



# VADILAL CHEMICALS LIMITED

B-202, SAFAL PEGASUS, NR. AUDA GARDEN, PRAHALADNAGAR, AHMEDABAD-380015.

PHONE : +91 79 30086938 / 37 • FAX : +91 79 30086940

E-mail : info@vadilalgases.co.in • URL : www.vadilalgases.co.in

To,

Date : 16<sup>th</sup> September, 2013

Listing Department <b>AHMEDABAD STOCK EXCHANGE LIMITED</b> Kamdenu Complex, opp. Sahjannad College Opp Panjara Pole, Ambawadi, Ahmedabad – 380015.	<b>SATYABRATA SAHOO</b> GENERAL MANAGER, <b>THE CALCUTTA STOCK EXCHANGE LIMITED,</b> 7 Lyons Range , Kolkata – 700 001.
LISTING DEPARTMENT <b>DELHI STOCK EXCHANGE ASSOCIATION LIMITED.</b> DSE House. 3/1 Asaf Ali Road New Delhi-120002	<b>S Padmanabhan</b> Manager ( Listing Compliance) Listing Department <b>MADRAS STOCK EXCHANGE LIMITED</b> Exchange Building , Post Box No. 183, 11 Second Line Beach Chennai – 600 001.

Dear Sir/ Madam,

**Sub. : Submission of Annual Report for the year ending on 31<sup>st</sup> March, 2013.**

We are submitting herewith 3 copies of Annual Report of M/s. Vadilal Chemicals Limited for the year ended on 31<sup>st</sup> March, 2013.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,  
**FOR VADILAL CHEMICALS LIMITED.**

**(DIRECTOR / AUTHORISED SIGNATORY)**

Enc.: As above.





*22nd Annual Report 2012-13*



**Vadilal Chemicals Limited**

Regd. Office : B-202, SAFAL PEGASUS, NR. AUDA GARDEN,  
PRAHLADNAGAR, AHMEDABAD - 380 015.



# The truth about us we market what you cannot see



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

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

Regd. Office : B-202, Safal Pegasus, Near AUDA Garden, Prahladnagar, Ahmedabad - 380 015. Gujarat  
Phone : 30086937, 30086938, 30086939 Fax : (079) 30086940

#### BRANCHES :

- Plot No. 137 / 10, Shopping Centre, Opp. G.I.D.C. Water Tank, G.I.D.C. Estate, POR Ramangamdi, Dist : Baroda, (GUJARAT)
- 9, Sector-A, Industrial Area, Opp. Pologround, INDORE (M.P.)
- Gat No. 52, A/P Chimbli, Chakan., Tal. Khed, Dist. : Pune - 410501 (MAHARASHTRA)
- Gat No. 513, Old Jejuri, Tal. : Purandar, Dist. : Pune

#### PHONE / FAX

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

#### PLANTS :

- Plot No. 2504, Phase IV, G.I.D.C. Vatva, AHMEDABAD - 382 445
- 40 Shed Area, Plot No.799 G.I.D.C. Estate, VAPI. Dist : Valsad (GUJARAT)
- Plot No.615, G.I.D.C. Estate, PANOLI Dist: Bharuch (GUJARAT)
- D-397, M.I.D.C. T.T.C.Area, Village : KUKSHET, Dist. Thane, NAVI MUMBAI (MAHARASHTRA)
- Plot No. 18/A APIIC Ind. Estate, PATANCHERU, Dist : Medak (A.P)
- Plot No. E-43 (B) RIICO Industrial Estate, KHUSHKHERA Tal. : Thijara, Bhiwadi, Dist. Alwar (RAJ.)

(079) 25842666  
(0260) 2430019 / 2430147  
(02646) 272168  
(022) 27685301  
(08455) 242444  
(01493) 250330



## BOARD OF DIRECTORS

SHRI RAMCHANDRA R. GANDHI - CHAIRMAN (ceased to be chairman and Director w.e.f. 29th May, 2013)  
 SHRI VIRENDRA R. GANDHI - MANAGING DIRECTOR  
 SHRI RAJESH R. GANDHI - MANAGING DIRECTOR  
 SHRI DEVANSHU L. GANDHI - MANAGING DIRECTOR  
 SHRI PANKAJ R. PATEL  
 SHRI KSHITISH M. SHAH  
 SHRI ROHIT J. PATEL  
 SHRI DILIP L. PARIKH  
 SHRI JAYESH P. KHANDWALA

## AUDITORS

TALATI & TALATI  
 CHARTERED ACCOUNTANTS  
 AHMEDABAD

## BANKERS

BANK OF BARODA  
 STATE BANK OF HYDERABAD

## SHARE TRANSFER AGENT (PHYSICAL)

BIG SHARES SERVICES PVT LTD.  
 E-2 & 3, ANSA INDUSTRIAL ESTATE, SAKI-VIHAR ROAD, SAKINAKA.  
 ANDHERI (E), MUMBAI - 400072.

## REGISTERED OFFICE

B-202, SAFAL PEGASUS, NR. AUDA GARDEN,  
 PRAHLADNAGAR, AHMEDABAD - 380 015.

## FACTORIES

2504, GIDC, VATVA, AHMEDABAD, GUJARAT  
 799, GIDC, VAPI, GUJARAT  
 615, GIDC, PANOLI, DISTRICT BHARUCH, GUJARAT  
 D-397, MIDC, THANE, NEW MUMBAI, MAHARASHTRA  
 18/A, APIIC, PATANCHERU, DISTRICT MEDAK, A.P.  
 E-43 (B), RIICO IND. ESTATE, KHUSHKHERA, BHIVADI (RAJASTHAN)

## BRANCHES

POR, INDORE, PUNE, JEJURI

Email : [personnel@vadilalgases.co.in](mailto:personnel@vadilalgases.co.in)  
[vatva@vadilalgases.co.in](mailto:vatva@vadilalgases.co.in)  
[por@vadilalgases.co.in](mailto:por@vadilalgases.co.in)  
[panoli@vadilalgases.co.in](mailto:panoli@vadilalgases.co.in)  
[vapi@vadilalgases.co.in](mailto:vapi@vadilalgases.co.in)  
[mumbai@vadilalgases.co.in](mailto:mumbai@vadilalgases.co.in)  
[pune@vadilalgases.co.in](mailto:pune@vadilalgases.co.in)  
[hydvl@yahoo.com](mailto:hydvl@yahoo.com)  
[indore@vadilalgases.co.in](mailto:indore@vadilalgases.co.in)  
[khushkhera@vadilalgases.co.in](mailto:khushkhera@vadilalgases.co.in)

## 22 ND ANNUAL GENERAL MEETING

Day : Monday  
 Date : 30th September, 2013  
 Time : 1.00 PM  
 Venue : REGISTERED OFFICE  
 B-202, SAFAL PEGASUS,  
 NR. AUDA GARDEN,  
 PRAHLADNAGAR,  
 AHMEDABAD - 380 015.

