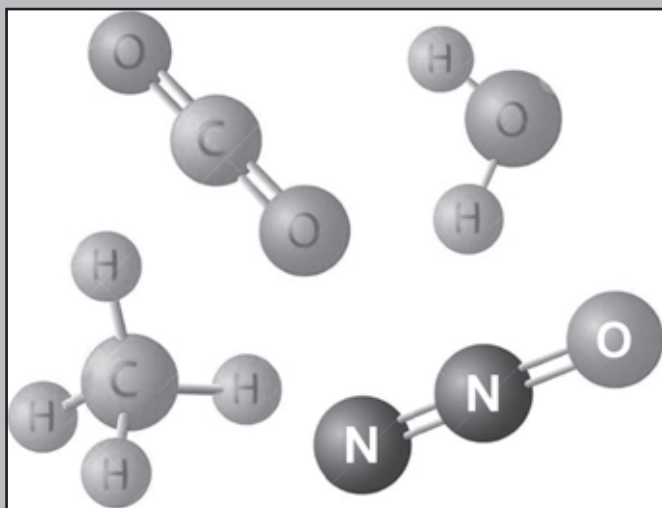




*26th Annual Report*  
*2016-2017*



# 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)

**26TH ANNUAL REPORT 2016-17**  
**CORPORATE INFORMATION**

**BOARD OF DIRECTORS:**

**Executive Directors :**

Shri Rajesh R. Gandhi Chairman & Managing Director

Shri Devanshu L. Gandhi Managing Director

**Non Executive & Non Independent Directors :**

Shri Kalpit R. Gandhi

Smt. Deval D. Gandhi

**Independent Directors (Additional Directors) :**

Shri Rohit J. Patel

Shri Jignesh J. Shah

Shri Ashish H. Modi

Shri Udayan R. Patel

**OTHER KEY MANAGERIAL PERSONNEL:**

Shri Ravi Thakkar Chief Financial Officer

Shri Soham Raval Company Secretary

**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](mailto:cs@vadilalgases.co.in) Website: [www.vadilalgases.co.in](http://www.vadilalgases.co.in)

**REGISTRAR AND SHARE**

**TRANSFER AGENT:**

Big Share Services Private Limited

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (E), Mumbai-400 059.

E-Mail: [bhagwan@bigshareonline.com](mailto:bhagwan@bigshareonline.com), Ph: 022-62638295, Fax : 022-62638299

Website : [www.bigshareonline.com](http://www.bigshareonline.com)

**CONTENTS**

**PAGE NO.**

|  |       |
|--|-------|
| ➤ Notice of Annual General Meeting         | 2-7   |
| ➤ E-Voting Instructions                    | 6-7   |
| ➤ Directors' Report                        | 8-26  |
| ➤ Secreterial Auditors' Report             | 23-25 |
| <b>Standalone Financial Statements :</b>   |       |
| ➤ Independent Auditors' Report             | 27-30 |
| ➤ Balance Sheet                            | 31    |
| ➤ Statement of Profit & Loss               | 32    |
| ➤ Cash Flow Statement                      | 33    |
| ➤ Significant Accounting Policies          | 34-35 |
| ➤ Notes to Financial Statements            | 35-46 |
| <b>Consolidated Financial Statements :</b> |       |
| ➤ Independent Auditors' Report             | 47-49 |
| ➤ Consolidated Financial Statements :      | 50-66 |
| ➤ Proxy Form                               | 67-68 |
| ➤ Route Map for venue of AGM               | 68    |
| ➤ Attendance Slip                          | 69    |

**26<sup>th</sup> ANNUAL GENERAL MEETING**

DAY : Friday

DATE : 29<sup>th</sup> September, 2017

TIME : 05.30 p.m.

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

**NOTICE**

**NOTICE** is hereby given that the Twenty Sixth Annual General Meeting of the Members of the Company will be held on Friday, 29<sup>th</sup> September, 2017 at 05.30 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 statement of the company for the financial year ended on 31<sup>st</sup> March, 2017, the report of Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statement of the Company for the financial year ended on March 31, 2017.
2. To declare dividend on Equity Shares for the financial year ended on March 31, 2017.
3. To appoint a Director in place of Shri Kalpit R. Gandhi (holding DIN: 02843308) who retires by rotation as per provision of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Smt. Deval D. Gandhi (holding DIN: 00988905), who retires by rotation as per provision of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
5. To ratify the appointment of Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification, the following resolution, as Ordinary Resolution:
 

**“RESOLVED THAT** pursuant to provision of Section 139 of the Companies Act, 2013 read with rules made thereunder, appointment of M/s. RRS & Associates, Chartered Accountants, Ahmedabad (FRN: 118336W) be and is hereby ratified to continue as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of next Annual General meeting at a remuneration to be mutually decided.”

**SPECIAL BUSINESS:**

6. To appoint Shri Rohit J. Patel (holding DIN 00012367) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
 

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Rohit J. Patel (holding DIN 00012367), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 11<sup>th</sup> November, 2016 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Shri Rohit J. Patel for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years consecutive years upto the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company in the calendar year 2022.”
7. To appoint Shri Jignesh J. Shah (DIN: 01202435) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
 

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Jignesh J. Shah (holding DIN 01202435), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 11<sup>th</sup> November, 2016 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Shri Jignesh J. Shah for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years upto the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company in the calendar year 2022.”
8. To appoint, Shri Ashish H. Modi (holding DIN 02506019), as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
 

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Ashish H. Modi (holding DIN 02506019), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 11<sup>th</sup> November, 2016 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Shri Ashish H. Modi for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years consecutive years upto the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company in the calendar year 2022.”
9. To appoint, Shri Udayan R Patel (holding DIN 06674232), as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
 

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Udayan R Patel (holding DIN 06674232), who was

appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 11<sup>th</sup> November, 2016 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of , Shri Udayan R Patel for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years consecutive years upto the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company in the calendar year 2022."

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and proxy need not be a member. Proxies, in order to be effective, must be delivered at the registered office of the company not less than 48 hours before the commencement of the meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. (a) The Company has notified closure of Register of Members and Share Transfer Books from 16<sup>th</sup> September, 2017 to 29<sup>th</sup> September, 2017 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.  
(b) Dividend of Re. 0.50/- per share (@5%) on Equity Shares for the year ended on 31st March, 2017 as recommended by the Board, if declared at the meeting, will be paid without deduction of tax at source :  
# to those members, whose names appear on the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company/Share Transfer Agent on or before 15<sup>th</sup> September, 2017, or  
# in respect of shares held in electronic form, to those "Beneficial Owners" whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 15<sup>th</sup> September, 2017.
6. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
7. The Company's shares are listed with the four regional Stock Exchanges viz. Ahmedabad Stock Exchange Limited, The Calcutta Stock Exchange Limited, Madras Stock Exchange Limited, Delhi Stock Exchange Limited.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. Members, who hold shares in dematerialised form, are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
10. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
11. Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company Secretary at least 10 days before the date of the meeting.
12. At this Annual General Meeting, Mr. Kalpit R. Gandhi, Director of the Company and Mrs. Deval D. Gandhi, Director of the Company, shall retire by rotation and being eligible, offer themselves for re-appointment.  
At this Annual General Meeting, Mr. Rohit J. Patel, Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Udayan R. Patel are proposed to be appointed as Independent Directors of the Company, not liable to retire by rotation.  
Brief Profile of Independent Directors are mentioned in the Explanatory Statement given under Section 102(1) of the Companies Act, 2013.  
As required under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and as required under secretarial standard-2, given below are the details of the above Directors to be re-appointed/appointed as Directors of the Company.  
Brief Profile of Mr. Kalpit R. Gandhi and Mrs. Deval D. Gandhi, who retires by rotation are given below:

**Profile of Mr. Kalpit R. Gandhi (Age 32 years)**

Mr. Kalpit Gandhi's highest degree is Master in Business Administration from IESE Business School Barcelona (Spain), which is one of the top universities globally ranked as 5<sup>th</sup> as per Economist and 7<sup>th</sup> as per Financial Times and have numerous accolades in field of executive education. He is a graduate from University of Southern California with BSC in Administration & Accounting and carrying wide experience in Finance and Marketing functions with international exposure. He had served reputed organization like Godrej Consumer Products Limited, Financial Technologies (India) Ltd. in various capacities and had also exposure in international company named Akin Bay in USA which strengthen his business acumens. He do not take any remuneration from the company apart from sitting fees. He has attended 4 board meetings during the year 2016-17.

Mr. Kalpit R. Gandhi is not Member of any Committee of the Company. He is acting as non-executive director of the company. Mr. Kalpit R. Gandhi holds 17290 shares in Vadilal Chemicals Limited in his individual capacity. Mr. Kalpit R.

Gandhi is Director in the following other companies :

| Directorship:                           |
|---|
| • Vadilal Industries Limited            |
| • Vadilal International Private Limited |
| • Vadilal Marketing Private Limited     |

**Relationship between the Directors :-**

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

**Profile of Mrs. Deval D. Gandhi (Age 46 years)**

Mrs. Deval D. Gandhi, a commerce graduate & a diploma in design. As an exclusive designer, with a keen eye for aesthetics and interesting interpretation of traditional Indian craftsmanship and clothes design heritage.

Mrs. Deval D. Gandhi has evolved into a successful label – Timeless Weaves, catering to loyal local clientele, employing small core group of highly skilled craftsman in Ahmedabad, while leveraging highly qualified established resource-base from all over India. She is acting as non-executive director of the company. She do not take any remuneration from the company apart from sitting fees. She has attended 4 board meetings during the year 2016-17.

Mrs. Deval D. Gandhi is not a Member of any committee. Mrs. Deval D. Gandhi holds 1,19,250 shares in Vadilal Chemicals Limited in her individual capacity. Mrs. Deval D. Gandhi is Director in the following other companies:

| Directorship:                               |
|---|
| • Vadilal Industries Limited                |
| • Vadilal International Private Limited     |
| • Byad Packaging Industries Private Limited |
| • Esveegee Wires and Metals Private Limited |

**Relationship between the Director :-**

Mrs. Devalben D. Gandhi is the spouse of Mr. Devanshu L. Gandhi.

None of the other directors are related to Mr. Kalpit R. Gandhi or Mrs. Deval D. Gandhi, Directors of the Company.

13. 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).

**ANNEXURE TO THE NOTICE:**

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

**ITEM NO. 6:**

Shri Rohit J Patel (holding DIN 00012367) has been appointed as additional director of the Company w.e.f. 11th November, 2016 as per applicable provisions of the Companies Act, 2013. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Rohit J Patel being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2022.

**Profile of Shri Rohit J. Patel (Age : 71 years)**

Shri Rohit J. Patel (holding DIN 00012367) is B.E. (Electrical) and Consultant on Management and Human Resources. He is having 32 years of experience in training people for Communication – Time Management. He is a Proprietor of Symcom Corporation, an Educational Institution in Ahmedabad. He is also a Guest Faculty at various educational institutions. He is a member of Education Committee of Ahmedabad Management Association.

He is the Chairman of the Nomination and Remuneration Committee of the Company and also Chairman of Stakeholder Relationship Committee of the Company. Shri Rohit Patel does not hold any shares in the Company. He is also working as Director and Audit Committee Member of Gujarat Ambuja Exports Limited. He is acting as an independent director of the company. He do not take any remuneration from the company apart from sitting fees. He has attended 4 board meetings during the year 2016-17. A notice has been received from a member proposing Shri Rohit J. Patel as a candidate for the office of Independent Director of the Company.

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

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

Except Shri Rohit J. Patel (holding DIN 00012367), being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.6.

**ITEM NO. 7:**

Shri Jignesh J Shah (holding DIN 01202435) has been appointed as additional director of the Company w.e.f. 11<sup>th</sup> November, 2016 as per applicable provisions of the Companies Act, 2013. In terms of Section 149 and other applicable

provisions of the Companies Act, 2013, Shri Jignesh J Shah being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2022.

**Profile of Shri Jignesh J Shah (Age : 49 years)**

Shri Jignesh J Shah (holding DIN 01202435) is B.Com Graduate, CMA (Cost and Management Accountant) and FCA (Chartered Accountant). He is having 27 years of experience in training people for Communication – Time Management. He is a Partner in J T Shah & Co., Chartered Accountants since 1992.

He is Chairman of the Audit Committee of the Company and also a member of Nomination and Remuneration Committee of the Company. Shri Jignesh J. Shah does not hold any shares in the Company. He is also working as a director of other companies such as Vadilal Industries Limited, Vadilal Enterprises Limited, Vadilal International Private Limited and Sakar Management Consultants Private Limited. He is acting as an independent director of the company. He do not take any remuneration from the company apart from sitting fees. He has attended 6 board meetings during the year 2016-17.

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

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

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

Except Shri Jignesh J. Shah (holding DIN 01202435), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.7.

**ITEM NO. 8:**

Shri Ashish H Modi (holding DIN 02506019) has been appointed as additional director of the Company w.e.f. 11<sup>th</sup> November, 2016 as per applicable provisions of the Companies Act, 2013. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Ashish H Modi being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2022.

**Profile of Shri Ashish H. Modi (Age : 49 years)**

Shri Ashish H Modi (holding DIN 02506019) is B.Com Graduate. He is having 28 years of experience of family business (Road Construction). Apart from this he is also director in Ganesh Housing Corporation Limited.

Shri Ashish Modi does not hold any shares in the Company. He is working as a director of other companies such as Vadilal Enterprises Limited, Yash Organisers Private Limited, Essem Infra Private Limited and also working as Director and Chairman of Audit Committee and Stakeholder Relationship Committee of Ganesh Housing Corporation Limited. He is acting as an independent director of the company. He do not take any remuneration from the company apart from sitting fees. He has attended 5 board meetings during the year 2016-17.

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

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

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

Except Shri Ashish H Modi (holding DIN 02506019), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.8.

**ITEM NO. 9:**

Shri Udayan R Patel (holding DIN 06674232) has been appointed as additional director of the Company w.e.f. 11<sup>th</sup> November, 2016 as per applicable provisions of the Companies Act, 2013. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Udayan R Patel being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2022.

**Profile of Shri Udayan R. Patel (Age : 57 years)**

Shri Udayan R Patel (holding DIN 06674232) is commerce Graduate from H L College of Commerce. He is having 32 years of experience in managing electrical components manufacturing companies. Functional expertise in handling over all administration, finance, business development, commercial operations & manufacturing and also have got outstanding success in building & maintaining relationship with key corporate decision makers. Presently he is partner in Make-A-Light Industries, Dehradun. He is not a Director in any Company except Vadilal Chemicals Limited. He is a Member of the Audit Committee of the Directors of the Company. He does not hold any shares of the Company.

He is acting as an independent director of the company. He do not take any remuneration from the company apart from sitting fees. He has attended 5 board meetings during the year 2016-17.

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

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

Except Shri Udayan R Patel (holding DIN 06674232), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no.9.

**Registered Office:**

503-504, Aditya Building,  
Nr. Sardar Patel Seva Samaj,  
Mithakhali, Ahmedabad – 380006.  
Date : 26<sup>th</sup> August, 2017

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

**(RAJESH R GANDHI)  
(DIN: 00009879)**

**Chairman & Managing Director**

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

- The Company pleased to offer Evoting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure 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) and the company may pass any resolution by electronic voting system in accordance with the above provisions.
- The process and manner of e-voting is being sent to all the members whose e-mail Ids are registered with the Company/Depository Participant /Share Transfer Agent for communication purpose through electronic mode.
- The Members who has cast their votes by remote e-voting may also attend the Meeting but shall not be entitled to cast their votes again.
- The Board of Directors of the company has appointed Mr. Manoj R. Hurkat of M/s. Manoj Hurkat & Associates, Practicing Company Secretary, Ahmedabad as Scrutinizer to scrutinize the poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- Voting rights shall be reckoned on the paid up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut off date i.e. 22<sup>nd</sup> September, 2017.
- 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. 22<sup>nd</sup> September, 2017 may obtain the User ID and Password in the manner as mentioned below:
  - If e-mail Id address or mobile number of the member is registered against folio No./ DP ID/ Client ID, then on the home page of <http://www.evotingindia.com>, the member may click "Forgot password" and enter folio No. or DP ID or Client ID and PAN to generate password.
  - Member may call CDSL toll free number 18002005533.
  - Member may send an e-mail request to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - If the member is already registered with CDSL e-voting platform then he can use his existing user ID and password for casting the vote through remote e-voting.
- The Scrutinizer after Scrutinizing the votes cast at the meeting (poll) and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.vadilalgases.co.in](http://www.vadilalgases.co.in) and on the website of CDSL viz. <http://www.evotingindia.com>. The results shall simultaneously be communicated to the stock exchange.

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

- The Voting Period begins on Tuesday, 26<sup>th</sup> September, 2017 at 9.00 a.m. and ended on Thursday, 28<sup>th</sup> September, 2017 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 22<sup>nd</sup> September, 2017 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.
- The shareholders should log on to the e-voting website.
- 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 26<sup>th</sup> 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](http://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](http://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:

| <b>For Members holding shares in Demat Form and Physical Form</b> |   |
|---|---|
| PAN   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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. |
| Dividend Bank Details OR Date of Birth (DOB)                      | Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY format) as recorded in your demat account or in the company records in order to login. 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 <Company Name> 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 use Mobile app "m-Voting" for e-voting. M-Voting app is available in IOS, android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolutions.

#### **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details 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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **Registered Office:**

503-504, Aditya Building,  
Nr. Sardar Patel Seva Samaj,  
Mithakhali, Ahmedabad – 380006.  
Date : 26<sup>th</sup> August, 2017

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

(RAJESH R GANDHI)  
(PIN: 00009879)  
Chairman & Managing Director

## DIRECTORS' REPORT

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

**FINANCIAL HIGHLIGHTS:**

Your Directors have pleasure in presenting herewith the 26<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2017. (Rs. In lacs)

| Sr. No. | Particulars  | Year ended 31-03-2017 | Year ended 31-03-2016 |
|---------|--|-----------------------|-----------------------|
| (a)     | Earnings/ (Loss) before Interest, Tax, Depreciation and Amortization (EBITDA)    | 321.48                | (66.40)               |
| (b)     | Finance Cost   | 95.80                 | 120.95                |
| (c)     | Depreciation and amortization expenses   | 110.40                | 111.19                |
|         | Less : Recoupment from Revaluation Reserve / Deferred Government Grant           | 0                     | 0                     |
| (d)     | Profit before Exceptional and Extraordinary Items and Tax                        | 115.28                | (298.54)              |
| (e)     | Exceptional Items Provision for diminution in the value of Long Term Investments | 0                     | 0                     |
| (f)     | Profit before Extraordinary Items and Tax  | 115.28                | (298.54)              |
| (g)     | Extraordinary Items  | 0.00                  | 0.00                  |
| (h)     | Profit before Tax  | 115.28                | (298.54)              |
| (i)     | Tax Expenses   |                       |                       |
|         | Current Tax / MAT Tax  | 42.00                 | 66.00                 |
|         | Less : MAT Credit entitlement  | (0.00)                | (0.00)                |
|         |  | 42.00                 | 66.00                 |
|         | Deferred Tax charge / (release)  | (2.65)                | 03.03                 |
|         | Short/(Excess) Provision of Tax / Deferred Tax of earlier years (Net)            | (2.53)                | 01.58                 |
|         |  | 36.82                 | 70.61                 |
| (j)     | Profit for the period  | 78.46                 | (369.15)              |
| (k)     | <b>Surplus in the Statement of Profit and Loss:</b>                              |                       |                       |
|         | Balance as per last Financial Statements   | (238.55)              | 130.60                |
|         | Profit for the year  | 78.46                 | (369.15)              |
|         | Less : Appropriations:   | 0                     | 0                     |
|         | Net Surplus in the statement of Profit and Loss                                  | (160.09)              | (238.55)              |

**STATE OF COMPANY'S AFFAIRS:**

The Company has earned Turnover of Rs. 4156.13 lacs during the year ended on 31<sup>st</sup> March, 2017 as against Rs. 4231.46 lacs earned during the previous year ended on 31<sup>st</sup> March, 2016. The company has earned Net revenue from operations of Rs. 3838.05 lacs earned by the Company during the year under review as compared to Rs. 3905.13 lacs Net revenue from operations of last year and The company has also earned other income of Rs. 57.84 lacs during the year under review as against Rs. 44.65 lacs earned during the previous year.

