)	(77,929)
(C)	-	-
Total	10,357,886	15,502,898
[A + B + C]		

PARTICULARS	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
Note : 18		
SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered good unless otherwise stated		
Net fixed deposit with LIC (Against gratuity)	-	189,821
Other Loans and advances		
Advance to Suppliers	10,352,271	11,809,560
Advance to Drivers/Staff	24,151	47,400
Prepaid Expenses	2,890,166	3,299,726
Loans to Employees	210,051	155,109
Balance with Excise/Sales tax Authorities	3,003,172	2,401,787
Advance Income Tax (Net of Provision)	2,066,620	2,972,416
Share From Joint Ventures	493,597	419,255
Total	19,040,028	21,295,074
Note : 19		
OTHER CURRENT ASSETS		
Unsecured, Considered good unless otherwise stated		
The New India Insurance Claim Receivable	162,736	38,067
Success Vyapar Limited	47,500,000	
Less: Provision for doubtful advance (refer note no.:33)	(47,500,000)	47,500,000
Total	162,736	47,538,067
20 CONTINGENT LIABILITIES (To the extent not provided for)		
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	1,451,701
iii) Ragini Shanghi	1,395,915	1,395,915
iv) J.K Engineering Works	1,264,954	1,020,124
v) Excise Duty & Penalty	4,206,369	3,700,000
b. Guarantees		
i) Bank Guarantees Outstanding	403,630	403,630
Total	8,935,729	8,184,530
PARTICULARS	YEAR ENDED 31.03.2016 ₹	YEAR ENDED 31.03.2015 ₹
Note : 21		
REVENUE FROM OPERATIONS		
Sale of Products	421,161,017	446,641,288
Share From Joint Ventures	183,403	179,781
Other Operating Revenues :		
Net Cylinder Rent	1,982,752	2,201,892
Share From Joint Ventures	219,261	124,236
Total	423,546,433	449,147,198
Note : 22		
OTHER INCOME		
Interest Income	768,158	703,434
Dividend Income	192	7,072
Net gain on sale of assets	48,825	113,379
Other Non-operating income		
Office Rent Income	1,663,292	1,862,308
Other Income	1,168,520	228,950
Sundry Balance Written-back	816,752	837,486
Interest on Income Tax Refund	-	49,204
Share From Joint Ventures	10,259	15,229
Total	4,475,998	3,817,062

PARTICULARS	YEAR ENDED 31.03.2016 ₹	YEAR ENDED 31.03.2015 ₹
Note : 23		
COST OF MATERIAL CONSUMED		
Opening Stock of Raw Material	4,106,655	3,424,939
Add: Purchased During the year	127,385,829	144,375,656
	<u>131,492,484</u>	<u>147,800,595</u>
Less: Closing Stock	2,474,257	4,106,655
Total	<u>129,018,227</u>	<u>143,693,940</u>
Note : 24		
CHANGE IN INVENTORIES		
Opening Stock		
Finished Goods	784,312	465,737
Stock in Trade	5,516,715	5,352,633
Total (A)	<u>6,301,027</u>	<u>5,818,370</u>
Closing Stock		
Finished Goods	885,508	784,312
Stock in Trade	4,549,545	5,516,715
Total (B)	<u>5,435,053</u>	<u>6,301,027</u>
Total (A-B)	<u>865,974</u>	<u>(482,657)</u>
Note : 25		
EMPLOYMENT BENEFIT EXPENSES		
Salaries and wages	13,013,175	13,722,930
Contributions to Provident and other fund	1,492,046	1,942,898
Staff welfare expenses	1,962,439	2,137,996
Share From Joint Ventures	34,698	27,150
Total	<u>16,502,358</u>	<u>17,830,974</u>
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	YEAR ENDED 31.03.16 (Funded) ₹	YEAR ENDED 31.03.15 (Funded) ₹
Change in present value of obligations		
Obligations at beginning of the year	2,342,568	1,891,351
Service cost	183,262	142,472
Interest cost	186,468	176,085
Actuarial (gain) / loss	66,410	132,660
Benefits paid	(18,312)	-
Obligation at the end of the year	<u>2,760,396</u>	<u>2,342,568</u>
Reconciliation of opening and closing of Fair value of Plan Assets		
Fair value of Plan assets at beginning of the year	2,532,389	2,282,531
Expected return of plan asset	201,578	198,580
Actuarial gain/ (loss) on plan Assets	(7,166)	34,367
Contribution	19,746	16,911
Benefits paid	-	-
Fair value of plan assets at end of the year	<u>2,746,547</u>	<u>2,532,389</u>
Total Actuarial gain/ (loss) to be recognized	<u>73,576</u>	<u>98,293</u>