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# Vadilal Chemicals Limited

## NOTICE

**NOTICE** is hereby given that the **Twenty Second Annual General** Meeting of the Members of the Company will be held on Monday 30th September, 2013 at 1-00 pm at B-202, Safal Pegasus, Anand Nagar Road, Nr. Prahalad Nagar Garden, Satellite Ahmedabad – 380015 to transact the following business:

### ORDINARY BUSINESS:

- (1) To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2013 and the Statement of Profit and Loss for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon.
- (2) To appoint a Director in place of Shri Pankaj R. Patel, who retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
- (3) To appoint a Director in place of Mr. Jayesh P. Khandwala, who retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
- (4) To appoint Auditors of the company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General meeting and to fix up their remuneration.

### SPECIAL BUSINESS:

- (5) To consider and if thought fit to pass with or without modification, following resolution as an Ordinary Resolution :

**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310, 311 and any other applicable provisions of the Companies Act, 1956 and also in terms of Schedule XIII of the said Act as amended upto date, consent of the Company, be and is hereby granted for the re-appointment of Shri Rajesh R. Gandhi as the Managing Director of the Company for a period of 5 years commencing from 1<sup>st</sup> January, 2013 without payment of any remuneration, perquisites, allowances or commission and on other terms and conditions as mentioned in the explanatory statement.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary terms and conditions of said re-appointment at any time and in such manner as board may deemed fit provided however that such alterations or variations shall be within the provisions of Schedule XIII of the Companies Act, 1956 or any such amendment thereof from time to time.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters, things, and take all steps as may be necessary and desirable to give effect to this resolution.

- (6) To consider and if thought fit to pass with or without modification, following resolution as an Ordinary Resolution :

**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310, 311 and any other applicable provisions of the Companies Act, 1956 and also in terms of Schedule XIII of the said Act as amended upto date, consent of the Company, be and is hereby granted for the re-appointment of Shri Devanshu L. Gandhi as the Managing Director of the Company for a period of 5 years commencing from 1<sup>st</sup> January, 2013 without payment of any remuneration, perquisites, allowances or commission and on other terms and conditions as mentioned in the explanatory statement.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary terms and conditions of said re-appointment at any time and in such manner as board may deemed fit provided however that such alterations or variations shall be within the provisions of Schedule XIII of the Companies Act, 1956 or any such amendment thereof from time to time.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters, things, and take all steps as may be necessary and desirable to give effect to this resolution.

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

Place : Ahmedabad  
Date : 14-08-2013

By order of the Board  
**FOR VADILAL CHEMICALS LIMITED**

**(VIRENDRA R GANDHI)**  
Managing Director



24. The company has borrowed money from the Banks and Financial Institutes within the limit under section 293 (1) (d) during the financial year under report.
25. The Company has not made any loans and investments or given guarantee or provided securities under the provisions of section 372 A.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the financial year under report.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year under report.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the financial year under report.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year under report.
30. The Company has not altered its Articles of Association during the financial year under report.
31. On verification of the records of the Company and as informed to me, there was no major prosecution initiated against or show cause notices received by the Company for alleged offenses under the Act, and also the fines and penalties or any other punishment imposed on the Company.
32. The Company has not received any money as security from its employees during the financial year under report.
33. The Company was regular in deducting and depositing contribution to the Provided Fund with the prescribed Authorities pursuant to the Section 418 of the Companies Act for the year under review

*For Geeta Serwani & Associates*  
Practicing Company Secretaries

*(Geeta Serwani)*  
Proprietor  
CO.P. No. 8842

Place : Ahmedabad  
Date : 14<sup>th</sup> August 2013

## ANNEXURE 'A'

1. Register of Investments U/s 49 of the Act.
2. Register of Charges U/s 143 of the Act
3. Register of Members U/s 150 and Index of members U/s 151 of the Act.
4. Minutes Book of the Board of Directors.
5. Minutes Book of the General Meeting.
6. Books of Accounts U/s 209 of the Act.
7. Register of Particulars of Contracts U/s 301 of the Act
8. Register of Directors U/s 303 of the Act.
9. Register of Director's Shareholding U/s 307 of the Act.
10. Register of Investments or loans made, guarantees given or securities provided u/s 372 A of the Act.
11. Register of Transfers

## ANNEXURE 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director/Central Government/Company Law Board or other Authorities during the year ended 31<sup>st</sup> March 2013.

A) To the Registrar of Companies:

Sr. No.	Particulars of Forms	Date of Form	Date of Filing	Delay In Filing
1.	Form 20 B for the year ended on 31 <sup>st</sup> March 2012	28/09/2012	18/10/2012	NO
2.	Form 66 for the year ended on 31 <sup>st</sup> March 2012	28/09/2012	18/10/2012	NO
3.	Form 23 B for the year 2012 -2013	28/09/2012	30/10/2012	NO
4.	Form 23 for revision in remuneration of Managing Director	28/09/2012	21/10/2012	NO
5.	Form 62-Return of deposits for the Financial year 01/04/2011 to 31/03/2012	31/03/2012	27/06/2012	NO
6.	Form 62 for Statement In Lieu Of Advertisement Pursuant To Rule 4a Of The Companies (Acceptance Of Deposits) Rules, 1975	09/08/2012	13/09/2012	NO

B) To Central Government/ Regional Director/ Central Govt. Nil

*For Geeta Serwani & Associates*  
Practicing Company Secretaries

*(Geeta Serwani)*  
Proprietor

CO.P. No. 8842

Place : Ahmedabad  
Date : 14<sup>th</sup> August 2013





**GEETA SERWANI & ASSOCIATES**  
**PRACTICING COMPANY SECRETARY**

A BLOCK, P-4, INDRAPRASTH TOWER, NR. HIMALAYA MALL, DRIVE IN ROAD, AHMEDABAD- 380054.  
Contact No. 9377281843 , 9624636949. E- MAIL ID - gserwani2@gmail.com