The Company has earned Profit before Interest, Tax, Depreciation and Amortisation (EBITDA) of Rs. 321.48 lacs during the year ended on 31<sup>st</sup> March, 2017 as compared to Loss of Rs. 66.40 lacs incurred during the previous year ended on 31<sup>st</sup> March, 2016.

The Company has earned Net Profit of Rs. 78.46 lacs for the year ended on 31<sup>st</sup> March, 2017 after providing Finance Cost and Depreciation and Amortization expenses and after making Provision for Deferred Tax Charge and other adjustments, as compared to Loss of Rs. 369.15 lakhs incurred by the Company during the previous year ended on 31<sup>st</sup> March, 2016.

**DIVIDEND:**

The Board of Directors have recommended Dividend of Rs. 0.5/- per share (@ 5%) on 48,74,000 Equity Shares of Rs. 10/- each of the Company for the Financial Year 2016-17. This will absorb Rs. 24.37 lacs and The Corporate Dividend Distribution Tax by the Company on the said Dividend will be 4.96 lacs for the present year. If approved, the dividend will be paid without deduction of tax at source to the shareholders.

**TRANSFER TO RESERVE:**

The Company does not proposed to transfer any amount to General Reserve for the financial year 2016-17.

**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 any 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 sold 22,000 Equity Shares of Vadilal Forex and Consultancy Services Limited on 25<sup>th</sup> March, 2017. Hence, the said company has ceased to be an Associate Company w.e.f. 25<sup>th</sup> March, 2017. Except the same, during the year, no company has become or ceased to be a subsidiary/ associate/ joint venture.

Vadilal Cold Storage is Partnership Firm in which the company is one of the partner and holding 2% Stake of the said firm. The Company is considering the said firm as Joint Venture firm and consolidating the accounts of the Company while preparing Annual Accounts. A report of financial position of Joint Venture Company as required under Section 129(3) of the Companies Act, 2013 and rules made there under 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 Joint Venture firm, Vadilal Cold Storage for the year ended 31<sup>st</sup> March, 2017 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 2016-17, the Company has not given any loans/ guarantees/ securities or company has not made any investment which falls under section 186 of the companies act, 2013.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

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

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Kalpit R. Gandhi, Director (DIN: 02843308) and Mrs. Deval D. Gandhi, Director (DIN: 00988905) of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment. The Members are requested to consider their re-appointment as Directors of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

Pursuant to the provisions of Section 149 and 152 1of the Companies Act, 2013 and Rules made thereunder and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and on the recommendation of the Nomination and Remuneration Committee, the Company proposes to appoint Mr. Rohit J. Patel, Mr. Jignesh Shah, Mr. Ashish Modi and Mr. Udayan Patel, who were appointed as Additional Directors at the Board Meeting held on 11<sup>th</sup> November, 2016, as Independent Directors of the Company, not liable to retire by rotation. The Company has received requisite notices

in writing from a Member proposing their candidature for appointment as a Director of the Company. The aforesaid Independent Directors, if appointed, shall hold office for a term of 5 consecutive years up to the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2022.

#### **BOARD EVALUATION:**

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

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

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

The Board of Directors have reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role at the Board Meeting held on 9<sup>th</sup> February, 2017.

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 :

##### **A. AUDIT COMMITTEE:**

As on 31-3-2017, Audit Committee comprises the following Directors:-

| Sr. No. | Name of the Member     | Designation | Category             |
|---------|------------------------|-------------|----------------------|
| 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.

Two audit committee meetings were held during the year-2016-17 on 28<sup>th</sup> May, 2016 and 7<sup>th</sup> July, 2016.

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

##### **B. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee comprises the following Directors of the Company, as on 31st March, 2017, namely:

| Sr. No. | Name of the Member  | Designation | Category             |
|---------|---------------------|-------------|----------------------|
| 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 178 of the Companies Act, 2013 and Rules made there under.

No Nomination and Remuneration Committee meeting held during the year 2016-17.

##### **C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Stakeholders' Relationship Committee comprises the following Directors of the Company, as on 31st March, 2017, namely:

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

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

The Committee 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.

There are four meetings of Stakeholder Relationship Committee held during the year-2016-17. The meetings held on 30/06/2016, 30/09/2016, 31/12/2016 and 31/03/2017.

No request for issue of duplicate Share Certificates, splitting and consolidation of Shares received by the company during the year 2016-17.

#### **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 31<sup>st</sup> March, 2015 and applicable provisions of applicable Listing Regulations. The said policy is enclosed with the Directors' report and marked as "**Annexure - IV**". There is no change in the Policy during the financial year- 2016-17.

#### **CONSTITUTION OF BOARD OF DIRECTORS:**

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

#### **NUMBER OF BOARD MEETINGS :**

During the year under review, Six Meetings of Board of Directors were held on 28/05/2016, 24/06/2016, 07/07/2016, 08/08/2016, 11/11/2016 and 09/02/2017.

#### **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 CONTROL SYSTEM AND THEIR ADEQUACY.**

In view of the management, the Company has adequate internal control systems for the business processes followed by the Company. The External and Internal Auditors carry out periodical reviews of the functioning and suggest changes and Board of Directors discuss the same periodically.

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 1<sup>st</sup> 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.

Our auditors, M/s. RRS & Associates, Chartered Accountants, Ahmedabad were re-appointed as Statutory Auditors of the company for the period of three years at the last annual General Meeting 2015-16.

The Audit Committee and the Board of Directors recommended to ratify the appointment of M/s. RRS & Associates, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company for the year 2017-18.

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.

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 2016-17.

#### **SECRETARIAL AUDITOR:**

The Board has appointed M/s. SPAN & Co., Company Secretaries, LLP to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as **Annexure- VI** to this Report.

The Company has changed Secretarial Auditor for the financial year 2016-17, the Previous Secretarial Auditor was M/s. SPANJ Associates, Practicing Company Secretaries Firm during the previous financial year 2014-15 and 2015-16.

There is no qualification / reservation / adverse remark raised by secretarial auditor which are required to be clarified in Director's report for F.Y. 2016-2017.

**INSURANCE:**

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

**PARTICULARS OF EMPLOYEES:**

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

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

**WHISTLE BLOWER POLICY / VIGIL MECHANISM:**

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

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

**MATERIAL INFORMATION:**

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

**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, 2017 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 : 26<sup>th</sup> August, 2017

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

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

## ANNEXURE – I TO THE DIRECTORS' REPORT

FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

## REGISTRATION &amp; OTHER DETAILS:

|  |   |
|--|---|
| CIN  | L24231GJ1991PLC015390   |
| Registration Date  | 11/04/1991  |
| Name of the Company  | VADILAL CHEMICALS LIMITED   |
| Category/Sub-category of the Company                                       | Public Limited Company  |
| Address of the Registered office & contact details                         | 503-504, Aditya Building, Nr. Sardar Patel seva Samaj, Mithakhali, Navrangpura, Ahmedabad- 380 006.   |
| Whether listed company   | Listed at Ahmedabad stock Exchange Limited, Calcutta Stock Exchange Limited, Madras Stock Exchange Limited and Delhi Stock Exchange Limited.                        |
| Name, Address & contact details of the Registrar & Transfer Agent, if any. | Big Share Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai-400 059. Phone : 022-62638295 |

## 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                             | 15.00%                             |

## 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 Cold Storage (Partnership Firm) | —       | Joint Venture                 | 2.00%            | 2(6)               |

## VI. 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-2016] |                |                |                   | No. of Shares held at the end of the year[As on 31-March-2017] |                |                |                   | % Change during the year |
|---|--|----------------|----------------|-------------------|--|----------------|----------------|-------------------|--------------------------|
|   | Demat  | Physical       | Total          | % of Total Shares | Demat  | Physical       | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>                       |  |                |                |                   |  |                |                |                   |                          |
| (1) Indian                                |  |                |                |                   |  |                |                |                   |                          |
| a) Individual/ HUF                        | 849384   | 492665         | 1342049        | 27.53             | 849384   | 492665         | 1342049        | 27.53             | 0                        |
| b) Central Govt                           | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| c) State Govt(s)                          | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| d) Bodies Corp.                           | 893600   | 2209254        | 3102854        | 63.66             | 893600   | 2209254        | 3102854        | 63.66             | 0                        |
| e) Banks / FI                             | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| f) Any other                              | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| Directors' Relatives                      | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0                 | 0                        |
| Non Residential Individual                | 0  | 0              | 0              | 0                 | 0  | 0              | 0              | 0                 | 0                        |
| <b>Total shareholding of Promoter (A)</b> | <b>1742984</b>   | <b>2701919</b> | <b>4444903</b> | <b>91.19</b>      | <b>1742984</b>   | <b>2701919</b> | <b>4444903</b> | <b>91.19</b>      | <b>0</b>                 |
| <b>B. Public Shareholding</b>             |  |                |                |                   |  |                |                |                   |                          |
| 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              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| d) State Govt(s)                          | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| e) Venture Capital Funds                  | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |

| Category of Shareholders   | No. of Shares held at the beginning of the year[As on 31-March-2016] |                |                |                   | No. of Shares held at the end of the year[As on 31-March-2017] |                |                |                   | % Change during the year |
|--|--|----------------|----------------|-------------------|--|----------------|----------------|-------------------|--------------------------|
|  | Demat  | Physical       | Total          | % of Total Shares | Demat  | Physical       | Total          | % of Total Shares |                          |
| f) Insurance Companies   | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| g) FIs   | 0  | 0              | 0              | 0                 | 0  | 0              | 0              | 0                 | 0                        |
| h) Foreign Capital Funds   | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | Venture 0                |
| i) Others (specify)  | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| <b>Sub-total (B)(1):-</b>  | <b>0</b>   | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>0</b>   | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>0</b>                 |
| <b>2. Non-Institutions</b>   |  |                |                |                   |  |                |                |                   |                          |
| 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. 1 lakh         | 3516   | 419681         | 423197         | 8.80              | 4316   | 418881         | 423197         | 8.80              | 0                        |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 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              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| Foreign Nationals  | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| Clearing Members   | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| Trusts   | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| Foreign Bodies - D R   | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| Hindu Undivided Families (HUF)   | 0  | 0              | 0              | 0                 | 0  | 0              | 0              | 0                 | 0                        |
| <b>Sub-total (B)(2):-</b>  | <b>3516</b>  | <b>425581</b>  | <b>429097</b>  | <b>8.8</b>        | <b>4316</b>  | <b>424781</b>  | <b>429097</b>  | <b>8.8</b>        | <b>0</b>                 |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                              | <b>3516</b>  | <b>425581</b>  | <b>429097</b>  | <b>8.8</b>        | <b>4316</b>  | <b>424781</b>  | <b>429097</b>  | <b>8.8</b>        | <b>0</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | 0  | 0              | 0              | 0.00              | 0  | 0              | 0              | 0.00              | 0                        |
| <b>Grand Total (A+B+C)</b>   | <b>1746500</b>   | <b>3127500</b> | <b>4874000</b> | <b>100.00</b>     | <b>1747300</b>   | <b>3126700</b> | <b>4874000</b> | <b>100.00</b>     | <b>0</b>                 |

\* There is no change in the Promoter/ Promoter Group Shareholding during the year- 2016-17.

#### B) Shareholding of Promoter-

| Sr. No. | Shareholder's Name                    | Shareholding at the beginning of the year (1-4-2016) |                                  |   | Shareholding at the end of the year (31-3-2017) |                                  |   | % 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   | 0.00                                     |
| 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   | 0.00                                     |
| 4       | Vortex Ice cream Private Limited      | 383650   | 7.87                             | 0   | 383650  | 7.87                             | 0   | 0.00                                     |
| 5       | Kalpit 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   | 0.00                                     |
| 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                                | 0   | 97589   | 2                                | 0   | 0.00                                     |



|              |  |                |              |          |                |              |          |          |
|--------------|--|----------------|--------------|----------|----------------|--------------|----------|----------|
| 10           | Byad Packaging Industries Pvt Ltd.     | 86300          | 1.77         | 0        | 86300          | 1.77         | 0        | 0.00     |
| 11           | Mamta Rajesh Gandhi                    | 76416          | 1.56         | 0        | 76416          | 1.56         | 0        | 0.00     |
| 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        | 0.00     |
| 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        | 0.00     |
| 18           | Smt. Dharini V. Gandhi                 | 36540          | 0.75         | 0        | 36540          | 0.75         | 0        | 0.00     |
| 19           | Veronica Constructions Private Limited | 22400          | 0.46         | 0        | 22400          | 0.46         | 0        | 0.00     |
| 20           | Shri Kalpit R. Gandhi                  | 17290          | 0.35         | 0        | 17290          | 0.35         | 0        | 0.00     |
| <b>TOTAL</b> |  | <b>4444903</b> | <b>91.19</b> | <b>0</b> | <b>4444903</b> | <b>91.19</b> | <b>0</b> | <b>0</b> |

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

| SN | Particulars  | Shareholding at the beginning of the year (As on 1-4-2016) |                                  | Cumulative Shareholding during the year (from 1-4-2016 to 31-3-2017) |                                  |
|----|--|--|----------------------------------|--|----------------------------------|
|    |  | 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):**

| SN | Particulars  | Shareholding at the beginning of the year (As on 1-4-2016) |                                  | Cumulative Shareholding during the year (from 1-4-2016 to 31-3-2017) |                                  |
|----|--|--|----------------------------------|--|----------------------------------|
|    |  | No. of shares  | % of total shares of the company | No. of shares  | % of total shares of the company |
|    | <b>At the beginning of the year</b>  |  |                                  |  |                                  |
|    | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |  |                                  |  |                                  |
| 1  | NITABEN ALIAS HEMALI PIYUSH SURATI   | 6631   | 0.14                             | 6631   | 0.14                             |
| 2  | ADATIYA HITESHBHAI 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                             | 2500   | 0.05                             |
|    | <b>At the end of the year</b>  |  |                                  |  |                                  |
| 1  | NITABEN ALIAS HEMALI PIYUSH SURATI   | 6631   | 0.14                             | 6631   | 0.14                             |
| 2  | ADATIYA HITESHBHAI 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:

| SN        | Particulars  | Shareholding at the beginning of the year (As on 1-4-2016) |                                  | Cumulative Shareholding during the year (from 1-4-2016 to 31-3-2017) |                                  |
|-----------|--|--|----------------------------------|--|----------------------------------|
|           |  | No. of shares  | % of total shares of the company | No. of shares  | % of total shares of the company |
| <b>1.</b> | <b>Mr. Rajesh R. Gandhi, Chairman and Managing Director</b>  |  |                                  |  |                                  |
|           | At the beginning of the year   | 157037   | 3.22                             | 157037   | 3.22                             |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|           | At the end of the year   | 157037   | 3.22                             | 157037   | 3.22                             |
| <b>2.</b> | <b>Mr. Devanshu L. Gandhi, Managing Director</b>   |  |                                  |  |                                  |
|           | At the beginning of the year   | 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                             |
| <b>3.</b> | <b>Mrs. Deval D. Gandhi, Director</b>  |  |                                  |  |                                  |
|           | At the beginning of the year   | 119250   | 2.45                             | 119250   | 2.45                             |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|           | At the end of the year   | 119250   | 2.45                             | 119250   | 2.45                             |
| <b>4.</b> | <b>Mr. Kalpit R. Gandhi, Director</b>  |  |                                  |  |                                  |
|           | At the beginning of the year   | 17290  | 0.35                             | 17290  | 0.35                             |
|           | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0  | 0                                | 0  | 0                                |
|           | At the end of the year   | 17290  | 0.35                             | 17290  | 0.35                             |

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

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

| Particulars  | Secured Loans excluding deposits | Unsecured       | *Deposits Loans | Total Indebtedness |
|--|----------------------------------|-----------------|-----------------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |                 |                    |
| 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                  |
| <b>Total (i+ii+iii)</b>                                    | <b>16202847</b>                  | <b>99137344</b> | <b>24307802</b> | <b>139647993</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |                 |                    |
| Addition   | 8531527                          | 0               | 2642499         | 11174026           |
| Reduction  | 13158678                         | 23754051        | 1920859         | 38833588           |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |                 |                    |
| i) Principal Amount  | 11575696                         | 75383293        | 25029442        | 111988431          |
| ii) Interest due but not paid                              | 0                                | 8468359         | 0               | 8468359            |
| iii) Interest accrued but not due                          | 0                                | 0               | 0               | 0                  |
| <b>Total (i+ii+iii)</b>                                    | <b>11575696</b>                  | <b>83851652</b> | <b>25029442</b> | <b>120456790</b>   |

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

**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<br>- as % of profit<br>- others, specify...                              | 0<br>0   | 0<br>0                                    | 0<br>0       |
| 5   | Others, please specify:Contribution to Provident Fund                               | 0  | 0   | 0            |
|     | <b>Total (A)</b>  | <b>0</b>   | <b>0</b>                                  | <b>0</b>     |

**B. REMUNERATION TO OTHER DIRECTORS**

| SN. | Particulars of Remuneration                        | Name of Directors # |                     |                     |                    |                      |                      | Total Amount (Gross) |
|-----|--|---------------------|---------------------|---------------------|--------------------|----------------------|----------------------|----------------------|
|     |  | Mr. Rohit J. Patel  | Mr. Jignesh J. Shah | Mr. Udayan R. Patel | Mr. Ashish H. Modi | Mrs. Deval D. Gandhi | Mr. Kalpit R. Gandhi |                      |
| 1   | Independent Directors                              |                     |                     |                     |                    |                      |                      |                      |
|     | Fee for attending board committee meetings         | 36000               | 56000               | 36000               | 40000              | 0                    | 0                    | 168000               |
|     | Commission   | 0                   | 0                   | 0                   | 0                  | 0                    | 0                    | 0                    |
|     | Others, please specify                             | 0                   | 0                   | 0                   | 0                  | 0                    | 0                    | 0                    |
|     | Total (1)  | 36000               | 56000               | 36000               | 40000              | 0                    | 0                    | 168000               |
| 2   | Other Non-Executive Directors                      |                     |                     |                     |                    |                      |                      |                      |
|     | Fee for attending board committee meetings         |                     | 0                   | 0                   | 0                  | 40000                | 32000                | 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                  | 40000                | 32000                | 72000                |
|     | Total (B)=(1+2)                                    | 36000               | 56000               | 36000               | 40000              | 40000                | 32000                | 240000               |
|     | <b>Total Managerial Remuneration (A+B) (Gross)</b> |                     |                     |                     |                    |                      |                      | <b>240000</b>        |

**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  |   |                                    |                |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 595704                                    | 376560                             | 972264         |
|    | (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<br>- as % of profit<br>others, specify...                                |   |                                    |                |
| 5  | Others (Bonus, Gratuity, Ex- Gratia, Provident Fund)                                | 51890                                     | 35363                              | 87253          |
|    | <b>Total</b>  | <b>647594</b>                             | <b>411923</b>                      | <b>1059517</b> |

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

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Penalty                             | Nil                          |                   |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             | Nil                          |                   |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| 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  | <b>NIL</b>  |
| 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  | Joint Venture Amount in Rs. |
|-------|--|-----------------------------|
| 1     | Name of associate  | Vadilal Cold Storage        |
| 2     | Latest audited Balance Sheet Date  | 31st March, 2017            |
| 3     | Shares of Associate held by the company on the year end                    |                             |
| i     | No.of shares   | —                           |
| ii    | Amount of Investment in Associate  | —                           |
| iii   | Extend of Holding%   | 2.00%                       |
| 4     | Description of how there is significant influence                          | -                           |
| 5     | Reason why the Associate is not consolidated                               | NA                          |
| 6     | Net worth attributable to shareholding as per latest audited Balance Sheet | 7.40                        |
| 7     | Profit for the year (before tax)   | 24.25                       |
| i     | Considered in Consolidation  | 0.48                        |
| ii    | Not Considered in Consolidation  | 23.77                       |

**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 perations                | - | 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. No. | Particulars  | Details   |
|---------|--|---|
| a)      | Name (s) of the related party & nature of relationship   | Vadilal Gases Limited (VGL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.   |
| b)      | Nature of contracts/ arrangements/transaction  | Purchase and Sell of Industrial Gases by the Company to Vadilal Gases Limited   |
| c)      | Duration of the contracts/ arrangements/transaction  | Company has taken approval of shareholders for transactions of Rs. 30 crore per financial year for the period of 5 years commencing from 2014-15.   |
| 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-2016-2017, VCL has made purchase Industrial Gases of Rs. 8,58,71,373/- and sold the Industrial Gases to Vadilal Gases Limited of Rs. 2,93,56,624/-.  |
| 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 <sup>th</sup> 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  | The Company has taken quarterly approval of Board of Directors of the Company.  |
| 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 | 26/11/2015  |

**OTHER NON- MATERIAL RELATED PARTY TRANSACTIONS:**

**I. VADILAL INDUSTRIES LIMITED**

| Sr. No. | Particulars  | Details  |
|---------|--|--|
| a)      | Name (s) of the related party & nature of relationship   | Vadilal Industries Limited, a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.   |
| b)      | Nature of contracts/ arrangements/transaction  | Sell of Industrial Gases by the Company to Vadilal Industries Limited.   |
| c)      | Duration of the contracts/ arrangements/transaction  | Transactions made during the year – 2016-2017 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. 10,18,773/- during the year 2016-2017.                    |
| 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  | The Company has taken quarterly approval of Board of Directors of the Company.   |
| 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 31<sup>st</sup> March, 2015 and adopted by the Board of Directors at its meeting held on 31<sup>st</sup> March, 2015.