PARTICULARS	YEAR ENDED	YEAR ENDED			
	31.03.2016 (Funded) ₹	31.03.2015 (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	2,760,396	2,342,568			
Fair value of plan assets at the end of the year	2,746,547	2,532,389			
Funded status amount of Assets recognized in the balance sheet	13,849	(189,821)			
Gratuity cost for the year					
Service cost	183,262	142,472			
Interest cost	186,468	176,085			
Expected return of plan asset	(201,578)	(198,580)			
Actuarial gain/ (loss) on plan Assets	73,576	98,293			
Net gratuity cost	241,728	218,270			
Assumptions (LIC 1994-96)					
Interest rate	8.07%	7.96%			
Estimated rate of return of plan assets	8.07%	7.96%			
Rate of growth in salary levels	6.00%	6.00%			
Amounts for the Current & Previous four periods are as follows					
Particulars	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
	₹	₹	₹	₹	₹
Defined Benefit Obligation	2,760,396	2,342,568	1,891,351	1,659,059	1,356,913
Plan Assets	2,746,547	2,532,389	2,282,531	2,138,202	1,961,653
Surplus/ (Deficit)	13,849	(189,821)	(391,180)	(479,143)	(604,740)
Experience adjustments on plan liability	-	-	-	-	-
Experience adjustments on plan assets	13,849	(189,821)	(391,180)	(479,143)	(604,740)
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	YEAR ENDED	YEAR ENDED			
	31.03.2016 (Non-Funded) ₹	31.03.2015 (Non-Funded) ₹			
Change in present value of obligations					
Obligations at beginning of the year	1,900,940	1,555,959			
Service cost	145,226	110,047			
Interest cost	151,315	144,860			
Actuarial (gain) / loss	(194,409)	166,997			
Benefits paid	(57,784)	(76,923)			
Obligation at the end of the year	1,945,288	1,900,940			
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	(57,784)	(76,923)			
Contribution	57,784	76,923			
Benefits paid	-	-			
	-	-			
Total Actuarial gain/ (loss) to be recognized	194,409	(166,997)			
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	1,945,288	1,900,940			
Fair value of plan assets at the end of the year	-	-			
UnFunded status amount of Assets recognized in the balance sheet	1,945,288	1,900,940			
Leave Encashment cost for the year					
Service cost	145,226	110,047			
Interest cost	151,315	144,860			
Expected return of plan asset	-	-			
Actuarial gain/ (loss) on plan Assets	(194,409)	166,997			
Net leave encashment cost	102,132	421,904			