**COMPLIANCE CERTIFICATE**

To,  
The Members  
**VADILAL CHEMICALS LIMITED**  
AHMEDABAD

AUTHORISED CAPITAL : Rs. 100,000,000/-

CIN : L24231GJ1991PLC015390

I have examined the registers, records, books and papers of VADILAL CHEMICALS LIMITED having its Registered office at the B-202, SAFAL PEGASUS, ANAND NAGAR ROAD, NR. PRAHALAD NAGAR GARDEN, SATELLITE, AHMEDABAD - 380015 hereinafter referred to as the "Company" as required to be maintained under the Companies Act, 1956 (hereinafter referred to as the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended 31<sup>st</sup> March 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its Directors and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of the Companies/ Regional Director/Central Government/Company Law Board or other Authorities within the time prescribed under the Act, and in case of delay if any, with the payment of additional filing fees thereon as prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met four times 12<sup>th</sup> May 2012, 09<sup>th</sup> August 2012, 03<sup>rd</sup> November 2012 and 08<sup>th</sup> February 2013 in respect of which meetings, proper notice were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Register of Members was closed from 21<sup>st</sup> September 2012 to 28<sup>th</sup> September 2012 (both days inclusive) for the purpose of Annual General Meeting during the financial year under report.
6. The Annual General meeting for the financial year ended on 31<sup>st</sup> March, 2012 was held on **28<sup>th</sup> September 2012** after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. That during the financial year under report no Extra Ordinary General Meeting of the shareholders of the Company was held.
8. The Company has not made any loans to any of the parties mentioned in Section 295 of the Act during the year under review.
9. According to the information and explanation given to us, the company has entered into financial transactions with the parties mentioned under the register maintained u/s 301 under the Act during the year under review.
10. The Company has maintained the Register required to be maintained u/s. 301 of the Act, and the entries have been duly made
11. The Company has employed person falling within the purview of Section 314 of the Act and has complied with the provisions of companies Act during the year under review.
12. Company has issued duplicate share certificates during the year under review and duly approved by Share Transfer Committee.
13. (i) Delivered all certificate on lodgment thereof for transfer/transmission of shares or any other propose in accordance to the provision of act.  
(ii) The Company during the year under Report has not declared any Dividend.  
(iii) That there was no unclaimed or unpaid dividend Account of the company.  
(iv) The company is having matured deposits and the Interest accrued thereon which have remained unclaimed or required to be transferred to 'Investor Education and Protection Fund are duly transferred during the year under review.  
(v) That the company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted during the financial year under report, there was no appointment of Additional Directors, Alternate Directors and Directors to fill Casual Vacancy.
15. "The Company's Paid-up Share Capital being less than the prescribed limit of Rs. 5 Crores, it is not required to appoint any Managing Director / Whole - time Director / Manager and accordingly provisions of Section 269 of the Act, are not applicable. However company has re-appointed Shri Rajesh R. Gandhi and Shri Devanshu L. Gandhi as the Managing Directors during the year under review."
16. The company has not appointed any Sole selling Agents during the financial year under report.
17. The company was required to do application to the Central Government for appointment of Cost Auditor for the year 2012-2013 but was not required to take any approval of Company Law Board, Regional Director, Registrar and/or such other Authorities prescribed under the various provisions of the Act during the financial year under Report.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
19. During the financial year under report, the Company has not issued any shares, debentures or other securities.
20. During the financial year under report, the Company has not bought back any shares.
21. The company has not issued any Preference Shares and hence the question of redemption of Preference Shares during the year did not arise.
22. There was no transaction necessitating the Company to keep in abeyance the right of dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. During the year company has not accepted any public Deposits and balance as per the Accounts of the Company as on 31<sup>st</sup> March 2013 is Rs. 20,000/- falling within the purview of Section 58A and 58 AA of the Act read with the Companies Deposit Rules, 1975 and company has duly complied with the provisions.



## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE MEMBER OF THE COMPANY. Proxy in order to be valid must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Members are requested to notify the changes, if any, in their registered address.
3. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956, in respect of the special business are annexed hereto.
4. The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, 14<sup>th</sup> September, 2013 to Monday, 16<sup>th</sup> September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
5. Members are requested to bring their copy of Annual Report to the meeting.
6. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
7. The Company's shares are listed with the four regional Stock Exchanges Viz. Ahmedabad Stock Exchange Limited, The Calcutta Stock Exchange Limited, Madras Stock Exchange Limited, Delhi Stock Exchange Limited.
8. Information required to be furnished under the Listing Agreement, as required under the clause 49 of the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed, are given below:

	I	II
<b>Name</b>	<b>Mr. Jayesh P. Khandwala</b>	<b>Mr. Pankaj R. Patel</b>
<b>Age</b>	50 years	60 years
<b>Date of Appointment on Board</b>	29/09/1997	01/12/1995
<b>Qualification</b>	B. Com	M. Pharm
<b>Experience</b>	Mr. Khandwala having experience of more than 2 decades in the field of private sector banking, Stock Broking, NBFC operations, general administration, HR function and other allied capital market related services.	Spearhead Zydus Cadila, one of India's leading pharmaceutical groups and a global healthcare provider. With an experience spanning over 30 years in the Indian Pharmaceuticals Industry, Mr. Patel combines both research and techno-commercial expertise. Mr. Patel is on the governing councils of many National Industry Associations. Mr. Patel was awarded the E&Y Entrepreneur of the Year – Life Sciences Award for the year 2009, the M. L. Schroff Memorial Award in 2009 and "Baroda Sun Lifetime Achievement Award" for the year 2010 by the Bank of Baroda. Mr. Patel was declared "Pharma Man of the Year" in 2004 by the Federation of Indian Industry and Economists [FIIIE] for contributing to the growth of the Indian Pharma Industry. Recently, Mr. Patel was conferred the Indian Pharmaceutical Association's "Special Recognition Award 2010" in recognition of his contributions to the growth of the Pharmaceutical Industry, Research and the Profession of Pharmacy
<b>Directorships held in other public Companies (excluding foreign and private Companies)</b>	NIL	1. Zydus Wellness Limited 2. Torrent Power Limited 3. Nirma Limited 4. Karnavati Club Limited 5. Cadila Healthcare Limited 6. Torrent Energy Limited
<b>Members of Committee</b>	NIL	Committee Memberships: Shareholders' / Investors' Grievance Committee: 1. Torrent Power Limited 2. Cadila Healthcare Limited Remuneration Committee 1. Torrent Power Limited 2. Zydus Wellness Limited
<b>Shares Held</b>	NIL	NIL



9. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
10. The SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are requested to submit PAN to their Depository Participates with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company or Registrar and share transfer agents, Bigshares Services Private Limited.
11. The Company is implementing the "Green Initiative" as per Circular No.s 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate affairs (MCA) to enable electronic delivery of notices/ documents and annual reports to shareholders. Members of the company are requested to update their email addresses by writing to the Registrar and Transfer Agent of the company quoting their folio number(s).

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

**Place : Ahmedabad**  
**Date : 14-08-2013**

By order of the Board  
**FOR VADILAL CHEMICALS LIMITED**

**(VIRENDRA R GANDHI)**  
**Managing Director**

## **Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**

### **ITEM no. 5**

This item relates to the re-appointment of Shri Rajesh R. Gandhi as the Managing Director of the Company.