**Effective Date:**

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

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

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

| Sr. No. | Name of the Member | Designation | Category    |
|---------|--------------------|-------------|-------------|
| 1       | Mr. Rohit J. Patel | Chairman    | Independent |
| 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.



**ANNEXURE- V TO THE DIRECTORS REPORT**

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ending on 31<sup>st</sup> March, 2017.

**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.

**ANNEXURE-VI TO THE DIRECTORS REPORT****FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of yearly secretarial audit, we hereby report that in our opinion, the Company has, during financial year ended on **31<sup>st</sup> March, 2017** ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (*Not Applicable to the Company during the Audit period*);
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 *(Not Applicable to the Company during the Audit period)*;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 *(Not Applicable to the Company during the Audit period)*;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable to the Company during the Audit period)*;
- f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client *(Not Applicable to the Company during the Audit period)*;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not Applicable to the Company during the Audit period)*; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not Applicable to the Company during the Audit period)*;

vi. We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a. Explosive Act, 1884 and rules and regulations made thereunder ;
- b. Hazardous Chemicals Act, 1985 and rules and regulations made thereunder ; and
- c. Hazardous Chemical Substantives Regulations, 1995

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

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- ii) The Listing Agreements entered into by the Company with the following Stock Exchanges viz.:
  - Ahmedabad Stock Exchange Ltd.
  - Delhi Stock Exchange Ltd.
  - Madras Stock Exchange Ltd.
  - The Calcutta Stock Exchange Ltd.

and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Standards etc. mentioned above.

**We further report that:**

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

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

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

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

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

**Place** : Ahmedabad  
**Date** : 26th August, 2017

**Name of practicing C S** : Premnarayan Tripathi, Designated Partner  
SPAN & Co.  
Company Secretaries LLP

**FCS** : 8851  
**COP** : 10029

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

**Annexure A**

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

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

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

**Place : Ahmedabad**  
**Date : 26th August, 2017**

**Name of practicing C S : Premnarayan Tripathi, Designated Partner**  
**SPAN & Co.**  
**Company Secretaries LLP**

**FCS : 8851**  
**COP : 10029**

**ANNEXURE – VII to the Directors' Report:****PARTICULARS OF EMPLOYEES:**

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

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

| <b>Name of the Managing Directors, Chief Financial Officers and Company Secretary</b> | <b>Ratio to median remuneration of the employees</b> | <b>% increase in remuneration in the financial year</b> | <b>Comparison of the Remuneration of the KMP against the performance of the Company.</b> |
|---|--|---|--|
| Mr. Rajesh R. Gandhi, Chairman and Managing Director @                                | N.A.   | N.A.  | 121.25%  |
| 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.   | 14  |  |

@ 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: 14%
- c. The number of permanent employees on the rolls of Company: 47
- d. The explanation on the relationship between average increase in remuneration and Company performance:  
On an average, employees received an annual increase of 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. 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.
- f. The Company affirms remuneration is as per the remuneration policy of the Company.
- g. 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 : 26<sup>th</sup> August, 2017

**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, 2017, 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 relevant rules issued thereunder.

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 thereunder.

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 standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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, 2017, its profit 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 relevant rules issued thereunder;
  - e. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Director, none of the director is disqualified as on March 31, 2017, 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 litigations on its financial position in the standalone 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.
  - iv. The company has provided requisite disclosures in standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 35 to the financial statements.

**FOR, R. R. S. & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN: 118336W**  
**(RAJESH R SHAH)**  
**PARTNER**  
**MEMBERSHIP NO. 034549.**

**PALCE: AHMEDABAD.**

**DATE : 25/05/2017.**

#### **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 2017, 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, 2017 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 31/03/2017 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 Duty pending before CESTAT-Gujarat amounting to Rs. 5,37,715/-
- 8) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of any dues to a financial institutions and banks. The company has not issued any debentures during the year or in the preceding year.
- 9) In our opinion and on the basis of information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- 10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) The Company has not paid/provided for managerial remuneration during the year and 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, R. R. S. & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN: 118336W**  
**(RAJESH R SHAH)**  
**PARTNER**  
**MEMBERSHIP NO. 034549.**

**PALCE: AHMEDABAD.**

**DATE : 25/05/2017.**

#### **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 2017 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 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 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 2017, 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.

**PALCE: AHMEDABAD.**

**DATE : 25/05/2017.**

**FOR, R. R. S. & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**FRN: 118336W**

**(RAJESH R SHAH)**

**PARTNER**

**MEMBERSHIP NO. 034549.**



**BALANCE SHEET AS AT 31ST MARCH, 2017**

| PARTICULARS  | NOTES | AS AT<br>31.03.2017<br>( ₹ ) | AS AT<br>31.03.2016<br>( ₹ ) |
|--|-------|------------------------------|------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |       |                              |                              |
| <b>(1) Shareholder's Funds</b>   |       |                              |                              |
| (a) Share Capital  | 2     | 48,740,000                   | 48,740,000                   |
| (b) Reserves and Surplus   | 3     | 7,735,076                    | (111,097)                    |
| <b>(2) Non-Current Liabilities</b>   |       |                              |                              |
| (a) Long-Term Borrowings   | 4     | 83,851,652                   | 102,181,515                  |
| (b) Deferred Tax Liabilities (Net)   | 5     | 8,038,567                    | 8,303,736                    |
| (c) Long Term Provisions   | 6     | 534,627                      | 602,302                      |
| <b>(3) Current Liabilities</b>   |       |                              |                              |
| (a) Short-Term Borrowings  | 7     | 33,560,968                   | 30,381,469                   |
| (b) Trade Payables   | 8     | 18,652,212                   | 6,964,284                    |
| (c) Other Current Liabilities  | 9     | 10,013,684                   | 9,963,280                    |
| (d) Short-Term Provisions  | 10    | 2,929,064                    | 2,620,950                    |
| <b>Total</b>   |       | <b>214,055,851</b>           | <b>209,646,439</b>           |
| <b>II. ASSETS</b>  |       |                              |                              |
| <b>(1) Non-Current Assets</b>  |       |                              |                              |
| (a) Fixed Assets   | 11    |                              |                              |
| Property, Plants & Equipments  |       | 85,219,264                   | 92,716,767                   |
| Intangible Assets  |       | 624,231                      | 189,886                      |
| (b) Non-current investments  | 12    | 3,444,435                    | 3,664,435                    |
| (c) Long term loans and advances   | 13    | 2,327,454                    | 2,158,960                    |
| (d) Other non-current assets   | 14    | 88,930                       | 83,354                       |
| <b>(2) Current Assets</b>  |       |                              |                              |
| (a) Inventories  | 15    | 9,886,288                    | 8,777,291                    |
| (b) Trade receivables  | 16    | 69,309,684                   | 73,022,547                   |
| (c) Cash and bank balances   | 17    | 22,651,251                   | 10,324,032                   |
| (d) Short-term loans and advances  | 18    | 20,466,246                   | 18,546,431                   |
| (e) Other current assets   | 19    | 38,067                       | 162,736                      |
| <b>Total</b>   |       | <b>214,055,851</b>           | <b>209,646,439</b>           |
| <b>Summary of significant accounting policies</b>                            | 1     |                              |                              |
| <i>The accompanying notes are an integral parts of financial statements.</i> |       |                              |                              |

As per our report of even date attached

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

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

PLACE : AHMEDABAD  
DATE : 25-05-2017

For and on behalf of the Board of Directors

**Rajesh R. Gandhi**  
Chairman & Managing Director  
DIN: 00009879  
**Ravi Thakkar**  
Chief Financial Officer

**Devanshu L. Gandhi**  
Managing Director  
DIN: 00010146  
**Soham Rawal**  
Company Secretary

PLACE : AHMEDABAD  
DATE : 25-05-2017

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

| PARTICULARS   | NOTES | YEAR ENDED<br>31.03.2017<br>( ₹ ) | YEAR ENDED<br>31.03.2016<br>( ₹ ) |
|---|-------|-----------------------------------|-----------------------------------|
| <b>I INCOME :</b>   |       |                                   |                                   |
| <i>Revenue from operations (Gross)</i>                            |       |                                   |                                   |
| Sale of Products  | 21    | 415,613,223                       | 423,145,612                       |
| Less : Excise Duty  |       | 31,808,145                        | 32,633,240                        |
| Revenue from operations (Net)                                     |       | 383,805,078                       | 390,512,372                       |
| Other Income  | 22    | 5,784,633                         | 4,465,739                         |
| <b>Total Revenue (I)</b>  |       | <b>389,589,711</b>                | <b>394,978,111</b>                |
| <b>II EXPENSES :</b>  |       |                                   |                                   |
| Cost of materials consumed  | 23    | 117,912,727                       | 129,018,227                       |
| Purchase of Stock-in-Trade  |       | 153,319,833                       | 140,879,501                       |
| Changes in inventories of Finished Goods,<br>WIP & Stock in trade | 24    | (1,109,626)                       | 865,974                           |
| Employee Benefit Expense  | 25    | 17,793,056                        | 16,467,660                        |
| Financial Costs   | 26    | 9,579,858                         | 12,094,553                        |
| Depreciation and Amortisation Expense                             | 11    | 11,039,813                        | 11,118,676                        |
| Other Expenses  | 27    | 69,525,994                        | 66,887,478                        |
| <b>Total Expenses (II)</b>  |       | <b>378,061,655</b>                | <b>377,332,069</b>                |
| <b>III Profit before Exceptional Item &amp; tax (I-II)</b>        |       | <b>11,528,055</b>                 | <b>17,646,042</b>                 |
| <b>IV Exceptional Items</b>                                       |       |                                   |                                   |
| Provision for doubtful advances (refer note no.: 32)              |       | -                                 | 47,500,000                        |
| <b>V Profit before tax (III-IV)</b>                               |       | <b>11,528,055</b>                 | <b>(29,853,958)</b>               |
| <b>VI Tax expense:</b>  |       |                                   |                                   |
| (1) Current tax   |       | 4,200,000                         | 6,600,000                         |
| (2) Short(+) / Excess(-) Provision for earlier year               |       | (252,948)                         | 157,575                           |
| (3) Deferred tax  |       | (265,169)                         | 303,396                           |
| <b>VII Profit/(Loss) for the period (V-VI)</b>                    |       | <b>7,846,172</b>                  | <b>(36,914,929)</b>               |
| <b>VIII Earning per equity share: (Face value ₹ 10/- each)</b>    | 30    |                                   |                                   |
| Basic and Diluted   |       | 1.61                              | (7.57)                            |

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

As per our report of even date attached

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

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

PLACE : AHMEDABAD  
DATE : 25-05-2017

For and on behalf of the Board of Directors

**Rajesh R. Gandhi**  
Chairman & Managing Director  
DIN: 00009879  
**Ravi Thakkar**  
Chief Financial Officer

**Devanshu L. Gandhi**  
Managing Director  
DIN: 00010146  
**Soham Rawal**  
Company Secretary

PLACE : AHMEDABAD  
DATE : 25-05-2017

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

| PARTICULARS   | Year Ended<br>31.03.2017<br>( ₹ ) | Year Ended<br>31.03.2016<br>( ₹ ) |
|---|-----------------------------------|-----------------------------------|
| <b>A. CASH FLOW FROM OPERATIVE ACTIVITIES</b>                             |                                   |                                   |
| Net Profit / (Loss) before tax  | 11,528,055                        | (29,853,958)                      |
| Adjustment for :  |                                   |                                   |
| Depreciation  | 11,039,813                        | 11,118,676                        |
| Interest Income   | (1,450,407)                       | (768,158)                         |
| Dividend Income   | (80)                              | (192)                             |
| Interest Paid   | 9,579,858                         | 12,094,553                        |
| (Profit) / Loss on sales of assets  | (1,653,548)                       | (48,825)                          |
| (Profit) / Loss on sales of Investment                                    | (352,000)                         | -                                 |
| (Profit) / Loss from Partnership Firm                                     | (34,490)                          | 14,870                            |
| <b>Operating Profit before working capital changes</b>                    | <b>28,657,201</b>                 | <b>(7,443,034)</b>                |
| Add / Less : Changes in assets and liabilities                            |                                   |                                   |
| (Increase)/ Decrease in Assets  | 3,775,415                         | 56,304,412                        |
| Increase / ( Decrease) in Liabilities                                     | 16,019,612                        | (12,841,030)                      |
| Cash generated from operation   | 48,452,229                        | 36,020,348                        |
| Income tax paid   | (7,053,328)                       | (5,851,779)                       |
| <b>Net cash flow from Operating Activity</b>                              | <b>41,398,901</b>                 | <b>30,168,569</b>                 |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                             |                                   |                                   |
| Purchase of fixed Assets  | (4,700,118)                       | (8,255,394)                       |
| Sales of Fixed Assets   | 2,377,010                         | 48,825                            |
| Sale of Investment  | 572,000                           | -                                 |
| Fixed Deposit with Bank   | (14,591,968)                      | 5,267,255                         |
| Dividend Received   | 80                                | 192                               |
| Interest Received   | 1,450,407                         | 768,158                           |
| <b>Net Cash used in Investing Activities</b>                              | <b>(14,892,589)</b>               | <b>(2,170,964)</b>                |
| <b>C. CASH FLOW USED IN FINANCING ACTIVITIES</b>                          |                                   |                                   |
| Interest Paid   | (9,579,858)                       | (12,094,553)                      |
| Proceed/(Repayment) of Short term borrowings                              | 3,179,500                         | 1,932,342                         |
| Proceed/(Repayment) of Long term borrowings                               | (22,370,703)                      | (17,732,263)                      |
| <b>Net Cash used in Financing Activities</b>                              | <b>(28,771,061)</b>               | <b>(27,894,474)</b>               |
| <b>Net Increase/Decrease in Cash &amp; Cash Equivalents Total (A+B+C)</b> | <b>(2,264,750)</b>                | <b>103,131</b>                    |
| <b>Cash &amp; Cash Equivalents At The Beginning Of The Year</b>           |                                   |                                   |
| 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                           |
|   | <b>10,324,033</b>                 | <b>10,220,902</b>                 |
| <b>Cash &amp; Cash Equivalents At The End Of The Year</b>                 |                                   |                                   |
| Cash on Hand  | 243,517                           | 447,419                           |
| Bank Balance  | 801,696                           | 3,681,789                         |
| Fixed Deposits For Less Than 3 Months                                     | 7,014,070                         | 6,194,824                         |
|   | <b>8,059,283</b>                  | <b>10,324,033</b>                 |

**Notes :**

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 issued by the Institute of Chartered Accountants of India.
- The figures in brackets represent outflows.
- Previous periods figures have been regrouped/ reclassified, wherever necessary, to confirm to current year presentation.

As per our report of even date attached

**FOR R R S & Associates**  
**Chartered Accountants**  
**(Firm Reg. No.: 118336W)**  
**Rajesh R. Shah**  
**( Partner )**  
**Membership No. : 034549**  
**PLACE : AHMEDABAD**  
**DATE : 25-05-2017**

For and on behalf of the Board of Directors

|  |   |
|--|---|
| <b>Rajesh R. Gandhi</b><br>Chairman & Managing Director<br>DIN: 00009879 | <b>Devanshu L. Gandhi</b><br>Managing Director<br>DIN: 00010146 |
| <b>Ravi Thakkar</b><br>Chief Financial Officer                           | <b>Soham Rawal</b><br>Company Secretary                         |

**PLACE : AHMEDABAD**  
**DATE : 25-05-2017**

**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) PROPERTY, PLANTS & EQUIPMENTS:**

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

**(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 realized.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH 2017**

| Particulars  | AS AT             | AS AT             |
|--|-------------------|-------------------|
|  | 31.03.2017        | 31.03.2016        |
|  | ( ₹ )             | ( ₹ )             |
| <b>Note : 2</b>  |                   |                   |
| <b>SHARE CAPITAL</b>   |                   |                   |
| AUTHORIZED SHARES  |                   |                   |
| 1,00,00,000 Equity Shares of ₹10/- each.                       | 100,000,000       | 100,000,000       |
|  | 100,000,000       | 100,000,000       |
| <b>ISSUED , SUBSCRIBED &amp; FULLY PAID UP SHARES ISSUED :</b> |                   |                   |
| 50,09,500 Equity Shares of ₹10/- each                          |                   |                   |
| (P.Y. 50,09,500 Equity Shares of ₹10/- each)                   | 50,095,000        | 50,095,000        |
| <b>SUBSCRIBED &amp; FULLY PAID-UP :</b>                        |                   |                   |
| 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        |
| <b>Total</b>   | <b>48,740,000</b> | <b>48,740,000</b> |

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

| Equity Shares                                     | 31.03.2017       |                   | 31.03.2016       |                   |
|---|------------------|-------------------|------------------|-------------------|
|   | Nos.             | ₹                 | Nos.             | ₹                 |
| <b>At the beginning of the period</b>             | 48,74,000        | 48,740,000        | 48,74,000        | 48,740,000        |
| <b>Add :- Shares issued during the year</b>       | -                | -                 | -                | -                 |
| <b>Less :- Shares Bought back during the year</b> | -                | -                 | -                | -                 |
| <b>Outstanding at the end of the period</b>       | <b>48,74,000</b> | <b>48,740,000</b> | <b>48,74,000</b> | <b>48,740,000</b> |

**b. Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

| Equity Shares of ₹ 10 each fully paid | 31.03.2017 |                          | 31.03.2016 |                          |
|---------------------------------------|------------|--------------------------|------------|--------------------------|
|                                       | No.        | %Holding<br>in the class | No.        | %Holding<br>in the class |
| Vadilal International Pvt.Ltd.        | 2,013,204  | 41.30                    | 2,013,204  | 41.30                    |
| Devanshu L. Gandhi                    | 434,661    | 8.92                     | 434,661    | 8.92                     |
| Vadilal Marketing Pvt.Ltd.            | 423,650    | 8.69                     | 423,650    | 8.69                     |
| Vortex Ice-Cream Pvt.Ltd.             | 383,650    | 7.87                     | 383,650    | 7.87                     |

**Note : 3****RESERVE & SURPLUS**

| Particulars  | AS AT               |                     |
|--|---------------------|---------------------|
|  | 31.03.2017<br>( ₹ ) | 31.03.2016<br>( ₹ ) |
| <b>Capital Reserve</b>   | (A) 1,493,788       | 1,493,788           |
| <b>Securities Premium Account</b>                                | (B) 15,289,734      | 15,289,734          |
| General Reserve  |                     |                     |
| Balance as per last account                                      | 6,960,365           | 6,960,365           |
|  | (C) 6,960,365       | 6,960,365           |
| Surplus /(Deficit) in the Statement of Profit & Loss             |                     |                     |
| Balance as per last Financial Statement                          | (23,854,984)        | 13,059,945          |
| Add : Profit for the year  | 7,846,172           | (36,914,929)        |
| <b>Net surplus/(Deficit) in the statement of profit and loss</b> | (D) (16,008,812)    | (23,854,984)        |
| Total  | (A+B+C+D) 7,735,076 | (111,097)           |