PARTICULARS	YEAR ENDED 31.03.2016 (Non-Funded) ₹	YEAR ENDED 31.03.2015 (Non-Funded) ₹			
Assumptions					
Interest rate	8.07%	7.96%			
Estimated rate of return of plan assets	-	-			
Rate of growth in salary levels	6.00%	6.00%			
Amounts for the Current & Previous four periods are as follows					
Particulars	31.03.16 ₹	31.03.15 ₹	31.03.14 ₹	31.03.13 ₹	31.03.12 ₹
Defined Benefit Obligation	-	-	-	-	-
Plan Assets	1,945,288	1,900,940	1,555,959	1,386,105	1,178,916
Surplus/ (Deficit)	-	-	-	-	-
Experience adjustments on plan liability	1,945,288	1,900,940	1,555,959	1,386,105	1,178,916
Experience adjustments on plan assets	-	-	-	-	-
PARTICULARS	YEAR ENDED 31.03.2016 ₹	YEAR ENDED 31.03.2015 ₹			
Note : 26					
FINANCIAL COST					
Interest Expenses					
Interest on Bank	1,427,218	1,381,370			
Interest on Public Deposit	-	-			
Interest on Other loans	10,637,419	13,953,527			
	12,064,637	15,334,897			
Other borrowing costs					
Bank Charges	29,916	97,800			
Total	12,094,553	15,432,697			
Note : 27					
OTHER EXPENSES					
Plant Operation Charges					
Cylinder Filling Labour	754,066	706,083			
Consumption of Stores and Spares Parts					
Opening Stores and Spares	786,990	719,384			
Add: Purchase during the year	1,358,015	960,468			
Less: Closing Stores and Spares	862,448	786,990			
	1,282,557	892,862			
Water charges	425,008	475,775			
Factory Electricity Expenses	672,467	634,513			
Factory Expenses	430,879	372,167			
Repairs on					
Cylinders	1,528,918	827,009			
Plant and machinery	334,933	264,578			
Building	10,460	3,000			
Others	489,115	831,827			
Share From Joint Ventures	320,612	282,866			
(A)	6,249,015	5,290,680			
Administrative Expenses					
Rent, Rates & Taxes	992,577	2,180,025			
Insurance Expenses	1,386,645	1,555,675			
Postage & Telephone Expenses	1,203,510	1,249,946			
Legal & Professional Charges	8,050,078	2,714,003			
Travelling Expenses	1,451,025	612,127			
Security Service Charges	1,328,562	1,498,706			
Office Expenses	1,728,347	1,562,919			
Office Electricity Expenses	304,899	349,042			
Other administrative Expenses	313,793	595,269			

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015
	₹	₹
Change in excise duty on inventory	(18,941)	(24,796)
Prior period Expense	203,627	15,271
Bad-debts written off	412,771	2,916,086
Income tax Expense	-	33,601
Penalty Expense	30,670	-
Payment to Auditor		
As auditor :		
Audit Fees	260,000	209,000
Tax Audit Fees	100,000	90,000
For Other service	40,000	30,000
	400,000	329,000
Donation	4,100	5,000
Conveyance Expenses	601,126	638,443
Printing & Stationery Expenses	665,017	544,087
Listing & Roc Filling Fees	88,157	61,572
Director Sitting Fees	236,800	296,000
Membership Fees	50,134	272,270
Share From Joint Ventures	18,407	21,575
(B)	19,451,304	17,425,822
Selling and Distribution Expenses		
Transport & Vehicle Tax Expenses	34,882,033	36,048,533
Transport Vehicle Repairs	5,680,544	4,767,402
Advertisement & Sales Promotion Expenses	117,560	106,181
Sales Tax /Service Tax/ Excise duty Expenses	831,171	1,163,495
(C)	41,511,308	42,085,611
Total (A+B+C)	67,211,627	64,802,112

Note : 28i) **Enterprises Considered in the consolidated financial statements are:**

Name	country of Incorporation	Proportion of ownership Interest
Vadilal Cold Storage	India	2 %

ii) **The associate Considered in the consolidated financial statements are:**

Name	country of Incorporation	Proportion of ownership Interest
Vadilal Forex and Consultancy Services Ltd.	India	28 %

Note : 29**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 : 30**RELATED PARTY DISCLOSURE UNDER AS-18**

Names of related parties and description of relationship

- Key Management Personnel : (P.Y: Mr. Virendra R. Gandhi (Till 24/05/14))
- Relatives of Key Management Personnel : (P.Y: Mr. Janmejay V. Gandhi)
(P.Y: Ms. Khevna V. Gandhi)

Particulars	Associates	Key. Mgt. Personnel	Relatives of Key Mgt Personnel	Total
	₹	₹	₹	₹
Managerial Remuneration	-	(484,000)	-	(484,000)
Salary Paid	-	-	(131,582)	(131,582)

Note : Figures in brackets are related to Previous year.