Shri Rajesh R. Gandhi is on the Board of Company since incorporation. He also holds wide business experience. Considering his experience and expertise, the Board of Directors has considered it appropriate and advisable to re-appoint him for a period of 5 years with effect from 1st January, 2013 and accordingly he has been re-appointed as the Managing Director. His re-appointment has been recommended by the Remuneration Committee.

The material terms for re-appointment of Shri Rajesh R. Gandhi are set out as below:

- 1) The Managing Director shall, subject to the supervision, direction and control of the Board of Directors of the Company manages the business and affairs of the company.
- 2) Period of Appointment : 5 (Five years w.e.f from 1<sup>st</sup> January, 2013)
- 3) Shri Rajesh R. Gandhi will not be entitled to any salary, perquisites, allowances or commission.
- 4) The company shall reimburse to the Managing Director entertainment, travelling, and all other expenses incurred by him for the Business of the company and on behalf of the company.
- 5) The Managing Director so long as such shall not be paid any sitting fees for attending meeting of the Board of Director or committee thereof.
- 6) The Managing Director shall not be liable to retire by rotation.
- 7) For all the other terms and conditions not specifically spelt above, the rule and orders of the Company shall apply.

Pursuant to the provisions of section 198, 269 and Sch -XIII of the companies Act, 1956, approval of members of the company is required by way of ordinary resolution and hence necessary resolution has been proposed.

Your Directors recommend to pass the proposed resolution.

Shri Rajesh R. Gandhi, himself and Shri Virendra R. Gandhi, being relative are concerned or interested in the resolution.

### **ITEM - 6**

This item relates to the re-appointment of Shri Devanshu L. Gandhi as the Managing Director of the Company.

Shri Devanshu L. Gandhi is on the Board of Company since incorporation. He holds wide business experience. Considering his experience and expertise, the Board of Directors has considered it appropriate and advisable to re-appoint him for a period of 5 years with effect from 1st January, 2013 and accordingly he has been re-appointed as the Managing Director. His re-appointment has been recommended by the Remuneration Committee.

The material terms for re-appointment of Shri Devanshu L. Gandhi are set out as below:

- 1) The Managing Director shall, subject to the supervision, direction and control of the Board of Directors of the Company manages the business and affairs of the company.
- 2) Period of Appointment : 5 (Five years w.e.f from 1<sup>st</sup> January, 2013)
- 3) Shri Devanshu L. Gandhi will not be entitled to any salary, perquisites, allowances or commission.
- 4) The company shall reimburse to the Managing Director entertainment, travelling, and all other expenses incurred by him for the Business of the company and on behalf of the company.
- 5) The Managing Director so long as such shall not be paid any sitting fees for attending meeting of the Board of Director or committee thereof.
- 6) The Managing Director shall not be liable to retire by rotation.
- 7) For all the other terms and conditions not specifically spelt above, the rule and orders of the Company shall apply.

Pursuant to the provisions of section 198, 269 and Sch -XIII of the companies Act, 1956, approval of members of the company is required by way of ordinary resolution and hence necessary resolution has been proposed.

Your Directors recommend to pass the proposed resolution.

Shri Devanshu L. Gandhi, himself is concerned or interested in the resolution.



## DIRECTOR'S REPORT

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

Your Directors have pleasure in presenting herewith the Twenty Second Annual Report and the Audited Statement of Accounts for the Financial Year ended 31st March, 2013.

## FINANCIAL RESULTS

(₹ in Lacs)

	Year ended 31.03.2013	Year ended 31.03.2012
Profit before Interest, Depreciation and Income Tax.	587.07	410.91
<b>Less :</b>		
Financial Charges	164.66	131.87
Depreciation	250.46	187.60
<b>Profit before Tax</b>	<b>171.95</b>	<b>91.44</b>
<b>Provision for Taxation</b>		
Current Tax	29.04	26.45
Taxation for earlier year	-	6.02
Deferred Tax	8.94	(4.07)
<b>Profit after tax</b>	<b>133.97</b>	<b>63.04</b>

## OPERATIONS

During the year under review, the Company has achieved a turnover of ₹ 4736.35 lacs in comparison to ₹ 4046.17 lacs in the previous year.

During the year under review the Gross Profit of the Company is ₹ 587.07 lacs as compared to ₹ 410.91 lacs of previous year. Net Profit is ₹ 133.97 lacs during the current year as compared to Profit after tax of ₹ 63.04 lacs of previous year.

In view of receipt of sizeable order from Leading Petrochemical Companies, company has been able to make better net profit after tax during the current year as against the previous years.

## DIVIDEND

In order to conserve resources, your directors regret their inability to recommend any dividend

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## FIXED DEPOSITS

The Company has no overdue deposits outstanding as on 31st March, 2013. The Company has complied the provision of Section 58A of the Companies Act, 1956.

## CORPORATE GOVERNANCE

As per the amended listing agreement with the stock exchanges, the Company has complied with the requirements of Corporate Governance. A separate Report on Corporate Governance is annexed as part of the Annual Report. A Certificate from Auditors of the Company regarding compliance of Corporate Governance as stipulated under Clause 49 of Listing Agreement is also annexed to the report of Corporate Governance.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

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

## PARTICULARS OF EMPLOYEES

Provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended,

are not applicable to any of the employees of the Company during the year under review.

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri Pankaj R. Patel and Shri Jayesh P. Khandwala, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. Members are requested to consider their re-appointment as Directors of the Company.

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

## SECRETARIAL COMPLIANCE CERTIFICATE

As required by the Company (Amendment) Act, 2000 & relevant rules made there under "Secretarial Compliance Certificate" under section 383A is attached herewith.

## AUDITORS

M/s Talati & Talati, Chartered Accountants, Ahmedabad, (Firm Registration Number:- 110758W) will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Members are requested to appoint auditors for the current year and fix remuneration.

The Company has received a certificate from Auditors under Section 224(1) of the Companies Act, 1956 to the effect that their reappointment, if made, would be within the prescribed limits under section 224(1B) of the Act.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, Board of Directors of the company hereby state & confirm that :

- in the preparation of Annual Accounts, the applicable Accounting Standards has been followed along with proper explanation relating to material departures, if any.
- the Directors have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true & fair view of the state of affairs of the company at the end of the financial year ended on 31<sup>st</sup> March, 2013 and of the profit of the Company for the period.
- the Directors have taken proper care & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing & detecting frauds and irregularities.
- the Directors have prepared the Annual Accounts on a going concern basis.

## INSURANCE

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

## APPRECIATION

Your Directors place on record their deep appreciation for the continued co-operation, assistance and guidance provided by financial institutions, bankers, Government Departments, investors, customers, suppliers, dealers, shareholders and other stakeholders.