**Note : 4****LONG TERM BORROWINGS**

|   |                    |             |
|---|--------------------|-------------|
| Vehicle Loan (Secured)  |                    |             |
| - From Bank and Financial Institution (Secured against Vehicle) | 3,044,169          | 10,129,180  |
| Less: Current maturities of vehicle loan                        | (3,044,169)        | (7,085,009) |
|   | (A) -              | 3,044,171   |
| Loans & Advances from Related Parties (Unsecured)               |                    |             |
| Veronica Construction Pvt. Ltd. *                               | 83,851,652         | 99,137,344  |
|   | (B) 83,851,652     | 99,137,344  |
| The Above amount includes :                                     |                    |             |
| Secured Borrowing   | 3,044,169          | 10,129,180  |
| Unsecured Borrowing   | 83,851,652         | 99,137,344  |
| Total   | (A + B) 83,851,652 | 102,181,515 |

## Repayment Schedule of Vehicle Loan :

| Particulars         | Rate of Interest | As at 31.03.2017 | 2017-18   | 2018-19 | 2019-20 | 2020-21 |
|---------------------|------------------|------------------|-----------|---------|---------|---------|
| <b>Vehicle Loan</b> | ₹                | ₹                | ₹         | ₹       | ₹       |         |
| ICICI BANK LTD.     | 12.49%           | 3,044,169        | 3,044,169 | -       | -       | -       |
| Total               |                  | 3,044,169        | 3,044,169 | -       | -       | -       |

\* 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               |                     |
|--|---------------------|---------------------|
|  | 31.03.2017<br>( ₹ ) | 31.03.2016<br>( ₹ ) |
| <b>Note : 5</b>  |                     |                     |
| <b>DEFERRED TAX LIABILITY (Net)</b>  |                     |                     |
| <b>Deferred Tax Liability</b>  |                     |                     |
| <b>Arising on accounts of timing difference of :-</b>  |                     |                     |
| Fixed Asset -  |                     |                     |
| Impact of difference between Tax depreciation & Depreciation Charged for Financial Reporting | 8,803,483           | 9,011,280           |
|  | (A) 8,803,483       | 9,011,280           |

| Particulars  | AS AT<br>31.03.2017<br>( ₹ ) | AS AT<br>31.03.2016<br>( ₹ ) |
|--|------------------------------|------------------------------|
| <b>Deferred Tax Assets</b>   |                              |                              |
| Arising on accounts of timing difference of :-                                   |                              |                              |
| Gratuity   | 55,219                       | 4,279                        |
| Leave Encashment   | 614,378                      | 601,094                      |
| Bonus  | 95,319                       | 102,171                      |
|  | (B) 764,916                  | 707,544                      |
| <b>Net Deferred Tax Liability (A-B)</b>  | <b>8,038,567</b>             | <b>8,303,736</b>             |
| <b>Note : 6</b>  |                              |                              |
| <b>LONG TERM PROVISIONS</b>  |                              |                              |
| Provision from Employee Benefits :   |                              |                              |
| - Leave Encashment   | 534,627                      | 602,302                      |
| <b>Total</b>   | <b>534,627</b>               | <b>602,302</b>               |
| <b>Note : 7</b>  |                              |                              |
| <b>SHORT TERM BORROWINGS</b>   |                              |                              |
| <b>Secured Loans</b>   |                              |                              |
| -From Banks ( Bank Overdraft against FD From IDBI Bank-A'bad )                   | 8,531,527                    | 6,073,667                    |
| Cylinder Deposit ( Interest Free )<br>(Against Company Cylinders with Customers) | 25,029,442                   | 24,307,802                   |
| <b>Total</b>   | <b>33,560,968</b>            | <b>30,381,469</b>            |
| <b>Note : 8</b>  |                              |                              |
| <b>TRADE PAYABLES</b>  |                              |                              |
| Micro, Small and Medium Enterprises *  | -                            | -                            |
| Others   | 18,652,212                   | 6,964,284                    |
| <b>Total</b>   | <b>18,652,212</b>            | <b>6,964,284</b>             |

\* 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<br>31.03.2017<br>( ₹ ) | AS AT<br>31.03.2016<br>( ₹ ) |
|---|------------------------------|------------------------------|
| <b>Note : 9</b>   |                              |                              |
| <b>OTHER CURRENT LIABILITIES</b>                                  |                              |                              |
| <b>Current Maturities of Long term borrowings</b>                 |                              |                              |
| - From Banks and Financial Institutions(Secured against Vehicles) | 3,044,169                    | 7,085,009                    |
| Rent Deposit  | 310,500                      | 465,600                      |
| <b>Other Payable</b>  |                              |                              |
| Statutory dues payable*   | 1,565,264                    | 1,362,931                    |
| Advance From Customers  | 5,093,751                    | 1,049,740                    |
| <b>Total</b>  | <b>10,013,684</b>            | <b>9,963,280</b>             |
| <b>The Above amount includes :</b>                                |                              |                              |
| Secured Borrowing   | 3,044,169                    | 7,085,009                    |
| <b>Total</b>  | <b>3,044,169</b>             | <b>7,085,009</b>             |
| * It includes Excise, Vat, Tds, Professional tax, Esi, etc...     |                              |                              |
| <b>Note : 10</b>  |                              |                              |
| <b>SHORT TERM PROVISION</b>                                       |                              |                              |
| <b>Provision for Employee Benefits :</b>                          |                              |                              |
| - Leave Encashment  | 1,453,650                    | 1,342,986                    |
| - Bonus   | 308,476                      | 330,650                      |
| - Gratuity (Net fixed deposit with LIC (Against gratuity) )       | 178,701                      | 13,849                       |
| <b>Others :</b>   |                              |                              |
| - Provision for Expenses  | 988,237                      | 933,465                      |
| <b>Total</b>  | <b>2,929,064</b>             | <b>2,620,950</b>             |

(C.Y.: Total Fixed deposit with LIC Rs.2954267 Less Total gratuity liability of Rs.3132968, Net short balance of Rs.-178701 (2954267-3132968).

(P.Y.: Total Fixed deposit with LIC Rs.2746547 Less Total gratuity liability of Rs.2760396, Net short balance of Rs.-13849 (2746547-2760396).

**Note : 11 Fixed Assets:**

(Amount in ₹)

| PARTICULARS                               | GROSS BLOCK (At Cost)            |                                |                  |                                  | DEPRECIATION BLOCK               |                                |                       |                                  | NET BLOCK                      |                                |
|---|----------------------------------|--------------------------------|------------------|----------------------------------|----------------------------------|--------------------------------|-----------------------|----------------------------------|--------------------------------|--------------------------------|
|   | OPENING<br>BALANCE<br>01.04.2016 | ADDITION<br>DURING<br>THE YEAR | DEDUCTION        | CLOSING<br>BALANCE<br>31.03.2017 | OPENING<br>BALANCE<br>01.04.2016 | PROVIDED<br>DURING<br>THE YEAR | DEDUCTION<br>TRANSFER | CLOSING<br>BALANCE<br>31.03.2017 | BALANCE<br>AS ON<br>31.03.2017 | BALANCE<br>AS ON<br>31.03.2016 |
| <b>Property, Plants &amp; Equipments:</b> |                                  |                                |                  |                                  |                                  |                                |                       |                                  |                                |                                |
| LAND                                      | 11,529,749                       | -                              | -                | 11,529,749                       | -                                | -                              | -                     | -                                | 11,529,749                     | 11,529,749                     |
| FACTORY BUILDING                          | 18,412,524                       | 2,451,861                      | -                | 20,864,385                       | 9,949,422                        | 665,198                        | -                     | 10,614,620                       | 10,249,765                     | 8,463,102                      |
| OFFICE BUILDING                           | 6,821,873                        | -                              | -                | 6,821,873                        | 2,074,572                        | 115,914                        | -                     | 2,190,486                        | 4,631,387                      | 4,747,301                      |
| CARPETED ROAD (RCC)                       | 11,344,554                       | -                              | -                | 11,344,554                       | 1,793,372                        | 1,134,455                      | -                     | 2,927,827                        | 8,416,727                      | 9,551,182                      |
| PLANT & MACHINERY                         | 22,710,981                       | 504,146                        | 180,617          | 23,034,510                       | 14,569,164                       | 608,731                        | 180,617               | 14,997,278                       | 8,037,232                      | 8,141,817                      |
| FURNITURE                                 | 7,242,499                        | 69,575                         | -                | 7,312,074                        | 6,083,836                        | 260,025                        | -                     | 6,343,861                        | 968,213                        | 1,158,663                      |
| OFFICE EQUIPMENT                          | 3,307,830                        | 119,467                        | -                | 3,427,297                        | 3,107,191                        | 106,750                        | -                     | 3,213,941                        | 213,356                        | 200,639                        |
| COMPUTER                                  | 4,795,168                        | 332,375                        | -                | 5,127,543                        | 4,613,106                        | 129,422                        | -                     | 4,742,528                        | 385,015                        | 182,062                        |
| GAS CYLINDERS & TANKS                     | 220,979,545                      | 590,955                        | 5,017,922        | 216,552,578                      | 195,133,239                      | 2,311,591                      | 4,964,756             | 192,480,074                      | 24,072,504                     | 25,846,306                     |
| TRANSPORT VEHICLE                         | 69,997,818                       | -                              | 3,260,058        | 66,737,760                       | 47,101,873                       | 5,510,333                      | 2,589,762             | 50,022,444                       | 16,715,316                     | 22,895,945                     |
| <b>TOTAL</b>                              | <b>377,142,541</b>               | <b>4,068,379</b>               | <b>8,458,597</b> | <b>372,752,323</b>               | <b>284,425,774</b>               | <b>10,842,419</b>              | <b>7,735,135</b>      | <b>287,533,059</b>               | <b>85,219,264</b>              | <b>92,716,767</b>              |
| INTEGIBLE ASSETS                          | 553,680                          | 631,739                        | -                | 1,185,419                        | 363,794                          | 197,394                        | -                     | 561,188                          | 624,231                        | 189,886                        |
| <b>GRAND TOTAL (16-17)</b>                | <b>377,696,221</b>               | <b>4,700,118</b>               | <b>8,458,597</b> | <b>373,937,742</b>               | <b>284,789,568</b>               | <b>11,039,813</b>              | <b>7,735,135</b>      | <b>288,094,247</b>               | <b>85,843,495</b>              | <b>92,906,653</b>              |
| Previous Year (15-16)                     | 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                     |

**Note : 12****NON - CURRENT INVESTMENT**

| Particulars   | No. of<br>Shares | AS AT<br>31.03.2017<br>( ₹ ) | AS AT<br>31.03.2016<br>( ₹ ) |
|---|------------------|------------------------------|------------------------------|
| <b>Trade Investments (valued at cost unless stated otherwise)</b> |                  |                              |                              |
| <b>Investment in Equity Instruments</b>                           |                  |                              |                              |
| <b>In Equity Shares of Associate Company</b>                      |                  |                              |                              |
| <b>Quoted, fully paid up</b>                                      |                  |                              |                              |
| Vadilal Enterprise Ltd of ₹ 10/- each                             | 100<br>(100)     | 1,835                        | 1,835                        |
| <b>Others</b>   |                  |                              |                              |
| Maharashtra Polybotens Ltd of ₹ 1/- each                          | 150<br>(150)     | 12,350                       | 12,350                       |
| Unimers India Ltd of ₹ 10/- each                                  | 200<br>(200)     | 7,250                        | 7,250                        |
| <b>Total (a)</b>  |                  | <b>21,435</b>                | <b>21,435</b>                |
| <b>Unquoted, fully paid-up</b>                                    |                  |                              |                              |
| <b>Others</b>   |                  |                              |                              |
| Vadilal Forex and Consultancy Services Ltd of ₹ 10/- each         | 48000<br>(70000) | 480,000                      | 700,000                      |
| Kalpiti Realty & Services Ltd of ₹ 10/- each                      | 30000<br>(30000) | 3,000                        | 3,000                        |
| <b>Total (b)</b>  |                  | <b>483,000</b>               | <b>703,000</b>               |
| <b>Total (a + b)</b>  |                  | <b>504,435</b>               | <b>724,435</b>               |
| <b>Investment in Partnership Firm</b>                             |                  |                              |                              |
| M/s. Vadilal Cold Storage *(Refer Note below)                     |                  | 2,940,000                    | 2,940,000                    |
| <b>Total (c)</b>  |                  | <b>2,940,000</b>             | <b>2,940,000</b>             |
| <b>Grand Total (a+b+c)</b>  |                  | <b>3,444,435</b>             | <b>3,664,435</b>             |
| <b>Aggregate market value of quoted investments</b>               |                  | <b>65,161</b>                | <b>57,051</b>                |
| <b>Aggregate total quoted investments</b>                         |                  | <b>21,435</b>                | <b>21,435</b>                |
| <b>Aggregate total Unquoted investments</b>                       |                  | <b>483,000</b>               | <b>703,000</b>               |

Note : Figures in brackets are related to Previous Year.



| Particulars  | AS AT<br>31.03.2017<br>( ₹ ) | AS AT<br>31.03.2016<br>( ₹ ) |
|--|------------------------------|------------------------------|
| <b>*Details of Investment in Partnership Firm -</b>  |                              |                              |
| The company continues to be a partner in the following partnership firm.<br>The details Regarding investment in the total capital of the Partnership firm as well as Profit/Loss Sharing ratio of the company along with other Partners is stated hereunder. |                              |                              |
| <b>Investment in Vadilal Cold Storage</b>  |                              |                              |
| Total Capital of the Firm  | 16,940,000                   | 16,940,000                   |
| <b>Investment in :-</b>  |                              |                              |
| Capital Account  | 2,940,000                    | 2,940,000                    |
| Current Account (Refer Note 13 Long Term Loans & Advances)   | 583,467                      | 548,977                      |
|  | <u>3,523,467</u>             | <u>3,488,977</u>             |
| Name of the partners and share in profit (%)   |                              |                              |
| M/s. Vadilal Chemicals Limited   | 2%                           | 2%                           |
| M/s. Vadilal Industries Limited  | 98%                          | 98%                          |
| <b>Note : 13</b>   |                              |                              |
| <b>LONG TERM LOANS AND ADVANCES</b>  |                              |                              |
| <b>Unsecured, Considered good unless otherwise stated</b>  |                              |                              |
| Security Deposit   | 1,306,872                    | 1,302,938                    |
| <b>Other Loans and advances</b>  |                              |                              |
| Advance to Vadilal Cold Storage<br>(Balance in current account with Firm in which company is a partner )   | 583,467                      | 548,977                      |
| Prepaid Expenses   | 323,615                      | 56,545                       |
| Loans to Employees   | 78,000                       | 215,000                      |
| Security Deposit with Sales tax Authorities  | 35,500                       | 35,500                       |
| <b>Total</b>   | <u>2,327,454</u>             | <u>2,158,960</u>             |
| <b>Note : 14</b>   |                              |                              |
| <b>OTHER NON CURRENT ASSETS</b>  |                              |                              |
| Unsecured, Considered good unless otherwise stated   |                              |                              |
| In Margin Money Deposit (Against Bank Guaratnee)   | 88,930                       | 83,354                       |
| <b>Total</b>   | <u>88,930</u>                | <u>83,354</u>                |
| <b>Note : 15</b>   |                              |                              |
| <b>INVENTORIES</b>   |                              |                              |
| Raw Material   | 2,404,218                    | 2,474,257                    |
| Finished Goods   | 750,474                      | 885,508                      |
| Stock-in-Trade   | 5,794,205                    | 4,549,545                    |
| Stores & Spares  | 932,004                      | 862,448                      |
| Share Of RPL   | 5,387                        | 5,533                        |
| <b>Total</b>   | <u>9,886,288</u>             | <u>8,777,291</u>             |
| <b>Note : 16</b>   |                              |                              |
| <b>TRADE RECEIVABLES</b>   |                              |                              |
| <b>Outstanding for a period exceeding six months from the date they are due for payment</b>  |                              |                              |
| a) Unsecured, Considered Good :  | 2,838,156                    | 3,582,063                    |
| <b>Others</b>  |                              |                              |
| a) Unsecured, Considered Good :  | 66,471,528                   | 69,440,484                   |
| <b>Total</b>   | <u>69,309,684</u>            | <u>73,022,547</u>            |

| Particulars  | AS AT<br>31.03.2017<br>( ₹ ) | AS AT<br>31.03.2016<br>( ₹ ) |
|--|------------------------------|------------------------------|
| <b>Note : 17</b>   |                              |                              |
| <b>CASH &amp; BANK BALANCES</b>  |                              |                              |
| <b>Balances with banks</b>   |                              |                              |
| <b>Cash and Cash equivalents</b>   |                              |                              |
| Balance with Bank -In current account  | 801,696                      | 3,681,789                    |
| Cash on hand   | 243,517                      | 447,419                      |
| <b>Others</b>  |                              |                              |
| In Fixed Deposit with original maturity of less than three months  | 7,014,070                    | 6,194,824                    |
| <b>(A)</b>   | <b>8,059,283</b>             | <b>10,324,032</b>            |
| <b>Other Bank Balance</b>  |                              |                              |
| In Fixed Deposit with for more than 3 months but less than 12 months   | 14,591,968                   | -                            |
| <b>(B)</b>   | <b>14,591,968</b>            | <b>-</b>                     |
| In Margin Money Deposit (Against Bank Guaratnee)   | 88,930                       | 83,354                       |
| <b>Less : Transferred to Other Non Current Assets</b>  | <b>(88,930)</b>              | <b>(83,354)</b>              |
| <b>(C)</b>   | <b>-</b>                     | <b>-</b>                     |
| <b>Total [ A + B + C ]</b>   | <b>22,651,251</b>            | <b>10,324,032</b>            |
| <b>Note : 18</b>   |                              |                              |
| <b>SHORT TERM LOANS AND ADVANCES</b>   |                              |                              |
| <b>Unsecured, Considered good unless otherwise stated</b>  |                              |                              |
| <b>Other Loans and advances</b>  |                              |                              |
| Advance to Suppliers   | 9,543,727                    | 10,352,271                   |
| Advance to Drivers/Staff   | 77,736                       | 24,151                       |
| Prepaid Expenses   | 2,997,759                    | 2,890,166                    |
| Loans to Employees   | 146,500                      | 210,051                      |
| Balance with Excise/Sales tax Authorities  | 2,527,629                    | 3,003,172                    |
| Advance Income Tax (Net of Provision)  | 5,172,896                    | 2,066,620                    |
| <b>Total</b>   | <b>20,466,246</b>            | <b>18,546,431</b>            |
| <b>Note : 19</b>   |                              |                              |
| <b>OTHER CURRENT ASSETS</b>  |                              |                              |
| <b>Unsecured, Considered good unless otherwise stated</b>  |                              |                              |
| The New India Insurance Claim Receivable   | 38,067                       | 162,736                      |
| <b>Unsecured, Considered doubtful</b>  |                              |                              |
| Success Vyapar Limited   | -                            | 47,500,000                   |
| Less: Provision for doubtful advance (refer note no.:32)   | -                            | (47,500,000)                 |
| <b>Total</b>   | <b>38,067</b>                | <b>162,736</b>               |
| <b>Note : 20</b>   |                              |                              |
| <b>CONTINGENT LIABILITIES (To the extent not provided for)</b>   |                              |                              |
| 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                    |
| v) Excise Duty & Penalty   | 537,715                      | 4,206,369                    |
| b. Guarantees  |                              |                              |
| i) Bank Guarantees Outstanding   | 403,630                      | 403,630                      |
| <b>Total</b>   | <b>4,002,121</b>             | <b>8,935,729</b>             |
| 1) Rs. 37,00,000 Excise duty supreme court case:<br>- Order Receivd from Supreme Court of India as on 12-01-2017 in our favour & win the case.                       |                              |                              |
| 2) Rs. 12,64,954 J.K. Engg. Works case:<br>- Order Receivd from The District Court, Thane as on 01-10-2016 in our favour & settle matter with Rs. 13,22,000 Receipt. |                              |                              |