PARTICULARS	2015-16 ₹	2014-15 ₹
Note : 31		
EARNING PER SHARE (EPS) AS PER ACCOUNTING STANDARD - 20		
Net Profit/(Loss) for the year	(36,335,210)	6,329,330
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	(7.45)	1.30

Note : 32

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 : 33

As per the Internal Auditor's report, an amount of Rs. 4,75,00,000/- has been paid to M/s. Success Vyapar Limited, Kolkata, on the various dates during the financial year 2013-14 by the then Chairman and Managing Director, without Board Resolution and without Authority.

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

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

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

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

Note : 34**OTHER DETAILS****Note : 34.1****Consumption Of Raw Materials :-**

Product	2015-16 ₹	2014-15 ₹
Ammonia Gas	129,018,227	143,693,940

Note : 34.2**Goods Purchased (Traded) :-**

	2015-16	2014-15
Ammonia Tanker	28,748,416	40,731,048
Other Gases & Gas Mixtures	110,865,473	115,570,750
Gas Cylinder	1,265,612	3,218,455
Total....	140,879,501	159,520,253

Note : 34.3**Sales , Opening & Closing stock of Finished goods :-**

Product	Sales		Opening stock		Closing stock	
	2015-16 ₹	2014-15 ₹	2015-16 ₹	2014-15 ₹	2015-16 ₹	2014-15 ₹
Ammonia Gas	120,317,508	128,002,706	195,938	402,329	389,371	195,938
Liquor Ammonia	68,203,999	66,234,725	588,374	255,408	496,137	588,374
Total....	188,521,507	194,237,431	784,312	657,737	885,508	784,312

Note : 34.4**Sales , Opening & Closing stock of Traded goods :-**

Product	Sales		Opening stock		Closing stock	
	2015-16 ₹	2014-15 ₹	2015-16 ₹	2014-15 ₹	2015-16 ₹	2014-15 ₹
Ammonia Tanker	29,060,718	41,702,214	—	—	—	—
Other Gases & Gas Mixtures	199,355,832	175,403,988	1,319,435	1,683,490	1,239,277	1,319,435
Gas Cylinder	4,224,725	4,342,852	4,197,278	3,669,143	3,310,268	4,197,278
Total....	232,641,275	221,449,054	5,516,713	5,352,633	4,549,545	5,516,713

Note : 34.5**Closing Stock of Raw-Material Components :-**

Product	Raw-Material Components	
	2015-16 ₹	2014-15 ₹
Ammonia Gas	24,74,257	41,06,655

Note : 34.6**Details of Share (Sale & Purchase) During the Period 01.04.15 to 31.03.16 :-**

Name	Opening		Purchase		Sale		Profit(+) / Loss(-) Nos.	Surplus(+) /Erosion(-) Value ₹	Closing	
	Nos.	Value ₹	Nos.	Value ₹	Nos.	Value ₹			Nos.	Value ₹
Reliance Power Ltd	112	6,328	-	-	-	-	-	(795)	112	5,533
Total	112	6,328	-	-	-	-	-	(795)	112	5,533

Note : 35**ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS ASSOCIATE / JOINT VENTURE:**

Name of the Entity	Net Assets (i.e., total assets minus total liabilities)		Share of profit or (loss)	
	As % of consolidated net assets	Amount (In ₹)	As % of consolidated Profit or (loss)	Amount (In ₹)
Parent				
- Vadilal Chemicals Ltd.	94.78	47223260	(101.56)	(36901705)
An Associate Company				
(Investment as per equity method)				
- Vadilal Forex and Consultancy Services Ltd.	3.81	1897536	1.50	543886
Joint Ventures				
(as per proportionate consolidation)				
- Vadilal Cold Storage	1.42	705643	0.06	22609
Total....	100.00	49826439	(100.00)	(36335210)

Note : 36**Difference In Accounting Policies**

The accounting policies of joint ventures and associates especially regarding the method of depreciation and accounting for retirement benefits are not in consonance with the group accounting policies. No effect has been given in the consolidated financial statements on account of such differing accounting policies, where the impact is not expected to be material.