Your Directors also wish to place on record their deep appreciation for the efficient and loyal services rendered by all the employees leading to an attractively improved performance.

For and on Behalf of the Board of Directors

VIRENDRA R. GANDHI  
MANAGING DIRECTOR

Place : Ahmedabad  
Dated : 14th August, 2013

KSHITISH M. SHAH  
DIRECTOR



**ANNEXURE A TO THE DIRECTORS' REPORT**

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31<sup>st</sup> March, 2013.

**(A) Conservation of energy:****a) Energy conservation measures are taken:**

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

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

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

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

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

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

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

**(B) Technology Absorption:**

The efforts made in technology absorption are mentioned below in Form-B

**FORM - B**

Form for disclosure of particulars with respect to absorption

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

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

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

Production processes have improved resulting in better productivity

**3. Future plan of action:**

The Company has nothing to report under this clause

**4. Details of R & D Expenditure:**

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

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:****1. Efforts, in brief, made towards technology absorption, adaptation and innovation. : N.A.****2. Benefits derived as a result of the above efforts e.g. product, improvements, cost reduction, product development, import substitution etc. : N.A.****3. Details of Technology imported (during the last 5 years) : NIL****(c) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	Current year ₹	Previous year ₹
Earnings :	NIL	NIL
Out go :	NIL	NIL

**MANAGEMENT DISCUSSION AND ANALYSIS****1) INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company is one of the leading Suppliers (Manufacturer / Trader)

of Industrial Gases in the Western India since 1992. Industrial gases find usage in almost all major Industrial sectors and are directly linked with the Industrial growth of the country. In the current scenario of good industrial growth and open economy resulting in increased Export potential, the demand for Industrial gases has also increased especially in Steel, Pharma & Automobile industry.

**2) OPPORTUNITIES AND THREATS**

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

**3) SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

Due to sustained growth in Steel and Automobile Industry and overall Infrastructure development, the Gas industry has witnessed sizeable growth in Argon and Argon based mixtures. Nitrogen, Hydrogen sales have also increased due to boost in Pharmaceuticals sector and Petrochemicals complexes. New projects in Gujarat have helped in increasing the overall sales of all Industrial gases. Our Calibration Gases, Pure Gases and Gas mixtures has also received good and encouraging response from the market and are acceptable by all major Petrochemical, Steel & Cement and Pharma companies.

**4) OUTLOOK**

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

**5) RISKS & CONCERNS**

Though the overall growth of Indian economy, especially the manufacturing sector has increased the potential of Gas industry, there is certain risk from Imports in certain sectors due to reduction in Import duties as part of globalization. Also the increasing prices of Steel shall result in proportionate increase in cost of Cylinders and accessories resulting higher outflows.

**6) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has an adequate system of internal control commensurate with the size and the nature of its business, which ensures that transaction are recorded, authorised and reported correctly apart from safeguarding its assets against loss from wastage, unauthorised use and removal.

**7) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Company has a profit before tax of ₹ 171.95 lacs during the current year in comparison to ₹ 91.44 lacs earned by the Company during previous year. During the current year, the Company's performance is likely to improve. Company's current ratio and debt equity ratio are favorable. There is no overdue outstanding Term Loan or Working Capital Facilities from Banks.

**8) MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED.**

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

For and on Behalf of the Board of Directors

VIRENDRA R. GANDHI  
MANAGING DIRECTOR

KSHITISH M. SHAH  
DIRECTOR

Place : Ahmedabad  
Dated : 14th August, 2013



## REPORT ON CORPORATE GOVERNANCE

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

The Securities and Exchange Board of India (SEBI) has prescribed a code of corporate governance (hereinafter referred to as "the code") through Clause – 49 in the Listing Agreement executed by the Company with Stock exchange, which lays down several corporate governance practices. The Code has been periodically revised to ensure the adoption of best corporate governance practices by the corporate. This report sets out the compliance status of the company with the requirements of code the financial year 2012-13.

### 1. Company's Philosophy on Code of Corporate Governance

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

### 2. Board of Directors

#### Composition :

The composition of the Board of Directors consists of total 9 Directors; of whom Shri Rajesh R. Gandhi, Shri Devanshu L. Gandhi and Shri Virendra R. Gandhi are the Managing Directors of the Company and Shri Ramchandra R. Gandhi is Chairman, who is a promoter non- executive Director of the Company. The composition of Board is compliant with the requirements of Clause 49 (IA) i.e. more than 50% of Directors are non-executive Directors and more than 33% of Directors are Independent Directors.

The Composition of the Board and other relevant details relating to Directors during the financial year 2012 – 2013 are as under:

None of Directors on the Board are members in more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are directors.

Sr. No.	Name Of Director	Category of Directorship	No. of Directorships*	Board Meeting Attends	Attendance At last AGM
1.	Shri Ramchandra R Gandhi *	Promoter & Non Executive Director	2	0	NO
2.	Shri Virendra R Gandhi	Promoter Executive Director	4	4	YES
3.	Shri Rajesh R Gandhi	Promoter Executive Director	5	3	NO
4.	Shri Devanshu L Gandhi	Promoter Executive Director	4	1	NO
5.	Shri Pankaj R Patel	Non Executive Independent Director	6	1	NO
6.	Shri Dilip L Parikh	Non Executive Independent Director	1	2	NO
7.	Shri Kshitish M Shah	Non Executive Independent Director	2	4	YES
8.	Shri Jayesh P Khandwala	Non Executives Independent Director	1	2	NO
9.	Shri Rohitbhai Patel	Non Executive Independent Director	3	2	NO

\* Ceased to be a Chairman and Director of the Company w.e.f. 29<sup>th</sup> May, 2013.

Directorship in Private Companies, Foreign Companies and Associates are excluded

#### Board Meetings:

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

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

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

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

During the year under review the Board of Directors met four times during the year on 12<sup>th</sup> May 2012, 9<sup>th</sup> August, 2012, 3<sup>rd</sup> November, 2012 and 8<sup>th</sup> February, 2013. The Board meets at least once in a quarter and maximum time gap between meetings was not more than four months.



The Board is presented with the extensive information on vital matters affecting the working of the Company and risk assessment and mitigation procedure. Following information is regularly put up the Board for its consideration and approval :

- Review of operational results
- Quarterly financial results
- Minutes of the meeting of Audit Committee, Remuneration Committee of the Board.
- Compliance with various statutory requirements.

The Board is informed of all material, financial and commercial decision from time to time.

### 3) Audit Committee

Pursuant to the provisions of Section 292(A) of the Companies Act, 1956 and Clause 49 of the Listing Agreements, the Company has appointed Audit Committee of Directors. The Audit committee consist of three Independent Directors - Shri Kshitish M. Shah, Shri Jayesh P. Khandwala and Shri Dilip L. Parikh and one promoter non executive director – Shri Ramchandra R. Gandhi.