| Particulars                               | YEAR ENDED<br>31.03.2017<br>( ₹ ) | YEAR ENDED<br>31.03.2016<br>( ₹ ) |
|---|-----------------------------------|-----------------------------------|
| <b>Note : 21</b>                          |                                   |                                   |
| <b>REVENUE FROM OPERATIONS</b>            |                                   |                                   |
| Sale of Products                          | 413,746,684                       | 421,162,782                       |
| Other Operating Revenues :                |                                   |                                   |
| Net Cylinder Rent                         | 1,866,539                         | 1,982,830                         |
| <b>Total</b>                              | <b>415,613,223</b>                | <b>423,145,612</b>                |
| <b>Note : 22</b>                          |                                   |                                   |
| <b>OTHER INCOME</b>                       |                                   |                                   |
| Interest Income                           | 1,450,407                         | 768,158                           |
| Dividend Income                           | 80                                | 192                               |
| Net gain on sale of assets                | 1,653,548                         | 48,825                            |
| Profit On Sale of Investment              | 352,000                           | -                                 |
| Profit From Partenership Firm             | 34,490                            | -                                 |
| <b>Other Non-operating income</b>         |                                   |                                   |
| Office Rent Income                        | 1,136,296                         | 1,663,292                         |
| Other Income                              | 605,822                           | 1,168,520                         |
| Sundry Balance Written-back               | 284,382                           | 816,752                           |
| Interest on Income Tax Refund             | 267,608                           | -                                 |
| <b>Total</b>                              | <b>5,784,633</b>                  | <b>4,465,739</b>                  |
| <b>Note : 23</b>                          |                                   |                                   |
| <b>COST OF MATERIAL CONSUMED</b>          |                                   |                                   |
| Opening Stock of Raw Material             | 2,474,257                         | 4,106,655                         |
| Add: Purchased During the year            | 117,842,688                       | 127,385,829                       |
|   | 120,316,945                       | 131,492,484                       |
| Less: Closing Stock                       | 2,404,218                         | 2,474,257                         |
| <b>Total</b>                              | <b>117,912,727</b>                | <b>129,018,227</b>                |
| <b>Note : 24</b>                          |                                   |                                   |
| <b>CHANGE IN INVENTORIES</b>              |                                   |                                   |
| <b>Opening Stock</b>                      |                                   |                                   |
| Finished Goods                            | 885,508                           | 784,312                           |
| Stock in Trade                            | 4,549,545                         | 5,516,715                         |
| <b>Total (A)</b>                          | <b>5,435,053</b>                  | <b>6,301,027</b>                  |
| <b>Closing Stock</b>                      |                                   |                                   |
| Finished Goods                            | 750,474                           | 885,508                           |
| Stock in Trade                            | 5,794,205                         | 4,549,545                         |
| <b>Total (B)</b>                          | <b>6,544,679</b>                  | <b>5,435,053</b>                  |
| <b>Total (A-B)</b>                        | <b>(1,109,626)</b>                | <b>865,974</b>                    |
| <b>Note : 25</b>                          |                                   |                                   |
| <b>EMPLOYMENT BENEFIT EXPENSES</b>        |                                   |                                   |
| Salaries and wages                        | 14,307,047                        | 13,013,175                        |
| Contributions to Provident and other fund | 1,556,489                         | 1,492,046                         |
| Staff welfare expenses                    | 1,929,520                         | 1,962,439                         |
| <b>Total</b>                              | <b>17,793,056</b>                 | <b>16,467,660</b>                 |
| <b>Note : 25.1</b>                        |                                   |                                   |
| <b>EMPLOYEE BENEFITS</b>                  |                                   |                                   |

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

**Gratuity plan**

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

| Particulars  | 31.03.17<br>(Funded)<br>( ₹ ) | 31.03.16<br>(Funded)<br>( ₹ ) |
|--|-------------------------------|-------------------------------|
| <b>Change in present value of obligations</b>  |                               |                               |
| Obligations at beginning of the year   | 2,760,396                     | 2,342,568                     |
| Service cost   | 200,597                       | 183,262                       |
| Interest cost  | 222,764                       | 186,468                       |
| Actuarial (gain) / loss  | 49,839                        | 66,410                        |
| Benefits paid  | (100,628)                     | (18,312)                      |
| Obligation at the end of the year  | <u>3,132,968</u>              | <u>2,760,396</u>              |
| <b>Reconciliation of opening and closing of Fair value of Plan Assets</b>              |                               |                               |
|  | LIC 1994-96                   | LIC 1994-96                   |
| Fair value of Plan assets at beginning of the year                                     | 2,746,547                     | 2,532,389                     |
| Expected return of plan asset  | 221,646                       | 201,578                       |
| Actuarial gain/ (loss) on plan Assets  | (33,054)                      | (7,166)                       |
| Contribution   | 19,128                        | 19,746                        |
| Benefits paid  | -                             | -                             |
| Fair value of plan assets at end of the year   | 2,954,267                     | 2,746,547                     |
| Total Actuarial gain/ (loss) to be recognized  | 82,893                        | 73,576                        |
| <b>Reconciliation of present value of the obligation and fair value of plan assets</b> |                               |                               |
| Present value of the defined benefit obligation at the end of the year                 | 3,132,968                     | 2,760,396                     |
| Fair value of plan assets at the end of the year                                       | <u>2,954,267</u>              | <u>2,746,547</u>              |
| Funded status amount of Assets recognized in the balance sheet                         | 178,701                       | 13,849                        |
| <b>Gratuity cost for the year</b>  |                               |                               |
| Service cost   | 200,597                       | 183,262                       |
| Interest cost  | 222,764                       | 186,468                       |
| Expected return of plan asset  | (221,646)                     | (201,578)                     |
| Actuarial gain/ (loss) on plan Assets  | 82,893                        | 73,576                        |
| Net gratuity cost  | <u>284,608</u>                | <u>241,728</u>                |
| <b>Assumptions (LIC 1994-96)</b>   |                               |                               |
| Interest rate  | 7.52%                         | 8.07%                         |
| Estimated rate of return of plan assets  | 7.52%                         | 8.07%                         |
| Rate of growth in salary levels  | 6.00%                         | 6.00%                         |
| Amounts for the Current & Previous four periods are as follows                         |                               |                               |

| Particulars                              | 31.03.17  | 31.03.16  | 31.03.15  | 31.03.14  | 31.03.13  |
|--|-----------|-----------|-----------|-----------|-----------|
| Defined Benefit Obligation               | 3,132,968 | 2,760,396 | 2,342,568 | 1,891,351 | 1,659,059 |
| Plan Assets                              | 2,954,267 | 2,746,547 | 2,532,389 | 2,282,531 | 2,138,202 |
| Surplus/ (Deficit)                       | 178,701   | 13,849    | (189,821) | (391,180) | (479,143) |
| Experience adjustments on plan liability | -         | -         | -         | -         | -         |
| Experience adjustments on plan assets    | 178,701   | 13,849    | (189,821) | (391,180) | (479,143) |

**Leave Encashment Plan**

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

| Particulars                                   | 31.03.17<br>(Funded)<br>( ₹ ) | 31.03.16<br>(Funded)<br>( ₹ ) |
|---|-------------------------------|-------------------------------|
| <b>Change in present value of obligations</b> |                               |                               |
| Obligations at beginning of the year          | 1,945,288                     | 1,900,940                     |
| Service cost                                  | 152,853                       | 145,226                       |
| Interest cost                                 | 156,985                       | 151,315                       |
| Actuarial (gain) / loss                       | (193,066)                     | (194,409)                     |
| Benefits paid                                 | (73,783)                      | (57,784)                      |
| Obligation at the end of the year             | <u>1,988,277</u>              | <u>1,945,288</u>              |

|  |           |           |
|--|-----------|-----------|
| <b>Change in Plan assets</b>   |           |           |
| Fair value of Plan assets at beginning of the year                                     | -         | -         |
| Expected return of plan asset  | -         | -         |
| Actuarial gain/ (loss) on plan Assets  | (73,783)  | (57,784)  |
| Contribution   | 73,783    | 57,784    |
| Benefits paid  | -         | -         |
|  | -         | -         |
| Total Actuarial gain/ (loss) to be recognized  | 193,066   | 194,409   |
| <b>Reconciliation of present value of the obligation and fair value of plan assets</b> |           |           |
| Present value of the defined benefit obligation at the end of the year                 | 1,988,277 | 1,945,288 |
| Fair value of plan assets at the end of the year                                       | -         | -         |
| UnFunded status amount of Assets recognized in the balance sheet                       | 1,988,277 | 1,945,288 |
| <b>Leave Encashment cost for the year</b>  |           |           |
| Service cost   | 152,853   | 145,226   |
| Interest cost  | 156,985   | 151,315   |
| Expected return of plan asset  | -         | -         |
| Actuarial gain/ (loss) on plan Assets  | (193,066) | (194,409) |
| Net leave encashment cost  | 116,772   | 102,132   |
| Assumptions  |           |           |
| Interest rate  | 7.52%     | 8.07%     |
| 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                              | 31.03.17<br>₹ | 31.03.16<br>₹ | 31.03.15<br>₹ | 31.03.14<br>₹ | 31.03.13<br>₹ |
|--|---------------|---------------|---------------|---------------|---------------|
| Defined Benefit Obligation               | -             | -             | -             | -             | -             |
| Plan Assets                              | 1,988,277     | 1,945,288     | 1,900,940     | 1,555,959     | 1,386,105     |
| Surplus/ (Deficit)                       | -             | -             | -             | -             | -             |
| Experience adjustments on plan liability | 1,988,277     | 1,945,288     | 1,900,940     | 1,555,959     | 1,386,105     |
| Experience adjustments on plan assets    | -             | -             | -             | -             | -             |

| Particulars | YEAR ENDED<br>31.03.2017<br>(₹) | YEAR ENDED<br>31.03.2016<br>(₹) |
|-------------|---------------------------------|---------------------------------|
|-------------|---------------------------------|---------------------------------|

**Note : 26****FINANCIAL COST****Interest Expenses**

|                         |           |            |
|-------------------------|-----------|------------|
| Interest on Bank        | 763,284   | 1,427,218  |
| Interest on Other loans | 8,765,106 | 10,637,419 |
|                         | 9,528,390 | 12,064,637 |

**Other borrowing costs**

|              |                  |                   |
|--------------|------------------|-------------------|
| Bank Charges | 51,468           | 29,916            |
| <b>Total</b> | <b>9,579,858</b> | <b>12,094,553</b> |

**Note : 27****OTHER EXPENSES****Plant Operation Charges**

|                         |         |         |
|-------------------------|---------|---------|
| Cylinder Filling Labour | 860,795 | 754,066 |
|-------------------------|---------|---------|

**Consumption of Stores and Spares Parts**

|                                 |           |           |
|---------------------------------|-----------|-----------|
| Opening Stores and Spares       | 862,448   | 786,990   |
| Add: Purchase during the year   | 1,503,640 | 1,358,015 |
| Less: Closing Stores and Spares | 932,004   | 862,448   |
|                                 | 1,434,084 | 1,282,557 |

|                              |         |         |
|------------------------------|---------|---------|
| Water charges                | 434,631 | 425,008 |
| Factory Electricity Expenses | 730,847 | 672,467 |
| Factory Expenses             | 591,994 | 430,879 |

| Particulars                                  | YEAR ENDED<br>31.03.2017<br>( ₹ ) | YEAR ENDED<br>31.03.2016<br>( ₹ ) |
|--|-----------------------------------|-----------------------------------|
| <b>Repairs on</b>                            |                                   |                                   |
| Cylinders                                    | 1,438,336                         | 1,528,918                         |
| Plant and machinery                          | 464,602                           | 334,933                           |
| Building                                     | 29,396                            | 10,460                            |
| Others                                       | 736,592                           | 489,115                           |
| <b>(A)</b>                                   | <b>6,721,277</b>                  | <b>5,928,403</b>                  |
| <b>Administrative Expenses</b>               |                                   |                                   |
| Rent, Rates & Taxes                          | 1,023,037                         | 992,577                           |
| Insurance Expenses                           | 1,526,719                         | 1,386,645                         |
| Postage & Telephone Expenses                 | 1,109,547                         | 1,203,510                         |
| Legal & Professional Charges                 | 5,708,905                         | 8,100,078                         |
| Listing & Roc Filling Fees                   | 65,925                            | 88,157                            |
| Travelling Expenses                          | 1,422,383                         | 1,451,025                         |
| Security Service Charges                     | 1,475,790                         | 1,328,562                         |
| Office Expenses                              | 1,657,291                         | 1,728,347                         |
| Office Electricity Expenses                  | 257,153                           | 304,899                           |
| Other administrative Expenses                | 253,477                           | 293,150                           |
| Change in excise duty on inventory           | 16,192                            | (18,941)                          |
| Prior period Expense                         | 728,587                           | 203,627                           |
| Sundry Balances & Bad-debts written off      | 1,497,256                         | 433,414                           |
| Sales Tax /Service Tax/ Excise duty Expenses | 1,170,370                         | 831,171                           |
| Loss From Partnership Firm (Net)             | -                                 | 14,870                            |
| Penalty Expense                              | 18,800                            | 30,670                            |
| <b>Payment to Auditor</b>                    |                                   |                                   |
| <b>As auditor :</b>                          |                                   |                                   |
| Audit Fees                                   | 210,000                           | 210,000                           |
| Tax Audit Fees                               | 100,000                           | 100,000                           |
| <b>Other service</b>                         | <b>40,000</b>                     | <b>40,000</b>                     |
|  | <b>350,000</b>                    | <b>350,000</b>                    |
| Donation                                     | -                                 | 4,100                             |
| Conveyance Expenses                          | 636,555                           | 601,126                           |
| Printing & Stationery Expenses               | 652,584                           | 665,017                           |
| Director Sitting Fees                        | 240,000                           | 236,800                           |
| Membership Fees                              | 3,000                             | 50,134                            |
| <b>(B)</b>                                   | <b>19,813,571</b>                 | <b>20,278,938</b>                 |
| <b>Selling and Distribution Expenses</b>     |                                   |                                   |
| Transport & Vehicle Tax Expenses             | 37,462,702                        | 34,882,033                        |
| Transport Vehicle Repairs                    | 5,427,167                         | 5,680,544                         |
| Advertisement & Sales Promotion Expenses     | 101,277                           | 117,560                           |
| <b>(C)</b>                                   | <b>42,991,146</b>                 | <b>40,680,137</b>                 |
| <b>Total (A+B+C).....</b>                    | <b>69,525,994</b>                 | <b>66,887,478</b>                 |

**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**

As per AS-18 "Related Parties Disclosure", there are no transactions with related parties during the year.

**Note : 30****EARNING PER SHARE (EPS) AS PER ACCOUNTING STANDARD - 20**

| Particulars   | 2016-17<br>₹ | 2015-16<br>₹ |
|---|--------------|--------------|
| Net Profit/(Loss) for the year  | 7,846,172    | (36,914,929) |
| 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  | 1.61         | (7.57)       |

**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**

In the Previous Year (i.e. FY: 2015-16), 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 :

- To make a provision for Rs. 4,75,00,000/- as the recovery from M/s Success Vyapar Limited, Kolkatta 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, 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 :-****(in ₹)**

| Product                            | 2016-17            | 2015-16            |
|------------------------------------|--------------------|--------------------|
| Ammonia Gas                        | 117,912,727        | 129,018,227        |
| <b>Note : 33.2</b>                 |                    |                    |
| <b>Goods Purchased (Traded) :-</b> |                    |                    |
| Ammonia Tanker                     | 30,506,032         | 28,748,416         |
| Other Gases & Gas Mixtures         | 118,774,165        | 110,865,473        |
| Gas Cylinder                       | 4,039,636          | 1,265,612          |
| <b>Total....</b>                   | <b>153,319,833</b> | <b>140,879,501</b> |

**Note : 33.3****Sales , Opening & Closing stock of Finished goods :-****(in ₹)**

| Product          | Sales              |                    | Opening stock  |                | Closing stock  |                |
|------------------|--------------------|--------------------|----------------|----------------|----------------|----------------|
|                  | 2016-17            | 2015-16            | 2016-17        | 2015-16        | 2016-17        | 2015-16        |
| Ammonia Gas      | 114,485,422        | 120,317,508        | 389,371        | 195,938        | 362,147        | 389,371        |
| Liquor Ammonia   | 63,408,742         | 68,203,999         | 496,137        | 588,374        | 388,327        | 496,137        |
| <b>Total....</b> | <b>177,894,164</b> | <b>188,521,507</b> | <b>885,508</b> | <b>784,312</b> | <b>750,474</b> | <b>885,508</b> |

**Note : 33.4****Sales , Opening & Closing stock of Traded goods :-****(Amt. in ₹)**

| Product                    | Sales              |                    | Opening stock    |                  | Closing stock    |                  |
|----------------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|
|                            | 2016-17            | 2015-16            | 2016-17          | 2015-16          | 2016-17          | 2015-16          |
| Ammonia Tanker             | 30,531,600         | 29,060,718         | —                | —                | —                | —                |
| Other Gases & Gas Mixtures | 199,087,537        | 199,355,832        | 1,239,277        | 1,319,435        | 1,832,297        | 1,239,277        |
| Gas Cylinder               | 6,233,383          | 4,224,725          | 3,310,268        | 4,197,278        | 3,961,908        | 3,310,268        |
| <b>Total....</b>           | <b>235,852,520</b> | <b>232,641,275</b> | <b>4,549,545</b> | <b>5,516,713</b> | <b>5,794,205</b> | <b>4,549,545</b> |

**Note : 33.5****Closing Stock of Raw-Material Components :- (in ₹)**

| Product     | Raw-Material Components |           |
|-------------|-------------------------|-----------|
|             | 2016-17                 | 2015-16   |
| Ammonia Gas | 2,404,218               | 2,474,257 |

**Note : 33.6****Details of Share ( Sale & Purchase ) During the Period 01.04.16 to 31.03.17 :- (Amt. in ₹)**

| Name               | Opening    |              | Purchase |          | Sale     |          | Profit(+)<br>/ Loss(-) | Surplus(+)<br>/ Erosion(-) | Closing    |              |
|--------------------|------------|--------------|----------|----------|----------|----------|------------------------|----------------------------|------------|--------------|
|                    | Nos.       | Value        | Nos.     | Value    | Nos.     | Value    |                        |                            | Nos.       | Value        |
| Reliance Power Ltd | 112        | 5,533        | -        | -        | -        | -        | -                      | (146)                      | 112        | 5,387        |
| <b>Total</b>       | <b>112</b> | <b>5,533</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>               | <b>(146)</b>               | <b>112</b> | <b>5,387</b> |

**Note : 34**

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

**Note : 35****Specified Bank Notes (SBN):-**

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:- (Amt. in ₹)

| Particulars                               | SBNs    | Other Denomination Notes | Total     |
|---|---------|--------------------------|-----------|
| Closing Balance as at 8th November -2016  | 252,000 | 377,106                  | 629,106   |
| Add: Withdrawal from bank accounts        | -       | 1,568,000                | 1,568,000 |
| Add: Receipts from permitted transactions | -       | 233,525                  | 233,525   |
| Less: Paid for permitted transactions     | -       | 1,859,344                | 1,859,344 |
| Less: Deposited in bank accounts          | 252,000 | 2,022                    | 254,022   |
| Closing Balance as at 30th December -2016 | -       | 317,265                  | 317,265   |

**Signature to Notes 1 to 35****FOR R R S & Associates****Chartered Accountants****(Firm Reg. No.: 118336W)****Rajesh R. Shah****(Partner)****Membership No. : 034549****PLACE : AHMEDABAD****DATE : 25-05-2017****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 : 25-05-2017****Devanshu L. Gandhi****Managing Director****DIN: 00010146****Soham Rawal****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 jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2017, 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 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 relevant rules issued thereunder.

The respective Board of Directors of the Company and its 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 jointly controlled entity as at 31st March, 2017, 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 jointly control entity, whose financial statements reflects total assets of Rs 391.79 lacs, total revenues of Rs 227.80 lacs and net cash flows amount to Rs. 0.07 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 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 relevant rules issued thereunder;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017, taken on record by the Board of Holding Director of the Company none of the director is disqualified as on March 31, 2017, 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.
- 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.
  - iv. The company has provided requisite disclosures in standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 40 other financial statements.

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

**RAJESH R SHAH**  
PARTNER

PLACE: AHMEDABAD.

DATE : 26/08/2017.