Note : 37

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

Signature to Notes 1 to 37

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

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

PLACE : AHMEDABAD
DATE : 07-07-2016

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Chairman & Managing Director
DIN: 00009879

Ravi Thakkar
Chief Financial Officer

PLACE : AHMEDABAD
DATE : 07-07-2016

Devanshu L. Gandhi
Managing Director
DIN: 00010146

Soham Raval
Company Secretary

Form No. MGT.11

Proxy Form

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

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

DP ID

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

1. Name	
Address	
E- mail ID	
Signature	

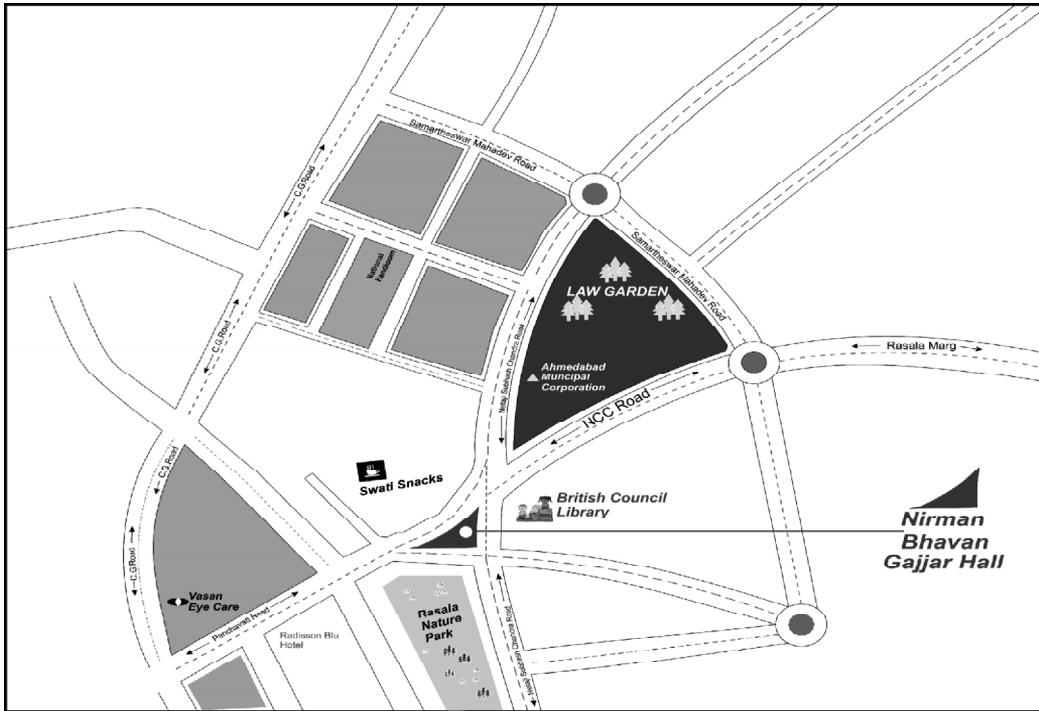
Or failing him,

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 poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the company, to be held on the 27th September, 2016 at 2.00 p.m. At "GICEA", Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad- 380 006 and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.	Resolution	Yes/ No
Ordinary Business:		
1	To receive, consider and adopt Audited Balance Sheet as at 31 st March, 2016 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.	
2	To appoint a Director in place of Shri Devanshu L. Gandhi (holding DIN: 00010146), who retires by rotation as per provision of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.	
3	To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting i.e. 25 th AGM till the conclusion of the 28th Annual General Meeting and to fix their remuneration.	

Signed this.....day of2016

signature of shareholder.

Signature of Proxy holder(s)

Affix
Revenue
Stamp

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

VADILAL CHEMICALS LIMITED

(CIN: L24231GJ1991PLC015390)

Registered office:

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

DP ID	Client ID	Folio No.	No. of Shares

ATTENDANCE SLIP

Name of the Shareholders : _____

Name of the Proxy/ Authorized Representative : _____

I hereby record my presence at the 25th Annual General Meeting held at 2.00 p.m. on 27th September, 2016 at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad- 380 006.

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

Notes:

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

TEAR HERE

To,



If undelivered please return to :
Vadilal Chemicals Limited

REGISTERED OFFICE:

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