Composition of the Committee is in compliance with the requirement of Clause-49 of the Listing Agreement and Section 292A of the Companies Act, 1956. i.e. The audit committee shall have minimum three directors as members. Two-thirds of the members of audit committee shall be Independent Directors

#### Meetings during the year.

During the year under review, four meetings of Audit Committee were held on 12<sup>th</sup> May 2012, 09<sup>th</sup> August 2012, 03<sup>rd</sup> November 2012 and 08<sup>th</sup> February 2013 .

As and when required, the Committee meetings were also attended by the representatives of the statutory auditors. The Committee invites senior executives as it considers appropriate to attend meetings of the Committee.

Major terms of reference of the Audit Committee include overseeing the financial reporting process, review of financial statements, ensuring compliance with the regulatory guidelines, review of internal audit reports, recommending appointment and remuneration of statutory auditors to the Board of Directors and review of adequacy of internal control Systems and internal audit function.

The interval between two meetings convened was not more than four months

### 4) Remuneration Committee

#### (i) Composition

As on 31<sup>st</sup> March 2013, the remuneration Committee comprises of the following Non – executives Independent directors as its member: -

- (1) Shri Dilip L Parikh
- (2) Shri Jayesh P Khandwala
- (3) Shri Kshitish M Shah

#### (ii) Brief description of the terms of reference:

The Broad terms of reference of the Remuneration Committee include:

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

#### (iii) Details of remuneration for the year ended 31-03-2013.

Name	Position held During the Period	Total Remuneration In Rupees
Shri Virendra R Gandhi	Managing Director	₹ 29,50,116/-
Shri Rajesh R Gandhi	Managing Director	NIL
Shri Devanshu L Gandhi	Managing Director	NIL

Directors have been paid remuneration as per the approval given by Board and Shareholders of the Company.

#### • Non – Executive Directors

Remuneration by way of sitting fees for attending Board/ Committee Meetings have been paid to the non – executive Directors. No other remuneration by way of commission or otherwise was paid to them during the year. The details of remuneration paid to them during the year are as under:



Name	Sitting fees paid ₹.
Shri Kshitish M Shah	24,000/-
Shri Rohit J. Patel	12,000/-
Shri Jayesh P Khandwala	8,000/-
Shri Dilip L Parikh	8,000/-
Shri Pankaj R Patel	4,000/-

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

## 5) Shareholders' / Investors' Grievances cum Share Transfer Committee

The Shareholders/ Investor's Grievance Committee has been constituted to look into investors complaints like transfer of shares, non – receipt of declared dividend, etc and take necessary steps for redressal thereof. The Committee consists of Shri Ramchandra R Gandhi, Shri Virendra R Gandhi, Shri Rajesh R Gandhi & Shri Devanshu L Gandhi. Shri Ramchandra R Gandhi, a non-executive director is Chairman of the Committee.

The Board of Directors of the Company has constituted Shareholders' / Investors' Grievances cum Share Transfer Committee which looks in to allotment of shares, share transfer work and matter relating to investor / shareholders' grievances.

As a measure of good corporate governance and to focus on the Shareholders' grievances and towards strengthening investor relations and to expedite the transfer process in the physical segment, the committee is constituted.

## 6) Code of Conduct

The Company's code of conduct has been complied with by all the members of the Board and selected employees of the Company. The Company has in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulation, 1992. This code is applicable to all Directors and designated employees. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

## 7) General Body Meetings

The last three Annual General Meetings were held as under and there was no Extra Ordinary General Meeting in last three years.

### Annual General Meetings:

Financial Year ended	Date	Time	Venue
31-03-2012	28-09-2012	11.00 a.m.	At Registered Office - B-202, Safal Pegasus, Anand Nagar Road, Nr. Prahalad Nagar Garden, Satellite, Ahmedabad.
31-03-2011	29-09-2011	11.00 a.m.	Gajjar Hall, Opp : Law Garden, Ellisbridge, Ahmedabad
31-03-2010	29-09-2010	11.00 a.m.	Gajjar Hall, Opp : Law Garden, Ellisbridge, Ahmedabad

Special Resolutions were passed by a show of hands. There is no item in Agenda that needs approval by Postal Ballot at the forthcoming AGM.

## 8) Subsidiary Companies

As at March 31, 2013 the company had no subsidiary company.

## 9) Disclosures

### Legal Compliances :

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

There were no instances of material non - compliance during the year under review. No strictures or penalties were imposed on the Company by SEBI, Stock exchange or any statutory on any matter related to capital markets during the last three years.

### Related Party Transaction :

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



Related party transactions entered in the ordinary course were placed before the Board. These transactions are not likely to have any conflict with the Company's interest. Details of transactions with related party transactions during the year have been disclosed as required under Accounting Standard 18 as applicable to the Company in the notes to the accounts.

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

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

## 10) Means of Communication

Half – yearly result sent to each household : No  
of shareholders

Quarterly results are normally published in : Business Standard (English) and Jaihind (Gujrati).

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

## 11) General Shareholder Information

<b>Date, time and venue of AGM</b>	Monday, 30 <sup>th</sup> September, 2013 at 1.00 p.m. at B-202, Safal Pegasus, Anand Nagar Road, Nr. Prahalad Nagar Garden, Satellite Ahmedabad
<b>Dates of Book Closure</b>	Saturday, 14 <sup>th</sup> September, 2013 to Monday, 16 <sup>th</sup> September, 2013 (both days inclusive)
<b>Listing on Stock Exchanges</b>	1. Ahmedabad Stock Exchange Limited, 2. The Culcutta Stock Exchange Limited, 3. Madras Stock Exchange Limited, 4. Delhi Stock Exchange Limited.
<b>Listing Fees</b>	Paid fees to Stock Exchange as per listing agreement except Delhi Stock Exchange Limited and The Culcutta Stock Exchange Limited.
<b>Demat Arrangement</b>	With NSDL
<b>ISIN NO.</b>	INE961A01015
<b>Registered Office</b>	VADILAL CHEMICALS LIMITED B-202, SAFAL PEGASUS, ANAND NAGAR ROAD, NR. PRAHALAD NAGAR GARDEN, SATELLITE, AHMEDABAD – 380015.
<b>Dividend Payment Date</b>	N. A.
<b>Registrar and Share Transfer Agent</b>	<b>Big Shares Services Pvt Ltd.</b> E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri(E), Mumbai - 400 072. Tel: 91-22-40430200 Fax: 91-22-28475207 E-mail: investor@bigshareonline.com