MEMBERSHIP NO. 034549.

**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 reporting of **Vadilal Chemicals Limited** ("the Company") as on 31 March 2017 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 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and 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 2017, 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

PLACE: AHMEDABAD.  
DATE : 26/08/2017.

**RAJESH R SHAH**  
PARTNER  
MEMBERSHIP NO. 034549.

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

| PARTICULARS                        | NOTES | AS AT<br>31.03.2017<br>(₹) | AS AT<br>31.03.2016<br>(₹) |
|------------------------------------|-------|----------------------------|----------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |       |                            |                            |
| <b>(1) Shareholder's Funds</b>     |       |                            |                            |
| (a) Share Capital                  | 2     | 48,740,000                 | 48,740,000                 |
| (b) Reserves and Surplus           | 3     | 8,556,243                  | 1,086,439                  |
| <b>(2) Non-Current Liabilities</b> |       |                            |                            |
| (a) Long-Term Borrowings           | 4     | 83,851,652                 | 102,181,515                |
| (b) Deferred Tax Liabilities (Net) | 5     | 8,038,567                  | 8,303,736                  |
| (c) Long Term Provisions           | 6     | 534,627                    | 602,302                    |
| <b>(3) Current Liabilities</b>     |       |                            |                            |
| (a) Short-Term Borrowings          | 7     | 33,560,968                 | 30,381,469                 |
| (b) Trade Payables                 | 8     | 18,653,068                 | 6,965,794                  |
| (c) Other Current Liabilities      | 9     | 10,016,559                 | 10,022,825                 |
| (d) Short-Term Provisions          | 10    | 2,968,786                  | 2,655,343                  |
| <b>Total</b>                       |       | <b>214,920,471</b>         | <b>210,939,422</b>         |
| <b>II. ASSETS</b>                  |       |                            |                            |
| <b>(1) Non-Current Assets</b>      |       |                            |                            |
| (a) Fixed Assets                   | 11    |                            |                            |
| Property, Plants & Equipments      |       | 85,468,699                 | 92,965,681                 |
| Intangible Assets                  |       | 624,231                    | 189,886                    |
| (b) Non-current investments        | 12    | 1,325,603                  | 1,921,971                  |
| (c) Long term loans and advances   | 13    | 1,743,987                  | 1,609,983                  |
| (d) Other non-current assets       | 14    | 88,930                     | 83,354                     |
| (e) Goodwill on Consolidation      | 14    | 2,783,333                  | 2,783,333                  |
| <b>(2) Current Assets</b>          |       |                            |                            |
| (a) Inventories                    | 15    | 9,886,288                  | 8,777,291                  |
| (b) Trade receivables              | 16    | 69,333,335                 | 73,047,273                 |
| (c) Cash and bank balances         | 17    | 22,691,918                 | 10,357,886                 |
| (d) Short-term loans and advances  | 18    | 20,936,079                 | 19,040,028                 |
| (e) Other current assets           | 19    | 38,067                     | 162,736                    |
| <b>Total</b>                       |       | <b>214,920,471</b>         | <b>210,939,422</b>         |

Summary of significant accounting policies 1

The accompanying notes are an integral parts of Consolidated financial statements.

As per our report of even date attached.

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

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

**For and on behalf of the Board of Directors**

**Rajesh R. Gandhi**  
Chairman & Managing Director  
DIN: 00009879

**Ravi Thakkar**  
Chief Financial Officer

**Soham Rawal**  
Company Secretary

PLACE : AHMEDABAD  
DATE : 26-08-2017

PLACE : AHMEDABAD  
DATE : 26-08-2017

## CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

| PARTICULARS  | NOTES | YEAR ENDED<br>31.03.2017<br>(₹) | YEAR ENDED<br>31.03.2016<br>(₹) |
|--|-------|---------------------------------|---------------------------------|
| <b>I INCOME :</b>  |       |                                 |                                 |
| <i>Revenue from operations (Gross)</i>                         |       |                                 |                                 |
| Sale of Products   | 21    | 416,055,314                     | 423,546,433                     |
| Less : Excise Duty   |       | 31,807,687                      | 32,633,044                      |
| Revenue from operations (Net)                                  |       | <u>384,247,627</u>              | <u>390,913,389</u>              |
| Other Income   | 22    | 5,407,503                       | 4,475,998                       |
| <b>Total Revenue (I)</b>                                       |       | <b>389,655,130</b>              | <b>395,389,387</b>              |
| <b>II EXPENSES :</b>   |       |                                 |                                 |
| Cost of materials consumed                                     | 23    | 117,912,727                     | 129,018,227                     |
| Purchase of Stock-in-Trade                                     |       | 153,319,833                     | 140,879,501                     |
| Changes in inventories of Finished Goods, WIP & Stock in trade | 24    | (1,109,626)                     | 865,974                         |
| Employee Benefit Expense                                       | 25    | 17,829,375                      | 16,502,358                      |
| Financial Costs  | 26    | 9,579,858                       | 12,094,553                      |
| Depreciation and Amortisation Expense                          | 11    | 11,056,944                      | 11,135,272                      |
| Other Expenses   | 27    | 69,900,332                      | 67,211,627                      |
| <b>Total Expenses (II)</b>                                     |       | <b>378,489,443</b>              | <b>377,707,512</b>              |
| <b>III Profit before Exceptional Item &amp; tax (I-II)</b>     |       | <b>11,165,687</b>               | <b>17,681,875</b>               |
| <b>IV Exceptional Items</b>                                    |       |                                 |                                 |
| Provision for doubtful advances (refer note no.: 33)           |       | -                               | 47,500,000                      |
| <b>V Profit before tax (III-IV)</b>                            |       | <b>11,165,687</b>               | <b>(29,818,125)</b>             |
| <b>VI Tax expense:</b>   |       |                                 |                                 |
| (1) Current tax  |       | 4,214,000                       | 6,600,000                       |
| (2) Short(+) / Excess(-) Provision for earlier year            |       | (252,948)                       | 157,575                         |
| (3) Deferred tax   |       | (265,169)                       | 303,396                         |
| <b>VII Profit/(Loss) for the period (V-VI)</b>                 |       | <b>7,469,804</b>                | <b>(36,879,096)</b>             |
| <b>VIII Share in Profit of Associate</b>                       |       | -                               | 543,886                         |
| <b>IX Profit for the period (VII+VIII)</b>                     |       | <b>7,469,804</b>                | <b>(36,335,210)</b>             |
| <b>X Earning per equity share: (Face value ₹ 10/- each)</b>    | 30    |                                 |                                 |
| Basic and Diluted  |       | 1.53                            | (7.57)                          |

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

As per our report of even date attached.

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

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

PLACE : AHMEDABAD  
DATE : 26-08-2017

**For and on behalf of the Board of Directors**

**Rajesh R. Gandhi**  
Chairman & Managing Director  
DIN: 00009879

**Ravi Thakkar**  
Chief Financial Officer

**Soham Rawal**  
Company Secretary

PLACE : AHMEDABAD  
DATE : 26-08-2017

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

| PARTICULARS   | YEAR ENDED<br>31.03.2017<br>(₹) | YEAR ENDED<br>31.03.2016<br>(₹) |
|---|---------------------------------|---------------------------------|
| <b>A. CASH FLOW FROM OPERATIVE ACTIVITIES</b>                             |                                 |                                 |
| Net Profit / (Loss) before tax  | 11,165,687                      | (29,818,125)                    |
| Adjustment for :  |                                 |                                 |
| Depreciation  | 11,056,944                      | 11,135,272                      |
| Interest Income   | (1,450,407)                     | (768,158)                       |
| Dividend Income   | (80)                            | (192)                           |
| Interest Paid   | 9,579,858                       | 12,094,553                      |
| (Profit) / Loss on sales of assets  | (1,653,548)                     | (48,825)                        |
| (Profit) / Loss on sales of Investment                                    | 24,368                          | -                               |
| <b>Operating Profit before working capital changes</b>                    | <b>28,722,822</b>               | <b>(7,405,475)</b>              |
| Add / Less : Changes in assets and liabilities                            |                                 |                                 |
| (Increase)/ Decrease in Assets  | 3,800,254                       | 56,229,634                      |
| Increase / (Decrease) in Liabilities                                      | 15,967,617                      | (12,760,782)                    |
| Cash generated from operation   | <b>48,490,693</b>               | <b>36,063,377</b>               |
| Income tax paid   | (7,067,328)                     | (5,851,779)                     |
| <b>Net cash flow from Operating Activity</b>                              | <b>41,423,366</b>               | <b>30,211,598</b>               |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                             |                                 |                                 |
| Purchase of fixed Assets  | (4,717,770)                     | (8,279,310)                     |
| Sales of Fixed Assets   | 2,377,010                       | 48,825                          |
| Sale of Investment  | 572,000                         | -                               |
| Fixed Deposit with Bank   | (14,591,968)                    | 5,267,255                       |
| Dividend Received   | 80                              | 192                             |
| Interest Received   | 1,450,407                       | 768,158                         |
| <b>Net Cash used in Investing Activities</b>                              | <b>(14,910,241)</b>             | <b>(2,194,880)</b>              |
| <b>C. CASH FLOW USED IN FINANCING ACTIVITIES</b>                          |                                 |                                 |
| Interest Paid   | (9,579,858)                     | (12,094,553)                    |
| Proceed/(Repayment) of Short term borrowings                              | 3,179,500                       | 1,932,342                       |
| Proceed/(Repayment) of Long term borrowings                               | (22,370,703)                    | (17,732,263)                    |
| <b>Net Cash used in Financing Activities</b>                              | <b>(28,771,061)</b>             | <b>(27,894,474)</b>             |
| <b>Net Increase/Decrease in Cash &amp; Cash Equivalents Total (A+B+C)</b> | <b>(2,257,937)</b>              | <b>122,244</b>                  |
| <b>Cash &amp; Cash Equivalents At The Beginning Of The Year</b>           |                                 |                                 |
| Cash on Hand  | 460,061                         | 449,231                         |
| Bank Balance  | 3,703,001                       | 9,026,288                       |
| Fixed Deposits For Less Than 3 Months                                     | 6,194,824                       | 760,124                         |
|   | <b>10,357,886</b>               | <b>10,235,643</b>               |
| <b>Cash &amp; Cash Equivalents At The End Of The Year</b>                 |                                 |                                 |
| Cash on Hand  | 248,946                         | 460,061                         |
| Bank Balance  | 836,934                         | 3,703,001                       |
| Fixed Deposits For Less Than 3 Months                                     | 7,014,070                       | 6,194,824                       |
|   | <b>8,099,950</b>                | <b>10,357,886</b>               |

**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 & Associates**Chartered Accountants  
(Firm Reg. No.: 118336W)**Rajesh R. Gandhi**  
Chairman & Managing Director  
DIN: 00009879**Rajesh R. Shah**  
( Partner )**Membership No. : 034549****Ravi Thakkar**  
Chief Financial Officer**Soham Rawal**  
Company Secretary

PLACE : AHMEDABAD

DATE : 26-08-2017

PLACE : AHMEDABAD

DATE : 26-08-2017

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

The Consolidated Financial Statements of year 2016-17 relates to "Vadilal Chemicals Limited" (The Parent Company) and Vadilal Cold Storage (Partnership Firm- Jointly Controlled ). And the Consolidated Financial Statements of year 2015-16 relates 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) PROPERTY, PLANTS & EQUIPMENTS:**

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

**(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             |
|---|-------------------|-------------------|
|   | 31.03.2017        | 31.03.2016        |
|   | ₹                 | ₹                 |
| <b>Note : 2</b>   |                   |                   |
| <b>SHARE CAPITAL</b>  |                   |                   |
| <b>AUTHORIZED SHARES</b>  |                   |                   |
| 1,00,00,000 Equity Shares of ₹10/- each.  | 100,000,000       | 100,000,000       |
|   | 100,000,000       | 100,000,000       |
| <b>ISSUED , SUBSCRIBED &amp; FULLY PAID UP SHARES</b>   |                   |                   |
| <b>ISSUED :</b>   |                   |                   |
| 50,09,500 Equity Shares of ₹10/- each<br>(P.Y. 50,09,500 Equity Shares of ₹10/- each)                           | 50,095,000        | 50,095,000        |
| <b>SUBSCRIBED &amp; FULLY PAID-UP :</b>   |                   |                   |
| 48,74,000 Equity Share of ₹10/- Each Fully Paid-up<br>(P.Y. 48,74,000 Equity Share of ₹10/- Each Fully Paid-up) | 48,740,000        | 48,740,000        |
| <b>Total</b>  | <b>48,740,000</b> | <b>48,740,000</b> |

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

| Particulars                                       | 31 March 2017    |                   | 31 March 2016    |                   |
|---|------------------|-------------------|------------------|-------------------|
|   | No of Shares     | ₹                 | No of Shares     | ₹                 |
| <b>Equity Shares</b>                              |                  |                   |                  |                   |
| <b>At the beginning of the period</b>             | 48,74,000        | 48,740,000        | 48,74,000        | 48,740,000        |
| <b>Add :- Shares issued during the year</b>       | -                | -                 | -                | -                 |
| <b>Less :- Shares Bought back during the year</b> | -                | -                 | -                | -                 |
| <b>Outstanding at the end of the period</b>       | <b>48,74,000</b> | <b>48,740,000</b> | <b>48,74,000</b> | <b>48,740,000</b> |

**b. Terms/ rights attached to equity shares**

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

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

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

| Particulars                            | 31 March 2017 |           | 31 March 2016 |           |
|--|---------------|-----------|---------------|-----------|
|  | 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      |

| PARTICULARS  | AS AT               | AS AT               |
|--|---------------------|---------------------|
|  | 31.03.2017          | 31.03.2016          |
|  | ₹                   | ₹                   |
| <b>Note : 3</b>  |                     |                     |
| <b>RESERVE &amp; SURPLUS</b>   |                     |                     |
| <b>Capital Reserve</b> (A)   | 1,493,788           | 1,493,788           |
| <b>Securities Premium Account</b> (B)                                | 15,289,734          | 15,289,734          |
| <b>General Reserve</b> (C)   | 6,960,365           | 6,960,365           |
| Balance as per last account  | 6,960,365           | 6,960,365           |
| <b>Surplus /(Deficit) in the Statement of Profit &amp; Loss</b>      |                     |                     |
| Balance as per last Financial Statement                              | (22,657,448)        | 13,677,762          |
| Add : Profit for the year  | 7,469,804           | (36,335,210)        |
| <b>Net surplus/(Deficit) in the statement of profit and loss</b> (D) | <b>(15,187,645)</b> | <b>(22,657,448)</b> |
| <b>Total</b> (A+B+C+D)   | <b>8,556,243</b>    | <b>1,086,439</b>    |

| PARTICULARS   | AS AT           | AS AT           |
|---|-----------------|-----------------|
|   | 31.03.2017<br>₹ | 31.03.2016<br>₹ |
| <b>Note : 4</b>   |                 |                 |
| <b>LONG TERM BORROWINGS</b>                                     |                 |                 |
| <b>Vehicle Loan (Secured)</b>                                   |                 |                 |
| - From Bank and Financial Institution (Secured against Vehicle) | 3,044,169       | 10,129,180      |
| Less: Current maturities of vehicle loan                        | (3,044,169)     | (7,085,009)     |
| <b>(A)</b>  | -               | 3,044,171       |
| <b>Loans &amp; Advances from Related Parties (Unsecured)</b>    |                 |                 |
| Veronica Construction Pvt. Ltd. *                               | 83,851,652      | 99,137,344      |
| <b>(B)</b>  | 83,851,652      | 99,137,344      |
| <b>The Above amount includes :</b>                              |                 |                 |
| Secured Borrowing   | 3,044,169       | 10,129,180      |
| Unsecured Borrowing   | 83,851,652      | 99,137,344      |
| <b>Total (A + B)</b>  | 83,851,652      | 102,181,515     |

**Repayment Schedule of Vehicle Loan :**

| Particulars         | Rate of Interest | As at 31.03.2017 | 2017-18          | 2018-19 | 2019-20 | 2020-21 |
|---------------------|------------------|------------------|------------------|---------|---------|---------|
| <b>Vehicle Loan</b> |                  | ₹                | ₹                | ₹       | ₹       | ₹       |
| ICICI BANK LTD.     | 12.49%           | 3,044,169        | 3,044,169        | -       | -       | -       |
| <b>Total</b>        |                  | <b>3,044,169</b> | <b>3,044,169</b> | -       | -       | -       |

\* 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           | AS AT           |
|--|-----------------|-----------------|
|  | 31.03.2017<br>₹ | 31.03.2016<br>₹ |
| <b>Note : 5</b>  |                 |                 |
| <b>DEFERRED TAX LIABILITY (Net)</b>  |                 |                 |
| <b>Deferred Tax Liability</b>  |                 |                 |
| <b>Arising on accounts of timing difference of :-</b>  |                 |                 |
| Fixed Asset -  |                 |                 |
| Impact of difference between Tax depreciation & Depreciation Charged for Financial Reporting |                 |                 |
| <b>(A)</b>   | 8,803,483       | 9,011,280       |
| <b>(A)</b>   | 8,803,483       | 9,011,280       |
| <b>Deferred Tax Assets</b>   |                 |                 |
| Arising on accounts of timing difference of :-   |                 |                 |
| Gratuity   | 55,219          | 4,279           |
| Leave Encashment   | 614,378         | 601,094         |
| Bonus  | 95,319          | 102,171         |
| <b>(B)</b>   | 764,916         | 707,544         |
| <b>(A-B)</b>   | 8,038,567       | 8,303,736       |
| <b>Note : 6</b>  |                 |                 |
| <b>LONG TERM PROVISIONS</b>  |                 |                 |
| <b>Provision from Employee Benefits :</b>  |                 |                 |
| - Leave Encashment   | 534,627         | 602,302         |
| <b>Total</b>   | 534,627         | 602,302         |
| <b>Note : 7</b>  |                 |                 |
| <b>SHORT TERM BORROWINGS</b>   |                 |                 |
| <b>Secured Loans</b>   |                 |                 |
| - From Banks ( Bank Overdraft against FD From IDBI Bank-A'bad )                              | 8,531,527       | 6,073,667       |
| Cylinder Deposit ( Interest Free )   | 25,029,442      | 24,307,802      |
| (Against Company Cylinders with Customers)   |                 |                 |
| <b>Total</b>   | 33,560,968      | 30,381,469      |

| PARTICULARS                           | AS AT             | AS AT            |
|---------------------------------------|-------------------|------------------|
|                                       | 31.03.2017        | 31.03.2016       |
|                                       | ₹                 | ₹                |
| <b>Note : 8</b>                       |                   |                  |
| <b>TRADE PAYABLES</b>                 |                   |                  |
| Micro, Small and Medium Enterprises * | -                 | -                |
| Others                                | 18,652,212        | 6,964,284        |
| Share From Joint Ventures             | 856               | 1,510            |
| <b>Total</b>                          | <b>18,653,068</b> | <b>6,965,794</b> |

\* 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             | AS AT             |
|---|-------------------|-------------------|
|   | 31.03.2017        | 31.03.2016        |
|   | ₹                 | ₹                 |
| <b>Note : 9</b>   |                   |                   |
| <b>OTHER CURRENT LIABILITIES</b>                                  |                   |                   |
| <b>Current Maturities of Long term borrowings</b>                 |                   |                   |
| - From Banks and Financial Institutions(Secured against Vehicles) | 3,044,169         | 7,085,009         |
| Rent Deposit  | 310,500           | 465,600           |
| <b>Other Payable</b>  |                   |                   |
| Statutory dues payable*   | 1,565,264         | 1,362,931         |
| Advance From Customers  | 5,093,751         | 1,049,740         |
| Share From Joint Ventures   | 2,875             | 59,545            |
| <b>Total</b>  | <b>10,016,559</b> | <b>10,022,825</b> |
| <b>The Above amount includes :</b>                                |                   |                   |
| Secured Borrowing   | 3,044,169         | 7,085,009         |
| <b>Total</b>  | <b>3,044,169</b>  | <b>7,085,009</b>  |

\* It includes Excise, Vat, Tds, Professional tax, Esi, etc...

| <b>Note : 10</b>  |                  |                  |
|---|------------------|------------------|
| <b>SHORT TERM PROVISION</b>                                 |                  |                  |
| <b>Provision for Employee Benefits :</b>                    |                  |                  |
| - Leave Encashment  | 1,453,650        | 1,342,986        |
| - Bonus   | 308,476          | 330,650          |
| - Gratuity (Net fixed deposit with LIC (Against gratuity) ) | 178,701          | 13,849           |
| <b>Others :</b>   |                  |                  |
| - Provision for Expenses                                    | 988,237          | 933,465          |
| Share From Joint Ventures                                   | 39,722           | 34,393           |
| <b>Total</b>  | <b>2,968,786</b> | <b>2,655,343</b> |

(C.Y.: Total Fixed deposit with LIC Rs.2954267 Less Total gratuity liability of Rs.3132968, Net short balance of Rs.-178701 (2954267-3132968).