## Financial Calendar 2013-2014 (tentative)

Annual General Meeting	4 <sup>th</sup> week of September 2013
Results for quarter ending June 30, 2013	on or before 14 <sup>th</sup> August, 2013
Results for quarter ending September 30, 2013	on or before 14 <sup>th</sup> November, 2013
Results for quarter ending December 31, 2013	on or before 14 <sup>th</sup> February, 2014
Results for year ending March 31, 2014 (Audited)	on or before 30 <sup>th</sup> May, 2014

## Distribution of Shareholding as on 31<sup>st</sup> March 2013

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% to Total Shares
Upto 500	735	78.19	240030	4.93
501 – 1000	133	14.15	114661	2.35
1001 – 2000	22	2.34	34646	0.71
2001 – 3000	8	0.85	19600	0.40
3001 – 4000	1	0.10	3844	0.08
4001 – 5000	3	0.32	12948	0.26
5001 – 10000	12	1.28	81492	1.67
10001 and above	26	2.77	4366779	89.60
<b>Total</b>	<b>940</b>	<b>100</b>	<b>4874000</b>	<b>100.00</b>



## Pattern of Shareholding as on 31-03-2013

Sr. No	Category	No. of Shares	(%)
1.	Corporate Bodies	179550	3.68 %
2.	Corporate Bodies (Promoter Co.)	2929204	60.10 %
3.	Directors Relatives	901531	18.50 %
4.	Promoters	440534	9.04 %
5.	Public	423181	8.68 %
Total		4874000	100.00

## Address of Correspondence

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

## Share Transfer System

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

## Secretarial Audit for Reconciliation of Capital:

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

## Location

The Company's plant are located at :

Plot No. 2504, Phase IV, GIDC, Vatva, Ahmedabad.

40 Shed Area, Plot No. 799, GIDC, Eastate, Vapi, Dist : Valsad.

Plot No. 615, GIDC Eastate, PANOLI, Dist : Bharuch.

D – 397, MIDC, TTC Area , Village : Kukshet, Dist . Thane, Navi Mumbai.

Plot No. 18/AAPIIC Ind, Estate, Patancheru, Dist : Medak.

Plot No. E-43, RIICO Insustrial Estate, Khushkhara, Tal : Thijara, Bhiwadi, Dist : Alwar.

## Declaration for Compliance of Code of Conduct:

All Board Members and the Senior Management personnel have, for the year ended on 31<sup>st</sup> March 2013, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchanges.

**FOR VADILAL CHEMICALS LIMITED**

Place : Ahmedabad

Date : 14/08/2013

**VIRENDRA R. GANDHI**  
MANAGING DIRECTOR

**KSHITISH M. SHAH**  
DIRECTOR

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
**VADILAL CHEMICALS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **VADILAL CHEMICALS LTD.** for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representation made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For TALATI & TALATI**  
Chartered Accountants  
(Firm Reg. No 110758W)

PLACE : Ahmedabad  
DATE : 14th August, 2013

**Umesh H. Talati**  
Partner  
Membership No. 34834



**CEO/CFO CERTIFICATE**

To,  
The Board of Directors  
**VADILAL CHEMICALS LIMITED.**  
B-202, Safal Pegasus, Anand Nagar Road,  
Nr. Prahalad Nagar Garden, Satellite,  
Ahmedabad- 380015.

1. We have reviewed the Balance Sheet, Profit and Loss account and all its Schedules and Notes on Accounts, as well as Cash Flow Statements as at 31<sup>st</sup> March, 2013 and certify that to the best of our knowledge and belief :
  - (i) These Statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
  - (ii) These Statements read together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. No transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
4. We do further certify that there had been :
  - (i) no significant changes in internal control during the year;
  - (ii) no significant changes in accounting policies during the year; and
  - (iii) no instances of significant fraud, of which we are aware during the period.

**Place : Ahmedabad**  
**Date : 14th August, 2013**

**Virendrabhai R. Gandhi**  
**Managing Director**

**Janmejay Gandhi**  
**Chief Financial Officer**



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Vadilal Chemicals Limited,  
Ahmedabad.

### Report on the Financial Statements :

We have audited the accompanying financial statements of **VADILAL CHEMICALS LIMITED** (the Company) which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility :

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

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

### Opinion :

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For TALATI & TALATI**  
Chartered Accountants  
(Firm Reg. No 110758W)

**(Umesh H. Talati)**  
Partner  
Mem.No. 34834

PLACE : Ahmedabad  
DATE : 29th May, 2013



**ANNEXURE TO THE AUDITORS' REPORT**  
(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off any major part of the Fixed Assets.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of the Company, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has not granted any unsecured loan to parties covered in the register maintained u/s.301 of the Companies Act, 1956. Consequently, clause (iii) (b) to (iii) (d) of Paragraph 4 of the Order are not applicable.
- (e) The Company had taken unsecured loans from one company listed in the register maintained under section 301 of the Companies Act, 1956. The year end balance and maximum amount outstanding of loans taken from such company was ₹145,250,103/- and ₹ 145,284,104/- respectively.
- (f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which loans has been taken from party listed in the register maintained under section 301 of the companies Act, 1956 are not prima facie prejudicial to the interest of the company.
- (g) The company is regular in repaying the interest amount and principal amount is repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that need to entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contract or arrangements exceeding of Rupees five lakhs have been entered into during the previous financial year at prices which are reasonable having regards to the prevailing market prices at the relavent time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank Of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of this business.
- (viii) We have broadly reviewed the cost records maintained by the company pursuant to the Companies ( Cost Accounting Records ) Rules,2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) In our opinion and according to information and explanations given to us and the records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess and other Statutory dues applicable to it. There are no undisputed Statutory dues as referred to above as at 31st March, 2013 outstanding for a period of more than six months from due date they become payable.
- (b) According to the records of the Company there are no dues of Value added Tax, Income-tax Sales Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess and other Statutory dues, etc which have not been deposited on account of any dispute.
- (x) The accumulated losses of the Company do not exceed more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks.



- (xii) The company has not granted any loans against security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company is dealing in or trading in Shares, Securities, Debentures and other investments. The Company has maintained proper records of transaction and timely entry has been made therein. The shares and securities, debentures and other shares held by the company in its own name.
- (xv) In our opinion and explanations given to us the company has not given any guarantee during the year for loans taken by others from financial institutions or banks.
- (xvi) In our opinion and according to information and explanation given to us, on an overall basis the terms loans have been applied for the purpose for which they were obtained.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year covered under our audit, the Company has not made any preferential allotment of Shares to parties covered in register under Section 301 of the Companies Act, 1956.
- (xix) During the year covered by our audit report, the Company has not issued any Debentures. Accordingly, the provisions of Clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xx) During the period covered by our audit, the company has not raised any money out of public issue.
- (xxi) We report that no material fraud on or by the Company has been noticed or reported during the course of our Audit.