(P.Y.: Total Fixed deposit with LIC Rs.2746547 Less Total gratuity liability of Rs.2760396, Net short balance of Rs.-13849 (2746547-2760396).

**Note : 11**  
**TANGIBLE FIXED ASSETS** (Amount in ₹)

| PARTICULARS                               | GROSSBLOCK         |                  |                  | DEPRECIATION BLOCK |                    |                    | NETBLOCK         |                    |                   |
|---|--------------------|------------------|------------------|--------------------|--------------------|--------------------|------------------|--------------------|-------------------|
|   | OPENING            | ADDITION         | DEDUCTION        | CLOSING            | OPENING            | PROVIDED DEDUCTION | CLOSING          | BALANCE            | BALANCE           |
|   | BALANCE            | DURING           |                  | BALANCE            | BALANCE            | DURING             | BALANCE          | AS ON              | AS ON             |
|   | 01.04.2016         | THE YEAR         |                  | 31.03.2017         | 01.04.2016         | THE YEAR           | 31.03.2017       | 31.03.2017         | 31.03.2016        |
| <b>Property, Plants &amp; Equipments:</b> |                    |                  |                  |                    |                    |                    |                  |                    |                   |
| LAND                                      | 11,529,749         | -                | -                | 11,529,749         | -                  | -                  | -                | 11,529,749         | 11,529,749        |
| FACTORY BUILDING                          | 18,412,524         | 2,451,861        | -                | 20,864,385         | 9,949,422          | 665,198            | -                | 10,614,620         | 8,463,102         |
| OFFICE BUILDING                           | 6,821,873          | -                | -                | 6,821,873          | 2,074,572          | 115,914            | -                | 2,190,486          | 4,747,301         |
| CARPETED ROAD (RCC)                       | 11,344,554         | -                | -                | 11,344,554         | 1,793,372          | 1,134,455          | -                | 2,927,827          | 8,416,727         |
| PLANT & MACHINERY                         | 22,710,981         | 504,146          | 180,617          | 23,034,510         | 14,569,164         | 608,731            | 180,617          | 14,997,278         | 8,037,232         |
| FURNITURE                                 | 7,242,499          | 69,575           | -                | 7,312,074          | 6,083,836          | 260,025            | -                | 6,343,861          | 968,213           |
| OFFICE EQUIPMENT                          | 3,307,830          | 119,467          | -                | 3,427,297          | 3,107,191          | 106,750            | -                | 3,213,941          | 200,639           |
| COMPUTER                                  | 4,795,168          | 332,375          | -                | 5,127,543          | 4,613,106          | 129,422            | -                | 4,742,528          | 385,015           |
| GAS CYLINDERS & TANKS                     | 220,979,545        | 590,955          | 5,017,922        | 216,552,578        | 195,133,239        | 2,311,591          | 4,964,756        | 192,480,074        | 24,072,504        |
| TRANSPORT VEHICLE                         | 69,997,818         | -                | 3,260,058        | 66,737,760         | 47,101,873         | 5,510,333          | 2,589,762        | 50,022,444         | 16,715,316        |
| <b>TOTAL</b>                              | <b>377,142,541</b> | <b>4,068,379</b> | <b>8,458,597</b> | <b>372,752,323</b> | <b>284,425,774</b> | <b>10,842,419</b>  | <b>7,735,135</b> | <b>287,533,059</b> | <b>85,219,264</b> |
| Share From Joint Ventures                 | 729,135            | 17,652           | -                | 746,787            | 480,221            | 17,131             | -                | 497,352            | 249,435           |
| <b>TOTAL</b>                              | <b>377,871,676</b> | <b>4,086,031</b> | <b>8,458,597</b> | <b>373,499,110</b> | <b>284,905,995</b> | <b>10,859,550</b>  | <b>7,735,135</b> | <b>288,030,411</b> | <b>85,468,699</b> |
| INTEGIBLE ASSETS                          | 553,680            | 631,739          | -                | 1,185,419          | 363,794            | 197,394            | -                | 561,188            | 624,231           |
| <b>GRAND TOTAL (16-17)</b>                | <b>378,425,356</b> | <b>4,717,770</b> | <b>8,458,597</b> | <b>374,684,529</b> | <b>285,269,789</b> | <b>11,056,944</b>  | <b>7,735,135</b> | <b>288,591,599</b> | <b>86,092,930</b> |
| Previous Year (15-16)                     | 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        |

**Note : 12****NON - CURRENT INVESTMENT**

| PARTICULARS   | No. of Shares    | AS AT            | AS AT            |
|---|------------------|------------------|------------------|
|   |                  | 31.03.2017       | 31.03.2016       |
|   |                  | ₹                | ₹                |
| <b>Trade Investments (valued at cost unless stated otherwise)</b> |                  |                  |                  |
| <b>Investment in Equity Instruments</b>                           |                  |                  |                  |
| <b>In Equity Shares of Associate Company</b>                      |                  |                  |                  |
| <b>Quoted, fully paid up</b>                                      |                  |                  |                  |
| Vadilal Enterprise Ltd of ₹ 10/- each                             | 100<br>(100)     | 1,835            | 1,835            |
| <b>Others</b>   |                  |                  |                  |
| Maharashtra Polybotens Ltd of ₹ 1/- each                          | 150<br>(150)     | 12,350           | 12,350           |
| Unimers India Ltd of ₹ 10/- each                                  | 200<br>(200)     | 7,250            | 7,250            |
| <b>Total (a)</b>  |                  | <b>21,435</b>    | <b>21,435</b>    |
| <b>Unquoted, fully paid-up</b>                                    |                  |                  |                  |
| <b>Others</b>   |                  |                  |                  |
| Vadilal Forex and Consultancy Services Ltd of ₹ 10/- each         | 48000<br>(70000) | 480,000          | 700,000          |
| Add: Accumulated Profits Upto 2015-16                             |                  | 821,168          | 1,197,536        |
| Kalpiti Realty & Services Ltd of ₹ 10/- each                      | 30000<br>(30000) | 3,000            | 3,000            |
| <b>Total (b)</b>  |                  | <b>1,304,168</b> | <b>1,900,536</b> |
| <b>Total (a + b)</b>  |                  | <b>1,325,603</b> | <b>1,921,971</b> |
| <b>Aggregate market value of quoted investments</b>               |                  | <b>65,161</b>    | <b>57,051</b>    |
| <b>Aggregate total quoted investments</b>                         |                  | <b>21,435</b>    | <b>21,435</b>    |
| <b>Aggregate total Unquoted investments</b>                       |                  | <b>1,304,168</b> | <b>1,900,536</b> |

Note : Figures in brackets are related to Previous Year.

| PARTICULARS   | AS AT                | AS AT             |
|---|----------------------|-------------------|
|   | 31.03.2017<br>₹      | 31.03.2016<br>₹   |
| <b>Note : 13</b>  |                      |                   |
| <b>LONG TERM LOANS AND ADVANCES</b>   |                      |                   |
| <b>Unsecured, Considered good unless otherwise stated</b>                                   |                      |                   |
| Security Deposit  | 1,306,872            | 1,302,938         |
| <b>Other Loans and advances</b>   |                      |                   |
| Prepaid Expenses  | 323,615              | 56,545            |
| Loans to Employees  | 78,000               | 215,000           |
| Security Deposit with Sales tax Authorities   | 35,500               | 35,500            |
| <b>Total</b>  | <b>1,743,987</b>     | <b>1,609,983</b>  |
| <b>Note : 14</b>  |                      |                   |
| <b>OTHER NON CURRENT ASSETS</b>   |                      |                   |
| <b>Unsecured, Considered good unless otherwise stated</b>                                   |                      |                   |
| In Margin Money Deposit (Against Bank Guaratnee)  | 88,930               | 83,354            |
| <b>Total</b>  | <b>88,930</b>        | <b>83,354</b>     |
| <b>Note : 15</b>  |                      |                   |
| <b>INVENTORIES</b>  |                      |                   |
| Raw Material  | 2,404,218            | 2,474,257         |
| Finished Goods  | 750,474              | 885,508           |
| Stock-in-Trade  | 5,794,205            | 4,549,545         |
| Stores & Spares   | 932,004              | 862,448           |
| Share Of RPL  | 5,387                | 5,533             |
| <b>Total</b>  | <b>9,886,288</b>     | <b>8,777,291</b>  |
| <b>Note : 16</b>  |                      |                   |
| <b>TRADE RECEIVABLES</b>  |                      |                   |
| <b>Outstanding for a period exceeding six months from the date they are due for payment</b> |                      |                   |
| a) Unsecured, Considered Good :   | 2,838,156            | 3,582,063         |
| <b>Others</b>   |                      |                   |
| a) Unsecured, Considered Good :   | 66,471,528           | 69,440,484        |
| Share From Joint Ventures   | 23,651               | 24,726            |
| <b>Total</b>  | <b>69,333,335</b>    | <b>73,047,273</b> |
| <b>Note : 17</b>  |                      |                   |
| <b>CASH &amp; BANK BALANCES</b>   |                      |                   |
| <b>Balances with banks</b>  |                      |                   |
| <b>Cash and Cash equivalents</b>  |                      |                   |
| Balance with Bank -In current account   | 801,696              | 3,681,789         |
| Cash on hand  | 243,517              | 447,418           |
| <b>Share From Joint Ventures:</b>   |                      |                   |
| Balance with Bank -In current account   | 35,238               | 21,212            |
| Cash on hand  | 5,429                | 12,643            |
| <b>Others</b>   |                      |                   |
| In Fixed Deposit with original maturity of less than three months                           | 7,014,070            | 6,194,824         |
| (A)   | <b>8,099,950</b>     | <b>10,357,886</b> |
| <b>Other Bank Balance</b>   |                      |                   |
| In Fixed Deposit with for more than 3 months but less than 12 months                        | 14,591,968           | -                 |
| (B)   | <b>14,591,968</b>    | <b>-</b>          |
| In Margin Money Deposit (Against Bank Guaratnee)  | 88,930               | 83,354            |
| <b>Less : Transferred to Other Non Current Assets</b>                                       | <b>(88,930)</b>      | <b>(83,354)</b>   |
| (C)   | <b>-</b>             | <b>-</b>          |
| <b>Total</b>  | <b>[ A + B + C ]</b> | <b>22,691,918</b> |
|   |                      | <b>10,357,886</b> |

| PARTICULARS   | AS AT             | AS AT             |
|---|-------------------|-------------------|
|   | 31.03.2017        | 31.03.2016        |
|   | ₹                 | ₹                 |
| <b>Note : 18</b>  |                   |                   |
| <b>SHORT TERM LOANS AND ADVANCES</b>  |                   |                   |
| <b>Unsecured, Considered good unless otherwise stated</b>   |                   |                   |
| <b>Other Loans and advances</b>   |                   |                   |
| Advance to Suppliers  | 9,543,727         | 10,352,271        |
| Advance to Drivers/Staff  | 77,736            | 24,151            |
| Prepaid Expenses  | 2,997,759         | 2,890,166         |
| Loans to Employees  | 146,500           | 210,051           |
| Balance with Excise/Sales tax Authorities   | 2,527,629         | 3,003,172         |
| Advance Income Tax (Net of Provision)   | 5,172,896         | 2,066,620         |
| Share From Joint Ventures   | 469,833           | 493,597           |
| <b>Total</b>  | <b>20,936,079</b> | <b>19,040,028</b> |
| <b>Note : 19</b>  |                   |                   |
| <b>OTHER CURRENT ASSETS</b>   |                   |                   |
| <b>Unsecured, Considered good unless otherwise stated</b>   |                   |                   |
| The New India Insurance Claim Receivable  | 38,067            | 162,736           |
| <b>Unsecured, Considered doubtful</b>   |                   |                   |
| Success Vyapar Limited  | -                 | 47,500,000        |
| Less: Provision for doubtful advance (refer note no.: 33)   | -                 | (47,500,000)      |
| <b>Total</b>  | <b>38,067</b>     | <b>162,736</b>    |
| <b>20 CONTINGENT LIABILITIES (To the extent not provided for)</b>   |                   |                   |
| <b>1. Contingent Liabilities</b>  |                   |                   |
| 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         |
| v) Excise Duty & Penalty  | 537,715           | 4,206,369         |
| b. Guarantees   |                   |                   |
| i) Bank Guarantees Outstanding  | 403,630           | 403,630           |
| <b>Total</b>  | <b>4,002,121</b>  | <b>8,935,729</b>  |
| <b>1) Rs. 37,00,000 Excise duty supreme court case:</b>   |                   |                   |
| - Order Receivd from Supreme Court of India as on 12-01-2017 in our favour & win the case.                                |                   |                   |
| <b>2) Rs. 12,64,954 J.K. Engg. Works case:</b>  |                   |                   |
| - Order Receivd from The District Court, Thane as on 01-10-2016 in our favour & settle matter with Rs. 13,22,000 Receipt. |                   |                   |

| PARTICULARS                       | YEAR ENDED         | YEAR ENDED         |
|-----------------------------------|--------------------|--------------------|
|                                   | 31.03.2017         | 31.03.2016         |
|                                   | ₹                  | ₹                  |
| <b>Note : 21</b>                  |                    |                    |
| <b>REVENUE FROM OPERATIONS</b>    |                    |                    |
| Sale of Products                  | 413,742,560        | 421,161,017        |
| Sale From Joint Ventures          | 219,988            | 183,403            |
| <b>Other Operating Revenues :</b> |                    |                    |
| Net Cylinder Rent                 | 1,866,518          | 1,982,752          |
| Share From Joint Ventures         | 226,248            | 219,261            |
| <b>Total</b>                      | <b>416,055,314</b> | <b>423,546,433</b> |
| <b>Note : 22</b>                  |                    |                    |
| <b>OTHER INCOME</b>               |                    |                    |
| Interest Income                   | 1,450,407          | 768,158            |
| Dividend Income                   | 80                 | 192                |
| Net gain on sale of assets        | 1,653,548          | 48,825             |
| Profit On Sale of Investment      | -                  | -                  |
| <b>Other Non-operating income</b> |                    |                    |
| Office Rent Income                | 1,136,296          | 1,663,292          |
| Other Income                      | 605,822            | 1,168,520          |
| Sundry Balance Written-back       | 284,382            | 816,752            |
| Interest on Income Tax Refund     | 267,608            | -                  |
| Share From Joint Ventures         | 9,360              | 10,259             |
| <b>Total</b>                      | <b>5,407,503</b>   | <b>4,475,998</b>   |

| PARTICULARS   | YEAR ENDED<br>31.03.2017<br>₹ | YEAR ENDED<br>31.03.2016<br>₹ |
|---|-------------------------------|-------------------------------|
| <b>Note : 23</b>  |                               |                               |
| <b>COST OF MATERIAL CONSUMED</b>  |                               |                               |
| Opening Stock of Raw Material   | 2,474,257                     | 4,106,655                     |
| Add: Purchased During the year  | 117,842,688                   | 127,385,829                   |
|   | <u>120,316,945</u>            | <u>131,492,484</u>            |
| Less: Closing Stock   | 2,404,218                     | 2,474,257                     |
| <b>Total</b>  | <u>117,912,727</u>            | <u>129,018,227</u>            |
| <b>Note : 24</b>  |                               |                               |
| <b>CHANGE IN INVENTORIES</b>  |                               |                               |
| <b>Opening Stock</b>  |                               |                               |
| Finished Goods  | 885,508                       | 784,312                       |
| Stock in Trade  | 4,549,545                     | 5,516,715                     |
| <b>Total (A)</b>  | <u>5,435,053</u>              | <u>6,301,027</u>              |
| <b>Closing Stock</b>  |                               |                               |
| Finished Goods  | 750,474                       | 885,508                       |
| Stock in Trade  | 5,794,205                     | 4,549,545                     |
| <b>Total (B)</b>  | <u>6,544,679</u>              | <u>5,435,053</u>              |
| <b>Total (A-B)</b>  | <u>(1,109,626)</u>            | <u>865,974</u>                |
| <b>Note : 25</b>  |                               |                               |
| <b>EMPLOYMENT BENEFIT EXPENSES</b>  |                               |                               |
| Salaries and wages  | 14,307,047                    | 13,013,175                    |
| Contributions to Provident and other fund   | 1,556,489                     | 1,492,046                     |
| Staff welfare expenses  | 1,929,520                     | 1,962,439                     |
| Share From Joint Ventures   | 36,319                        | 34,698                        |
| <b>Total</b>  | <u>17,829,375</u>             | <u>16,502,358</u>             |
| <b>Note : 25.1</b>  |                               |                               |
| <b>EMPLOYEE BENEFITS</b>  |                               |                               |
| 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 |                               |                               |
| <b>Gratuity plan</b>  |                               |                               |
| 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<br>31.03.17<br>(Funded)<br>₹ | YEAR ENDED<br>31.03.16<br>(Funded)<br>₹ |
|--|---|---|
| <b>Change in present value of obligations</b>  |   |   |
| Obligations at beginning of the year   | 2,760,396                               | 2,342,568                               |
| Service cost   | 200,597                                 | 183,262                                 |
| Interest cost  | 222,764                                 | 186,468                                 |
| Actuarial (gain) / loss  | 49,839                                  | 66,410                                  |
| Benefits paid  | (100,628)                               | (18,312)                                |
| Obligation at the end of the year  | <u>3,132,968</u>                        | <u>2,760,396</u>                        |
| <b>Reconciliation of opening and closing of Fair value of Plan Assets</b>              |   |   |
| Fair value of Plan assets at beginning of the year                                     | 2,746,547                               | 2,532,389                               |
| Expected return of plan asset  | 221,646                                 | 201,578                                 |
| Actuarial gain/ (loss) on plan Assets  | (33,054)                                | (7,166)                                 |
| Contribution   | 19,128                                  | 19,746                                  |
| Benefits paid  | -                                       | -                                       |
| Fair value of plan assets at end of the year   | <u>2,954,267</u>                        | <u>2,746,547</u>                        |
| Total Actuarial gain/ (loss) to be recognized  | <u>82,893</u>                           | <u>73,576</u>                           |
| <b>Reconciliation of present value of the obligation and fair value of plan assets</b> |   |   |
| Present value of the defined benefit obligation at the end of the year                 | 3,132,968                               | 2,760,396                               |
| Fair value of plan assets at the end of the year                                       | 2,954,267                               | 2,746,547                               |
| Funded status amount of Assets recognized in the balance sheet                         | <u>178,701</u>                          | <u>13,849</u>                           |

| PARTICULARS                             | YEAR ENDED                  | YEAR ENDED                  |
|---|-----------------------------|-----------------------------|
|   | 31.03.2017<br>(Funded)<br>₹ | 31.03.2016<br>(Funded)<br>₹ |
| <b>Gratuity cost for the year</b>       |                             |                             |
| Service cost                            | 200,597                     | 183,262                     |
| Interest cost                           | 222,764                     | 186,468                     |
| Expected return of plan asset           | (221,646)                   | (201,578)                   |
| Actuarial gain/ (loss) on plan Assets   | 82,893                      | 73,576                      |
| Net gratuity cost                       | 284,608                     | 241,728                     |
| <b>Assumptions (LIC 1994-96)</b>        |                             |                             |
| Interest rate                           | 7.52%                       | 8.07%                       |
| Estimated rate of return of plan assets | 7.52%                       | 8.07%                       |
| Rate of growth in salary levels         | 6.00%                       | 6.00%                       |

Amounts for the Current & Previous four periods are as follows

| Particulars                              | 31.03.17<br>₹ | 31.03.16<br>₹ | 31.03.15<br>₹ | 31.03.14<br>₹ | 31.03.13<br>₹ |
|--|---------------|---------------|---------------|---------------|---------------|
| Defined Benefit Obligation               | 3,132,968     | 2,760,396     | 2,342,568     | 1,891,351     | 1,659,059     |
| Plan Assets                              | 2,954,267     | 2,746,547     | 2,532,389     | 2,282,531     | 2,138,202     |
| Surplus/ (Deficit)                       | 178,701       | 13,849        | (189,821)     | (391,180)     | (479,143)     |
| Experience adjustments on plan liability | -             | -             | -             | -             | -             |
| Experience adjustments on plan assets    | 178,701       | 13,849        | (189,821)     | (391,180)     | (479,143)     |

#### 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                      |
|--|---------------------------------|---------------------------------|
|  | 31.03.2017<br>(Non-Funded)<br>₹ | 31.03.2016<br>(Non-Funded)<br>₹ |
| <b>Change in present value of obligations</b>  |                                 |                                 |
| Obligations at beginning of the year   | 1,945,288                       | 1,900,940                       |
| Service cost   | 152,853                         | 145,226                         |
| Interest cost  | 156,985                         | 151,315                         |
| Actuarial (gain) / loss  | (193,066)                       | (194,409)                       |
| Benefits paid  | (73,783)                        | (57,784)                        |
| Obligation at the end of the year  | 1,988,277                       | 1,945,288                       |
| <b>Change in Plan assets</b>   |                                 |                                 |
| Fair value of Plan assets at beginning of the year                                     | -                               | -                               |
| Expected return of plan asset  | -                               | -                               |
| Actuarial gain/ (loss) on plan Assets  | (73,783)                        | (57,784)                        |
| Contribution   | 73,783                          | 57,784                          |
| Benefits paid  | -                               | -                               |
|  | -                               | -                               |
| Total Actuarial gain/ (loss) to be recognized  | 193,066                         | 194,409                         |
| <b>Reconciliation of present value of the obligation and fair value of plan assets</b> |                                 |                                 |
| Present value of the defined benefit obligation at the end of the year                 | 1,988,277                       | 1,945,288                       |
| Fair value of plan assets at the end of the year                                       | -                               | -                               |
| UnFunded status amount of Assets recognized in the balance sheet                       | 1,988,277                       | 1,945,288                       |
| <b>Leave Encashment cost for the year</b>  |                                 |                                 |
| Service cost   | 152,853                         | 145,226                         |
| Interest cost  | 156,985                         | 151,315                         |
| Expected return of plan asset  | -                               | -                               |
| Actuarial gain/ (loss) on plan Assets  | (193,066)                       | (194,409)                       |
| Net leave encashment cost  | 116,772                         | 102,132                         |
| <b>Assumptions</b>   |                                 |                                 |
| Interest rate  | 7.52%                           | 8.07%                           |
| 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                              | 31.03.17<br>₹ | 31.03.16<br>₹ | 31.03.15<br>₹ | 31.03.14<br>₹ | 31.03.13<br>₹ |
|--|---------------|---------------|---------------|---------------|---------------|
| Defined Benefit Obligation               | -             | -             | -             | -             | -             |
| Plan Assets                              | 1,988,277     | 1,945,288     | 1,900,940     | 1,555,959     | 1,386,105     |
| Surplus/ (Deficit)                       | -             | -             | -             | -             | -             |
| Experience adjustments on plan liability | 1,988,277     | 1,945,288     | 1,900,940     | 1,555,959     | 1,386,105     |
| Experience adjustments on plan assets    | -             | -             | -             | -             | -             |

| PARTICULARS                                   | YEAR ENDED<br>31.03.2017<br>₹ | YEAR ENDED<br>31.03.2016<br>₹ |
|---|-------------------------------|-------------------------------|
| <b>Note : 26</b>                              |                               |                               |
| <b>FINANCIAL COST</b>                         |                               |                               |
| <b>Interest Expenses</b>                      |                               |                               |
| Interest on Bank                              | 763,284                       | 1,427,218                     |
| Interest on Other loans                       | 8,765,106                     | 10,637,419                    |
|   | <b>9,528,390</b>              | <b>12,064,637</b>             |
| <b>Other borrowing costs</b>                  |                               |                               |
| Bank Charges                                  | 51,468                        | 29,916                        |
| <b>Total</b>                                  | <b>9,579,858</b>              | <b>12,094,553</b>             |
| <b>Note : 27</b>                              |                               |                               |
| <b>OTHER EXPENSES</b>                         |                               |                               |
| <b>Plant Operation Charges</b>                |                               |                               |
| Cylinder Filling Labour                       | 860,795                       | 754,066                       |
| <b>Consumption of Stores and Spares Parts</b> |                               |                               |
| Opening Stores and Spares                     | 862,448                       | 786,990                       |
| Add: Purchase during the year                 | 1,503,640                     | 1,358,015                     |
| Less: Closing Stores and Spares               | 932,004                       | 862,448                       |
|   | <b>1,434,084</b>              | <b>1,282,557</b>              |
| Water charges                                 | 434,631                       | 425,008                       |
| Factory Electricity Expenses                  | 730,847                       | 672,467                       |
| Factory Expenses                              | 591,994                       | 430,879                       |
| <b>Repairs on</b>                             |                               |                               |
| Cylinders                                     | 1,438,336                     | 1,528,918                     |
| Plant and machinery                           | 464,602                       | 334,933                       |
| Building                                      | 29,396                        | 10,460                        |
| Others  | 736,592                       | 489,115                       |
| Share From Joint Ventures                     | 324,162                       | 320,612                       |
| <b>(A)</b>                                    | <b>7,045,439</b>              | <b>6,249,015</b>              |
| <b>Administrative Expenses</b>                |                               |                               |
| Rent, Rates & Taxes                           | 1,023,037                     | 992,577                       |
| Insurance Expenses                            | 1,526,719                     | 1,386,645                     |
| Postage & Telephone Expenses                  | 1,109,547                     | 1,203,510                     |
| Legal & Professional Charges                  | 5,708,905                     | 8,100,078                     |
| Listing & Roc Filling Fees                    | 65,925                        | 88,157                        |
| Travelling Expenses                           | 1,422,383                     | 1,451,025                     |
| Security Service Charges                      | 1,475,790                     | 1,328,562                     |
| Office Expenses                               | 1,657,291                     | 1,728,347                     |
| Office Electricity Expenses                   | 257,153                       | 304,899                       |
| Other administrative Expenses                 | 253,477                       | 293,150                       |
| Change in excise duty on inventory            | 16,192                        | (18,941)                      |
| Prior period Expense                          | 728,587                       | 203,627                       |
| Sundry Balances & Bad-debts written off       | 1,497,256                     | 433,414                       |
| Sales Tax /Service Tax/ Excise duty Expenses  | 1,170,370                     | 831,171                       |
| Loss on Sale of Investments                   | 24,368                        | -                             |
| Penalty Expense                               | 18,800                        | 30,670                        |
| <b>Payment to Auditor</b>                     |                               |                               |
| <b>As auditor :</b>                           |                               |                               |
| Audit Fees                                    | 210,000                       | 210,000                       |
| Tax Audit Fees                                | 100,000                       | 100,000                       |
| <b>Other service</b>                          | <b>40,000</b>                 | <b>40,000</b>                 |
|   | <b>350,000</b>                | <b>350,000</b>                |

| PARTICULARS                              | YEAR ENDED        | YEAR ENDED        |
|--|-------------------|-------------------|
|  | 31.03.2017        | 31.03.2016        |
|  | ₹                 | ₹                 |
| Donation                                 | -                 | 4,100             |
| Conveyance Expenses                      | 636,555           | 601,126           |
| Printing & Stationery Expenses           | 652,584           | 665,017           |
| Director Sitting Fees                    | 240,000           | 236,800           |
| Membership Fees                          | 3,000             | 50,134            |
| Share From Joint Ventures                | 25,808            | 18,407            |
| <b>(B)</b>                               | <b>19,863,747</b> | <b>20,282,475</b> |
| <b>Selling and Distribution Expenses</b> |                   |                   |
| Transport & Vehicle Tax Expenses         | 37,462,702        | 34,882,033        |
| Transport Vehicle Repairs                | 5,427,167         | 5,680,544         |
| Advertisement & Sales Promotion Expenses | 101,277           | 117,560           |
| <b>(C)</b>                               | <b>42,991,146</b> | <b>40,680,137</b> |
| <b>Total (A+B+C).....</b>                | <b>69,900,332</b> | <b>67,211,627</b> |

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

| Name                         | country of Incorporation | Proportion of ownership Interest |
|------------------------------|--------------------------|----------------------------------|
| <b>Vadilal Cold Storage:</b> |                          |                                  |
| Current Year: 2016-17        | India                    | 2 %                              |
| Previous Year: 2015-16       | India                    | 2 %                              |

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

| Name  | country of Incorporation | Proportion of ownership Interest |
|---|--------------------------|----------------------------------|
| <b>Vadilal Forex and Consultancy Services Ltd.:</b> |                          |                                  |
| Current Year: 2016-17                               | India                    | 19.20 %                          |
| Previous Year: 2015-16                              | 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**

As per AS-18 "Related Parties Disclosure", there are no transactions with related parties during the year.

**Note : 31****EARNING PER SHARE (EPS) AS PER ACCOUNTING STANDARD - 20**

| Particulars   | 2016-17   | 2015-16      |
|---|-----------|--------------|
|   | ₹         | ₹            |
| Net Profit/(Loss) for the year  | 7,469,804 | (36,879,096) |
| 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  | 1.53      | (7.57)       |

**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**

In the Previous Year (i.e. FY: 2015-16), 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 : 34**

**OTHER DETAILS**

**Note : 34.1**

**Consumption Of Raw Materials :-**

| Product     | 2016-17     | 2015-16     |
|-------------|-------------|-------------|
|             | ₹           | ₹           |
| Ammonia Gas | 117,912,727 | 129,018,227 |

**Note : 34.2**

**Goods Purchased (Traded) :-**

| Product                    | 2016-17     | 2015-16     |
|----------------------------|-------------|-------------|
|                            | ₹           | ₹           |
| Ammonia Tanker             | 30,506,032  | 28,748,416  |
| Other Gases & Gas Mixtures | 118,774,165 | 110,865,473 |
| Gas Cylinder               | 4,039,636   | 1,265,612   |
| Total....                  | 153,319,833 | 140,879,501 |

**Note : 34.3**

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

| Product        | Sales       |             | Opening stock |         | Closing stock |         |
|----------------|-------------|-------------|---------------|---------|---------------|---------|
|                | 2016-17     | 2015-16     | 2016-17       | 2015-16 | 2016-17       | 2015-16 |
|                | ₹           | ₹           | ₹             | ₹       | ₹             | ₹       |
| Ammonia Gas    | 114,485,422 | 120,317,508 | 389,371       | 195,938 | 362,147       | 389,371 |
| Liquor Ammonia | 63,408,742  | 68,203,999  | 496,137       | 588,374 | 388,327       | 496,137 |
| Total....      | 177,894,164 | 188,521,507 | 885,508       | 784,312 | 750,474       | 885,508 |

**Note : 34.4**

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

| Product                    | Sales       |             | Opening stock |           | Closing stock |           |
|----------------------------|-------------|-------------|---------------|-----------|---------------|-----------|
|                            | 2016-17     | 2015-16     | 2016-17       | 2015-16   | 2016-17       | 2015-16   |
|                            | ₹           | ₹           | ₹             | ₹         | ₹             | ₹         |
| Ammonia Tanker             | 30,531,600  | 29,060,718  | —             | —         | —             | —         |
| Other Gases & Gas Mixtures | 199,087,537 | 199,355,832 | 1,239,277     | 1,319,435 | 1,832,297     | 1,239,277 |
| Gas Cylinder               | 6,233,383   | 4,224,725   | 3,310,268     | 4,197,278 | 3,961,908     | 3,310,268 |
| Total....                  | 235,852,520 | 232,641,275 | 4,549,545     | 5,516,713 | 5,794,205     | 4,549,545 |

**Note : 34.5**

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

| Product     | Raw-Material Components |           |
|-------------|-------------------------|-----------|
|             | 2016-17                 | 2015-16   |
|             | ₹                       | ₹         |
| Ammonia Gas | 2,404,218               | 2,474,257 |

**Note : 34.6**

**Details of Share ( Sale & Purchase ) During the Period 01.04.16 to 31.03.17 :-**

| Name               | Opening    |              | Purchase |            | Sale     |            | Profit(+)<br>/ Loss(-) | Surplus(+)<br>/Erosion(-) | Closing    |              |
|--------------------|------------|--------------|----------|------------|----------|------------|------------------------|---------------------------|------------|--------------|
|                    | Nos.       | Value<br>₹   | Nos.     | Value<br>₹ | Nos.     | Value<br>₹ |                        |                           | Nos.       | Value<br>₹   |
| Reliance Power Ltd | 112        | 5,533        | -        | -          | -        | -          | -                      | (146)                     | 112        | 5,387        |
| <b>Total</b>       | <b>112</b> | <b>5,533</b> | <b>-</b> | <b>-</b>   | <b>-</b> | <b>-</b>   | <b>-</b>               | <b>(146)</b>              | <b>112</b> | <b>5,387</b> |

**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<br>(i.e., total assets<br>minus total liabilities) |                   | Share of profit or (loss)                   |                   |
|---|---|-------------------|---|-------------------|
|   | As % of<br>consolidated<br>net assets                         | Amount<br>( In ₹) | As % of<br>consolidated<br>Profit or (loss) | Amount<br>( In ₹) |
| <b>Parent</b>   |   |                   |   |                   |
| - Vadilal Chemicals Ltd.                                      | 98.71   | 56556110          | 99.54                                       | 7435314           |
| <b>Joint Ventures</b><br>(as per proportionate consolidation) |   |                   |   |                   |
| - Vadilal Cold Storage  | 1.29  | 740133            | 0.46  | 34490             |
| <b>Total....</b>  | <b>100.00</b>   | <b>57296243</b>   | <b>100.00</b>                               | <b>7469804</b>    |

**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**

The Figures of the Investments in the Joint Venture (Vadilal Cold Storage) are considered on the basis of its unaudited financial statements during the year, while previous year the same were based on the audited books of the accounts.

**Note : 38**

During the year, Company has sold part of its investments in Associate, as a result these company ceased to be associates at the year end. As no significant influence was exercised by the company over these associates nor are their financial result material to the company's result, consolidated financial statements have not been prepared. However, loss on Sale of investment is recognised in this financial statements.

**Note : 39**

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

**Note : 40****Specified Bank Notes (SBN):-**

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

| Particulars   | SBNs    | (Amt. In ₹)                    |                  |
|---|---------|--------------------------------|------------------|
|   |         | Other<br>Denomination<br>Notes | Total            |
| <b>Closing Cash In Hand as at 8th November -2016</b>  | 479,000 | 1,054,675                      | <b>1,533,675</b> |
| Add: Withdrawal from bank accounts                    | -       | 1,568,000                      | <b>1,568,000</b> |
| <b>Add: Permitted Receipts</b>                        | -       | 1,802,017                      | <b>1,802,017</b> |
| <b>Less: Permitted Payments</b>                       | -       | 2,009,319                      | <b>2,009,319</b> |
| <b>Less: Amount Deposited In Bank</b>                 | 479,000 | 1,293,752                      | <b>1,772,752</b> |
| <b>Closing Cash In Hand as at 30th December -2016</b> | -       | <b>1,121,621</b>               | <b>1,121,621</b> |

**Signature to Notes 1 to 40**

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

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

**PLACE : AHMEDABAD**  
**DATE : 26-08-2017**

**For and on behalf of the Board of Directors**  
**Rajesh R. Gandhi**  
Chairman & Managing Director  
DIN: 00009879

**Ravi Thakkar**  
Chief Financial Officer

**Soham Rawal**  
Company Secretary

**PLACE : AHMEDABAD**  
**DATE : 26-08-2017**

## 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,<br>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  |  |

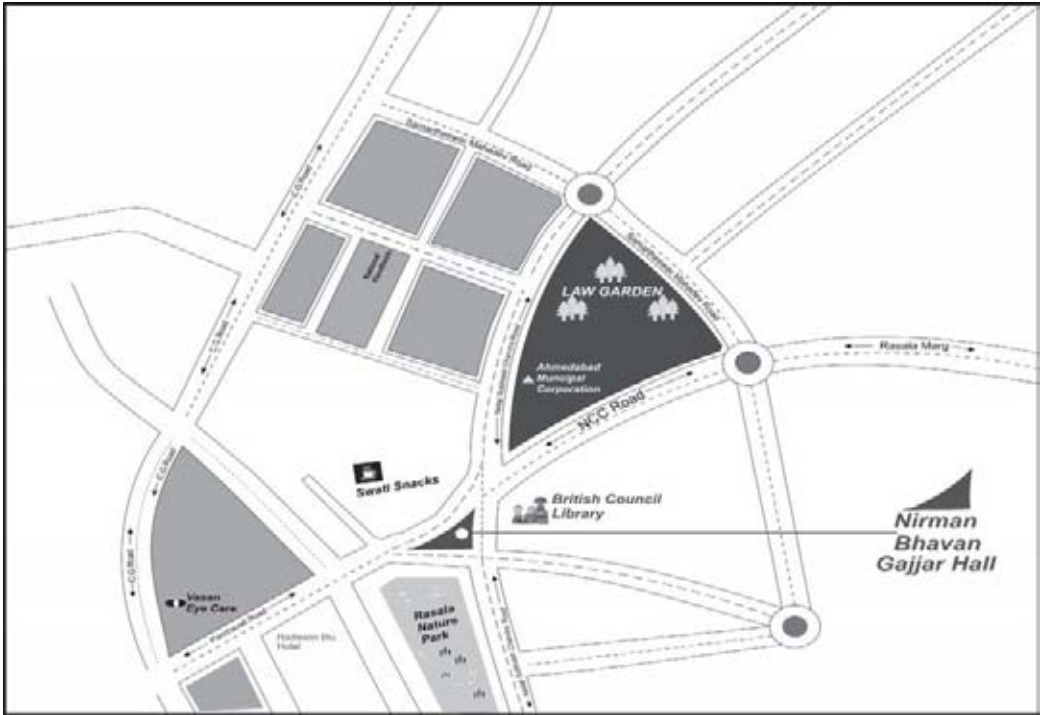
Or failing him,

|            |  |
|------------|--|
| 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 26<sup>th</sup> Annual General Meeting of the company, to be held on the 29th September, 2017 at 5.30 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 |
|----------------|--|---------|
|                | <b>Ordinary Business:</b>  |         |
| 1.             | Ordinary Resolution to consider and adopt:   |         |
|                | (a) The Audited financial statement of the Company for the financial year ended on 31 <sup>st</sup> March, 2017, the report of Board of Directors and Auditors thereon and   |         |
|                | (b) The Audited Consolidated financial statement of the Company for the financial year ended on 31 <sup>st</sup> March, 2017.  |         |
| 2.             | Ordinary Resolution to declare dividend on Equity Shares for the financial year ended on March 31, 2017.   |         |
| 3.             | Ordinary Resolution to appoint a Director in place of Shri Kalpit R. Gandhi (holding DIN: 02843308) who retires by rotation as per provision of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. |         |
| 4.             | Ordinary Resolution to appoint a Director in place of Smt. Deval D. Gandhi (holding DIN: 00988905), who retires by rotation as per provision of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment. |         |
| 5.             | Ordinary Resolution to ratify appointment of Statutory Auditors M/s. RRS & Associates, Chartered Accountants, Ahmedabad (FRN: 118336W) and to fix their remuneration.  |         |
|                | <b>Special Business:</b>   |         |
| 6.             | To appoint Shri Rohit J. Patel (holding DIN 00012367) as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013.                                      |         |
| 7.             | To appoint Mr. Jignesh J. Shah (DIN: 01202435) as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013.   |         |
| 8.             | To appoint Shri Ashish H. Modi (holding DIN 02506019), as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013.                                     |         |
| 9.             | To appoint Shri Udayan R Patel (holding DIN 06674232), as an Independent Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013.                                     |         |

Signed this.....day of .....2017

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 26<sup>th</sup> Annual General Meeting of the company, to be held on the 29th September, 2017 at 5.30 p.m. 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.











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.