**For TALATI & TALATI**  
Chartered Accountants  
(Firm Reg. No 110758W)

PLACE : AHMEDABAD  
DATE: 29th May, 2013

**(Umesh H. Talati)**  
Partner  
Mem.No. 34834



## BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Notes No.	31st March, 2013 ₹	31st March, 2012 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>[1] Shareholders' Funds :</b>			
(a) Share Capital	2	48,740,000	48,740,000
(b) Reserve & Surplus	3	37,332,568	23,935,099
<b>[2] Non Current Liabilities :</b>			
(a) Long Term Borrowings	4	156,968,250	136,041,813
(b) Differed Tax Liabilities (Net)	5	15,149,258	14,255,740
(c) Long Term Provisions	6	1,344,421	1,063,319
<b>[3] Current Liabilities :</b>			
(a) Short-Term Borrowings	7	55,117,896	25,470,727
(b) Trade Payables	8	7,069,110	7,039,892
(c) Other Current Liabilities	9	16,893,746	11,288,752
(d) Short-Term Provisions	10	3,039,872	3,107,798
<b>Total Equity &amp; Liabilities</b>		<b>341,655,121</b>	<b>270,943,140</b>
<b>II. ASSETS</b>			
<b>[1] Non-Current Assets :</b>			
(a) Fixed Assets			
Tangible Assets	11	115,523,655	98,196,015
Intangible Assets		210,356	-
Capital Work-in-Progress		-	79,066
(b) Non-Current Investments	12	1,014,435	1,220,516
(c) Long Term Loans and Advances	13	4,536,689	4,235,002
(d) Other Non-Current Assets	14	52,334,263	64,968
<b>[2] Current Assets :</b>			
(a) Inventories	15	11,831,494	13,930,679
(b) Trade Receivables	16	88,338,949	77,121,520
(c) Cash and Cash Equivalents	17	48,415,439	56,680,086
(d) Short-Term Loans and Advances	18	19,449,841	19,269,278
(e) Other Current Assets	19	-	146,010
<b>Total Assets</b>		<b>341,655,121</b>	<b>270,943,140</b>

The accompanying notes are an integral parts of financial statements.  
As per our report of even date attached.

**For TALATI & TALATI**  
Chartered Accountants  
(Firm Reg. No. : 110758W)

**Umesh H. Talati**  
(Partner)  
Membership No. 34834

Place : Ahmedabad  
Date : 29th May, 2013

For and on behalf of the Board of Director

**Virendra R. Gandhi**  
Managing Director

**Kshitish M. Shah**  
Director



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Notes No.	2012 - 2013 ₹	2011 - 2012 ₹
<b>I INCOME:</b>			
Revenue from operations (Gross)			
Sale of Products	21	473,635,995	404,617,075
Less : Excise Duty		33,371,174	24,714,302
Revenue from Operations (Net)		440,264,821	379,902,773
Other Income	22	13,130,532	7,325,617
<b>Total Revenue (I)</b>		<b>453,395,353</b>	<b>286,266,654</b>
<b>II EXPENSES:</b>			
Cost of Materials Consumed	23	151,114,428	120,004,713
Purchase of Stock-in-Trade		156,764,025	142,827,976
Changes in Inventories of Finished Goods, WIP & Stock in Trade	24	(744,302)	(773,734)
Employee Benefit Expense	25	14,924,361	12,194,926
Financial Costs	26	16,699,762	13,245,633
Depreciation and Amortisation Expense	11	25,045,893	18,759,910
Other Expenses	27	72,395,694	71,824,772
<b>Total Expenses (II)</b>		<b>436,199,861</b>	<b>378,084,196</b>
<b>III Profit before tax (I-II)</b>		<b>17,195,492</b>	<b>9,144,194</b>
<b>IV Tax expense:</b>			
(1) Current Tax (MAT)		3,475,000	2,645,353
Less : MAT Credit Entitlement		(570,497)	-
Net Current Tax		2,904,503	2,645,353
(2) ( Excess ) / Short Provision for Earlier Year		-	601,953
(3) Deferred Tax		893,520	(406,856)
<b>V Profit/(Loss) for the Period (III-IV)</b>		<b>13,397,469</b>	<b>6,303,744</b>
<b>VI Earning per Equity Share: (Face value ₹ 10/- each) Basic and Diluted</b>	30	<b>2.75</b>	<b>1.29</b>

The accompanying notes are an integral parts of profit & Loss statements.  
As per our report of even date attached.

**For TALATI & TALATI**  
Chartered Accountants  
(Firm Reg. No. : 110758W)

**Umesh H. Talati**  
(Partner)  
Membership No. 34834

Place : Ahmedabad  
Date : 29th May, 2013

For and on behalf of the Board of Director

**Virendra R. Gandhi**  
Managing Director

**Kshitish M. Shah**  
Director





# Vadilal Chemicals Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Year Ended 2012-13	Year Ended 2011-12
<b>A. CASH FLOW FROM OPERATIVE ACTIVITIES</b>	<b>₹</b>	<b>₹</b>
Net Profit / (Loss) before Tax	17,195,492	9,144,194
Adjustment for :		
Depreciation	25,045,893	18,759,910
Interest Income	(4,465,563)	(4,092,230)
Dividend Income	(120,120)	(148,527)
Interest Paid	16,699,762	13,245,633
(Profit) / Loss on Sales of Assets	(161,203)	(644,924)
(Profit) / Loss on Sale of Investments	(4,883,365)	(28,744)
(Profit) / Loss from Partnership Firm	(39,058)	(28,038)
<b>Operating Profit before Working Capital Changes</b>	<b>49,271,838</b>	<b>36,207,274</b>
Add. / Less : Working Capital Adjustments		
(Increase) / Decrease in Current Assets	(11,239,850)	(3,879,317)
Increase / (Decrease) in Current Liabilities	2,216,477	4,527,429
<b>Cash Generated from Operation</b>	<b>40,248,465</b>	<b>36,855,386</b>
Income Tax Paid	(3,502,429)	(3,603,132)
<b>Net Cash flow from Operating Activity</b>	<b>36,746,036</b>	<b>33,252,254</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(42,867,615)	(31,687,100)
Sales of Fixed Assets	523,992	779,750
Fixed Deposit with Bank	(13,646,254)	(2,325,267)
Sale of Investment	5,089,446	33,331
Dividend Received	120,120	148,527
Interest Received	4,465,563	4,092,230
<b>Net Cash used in Investing Activities</b>	<b>(46,314,748)</b>	<b>(28,958,529)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(16,699,762)	(13,245,633)
Proceed/(Repayment) of Secured Loans	40,285,497	(17,097,543)
Proceed/(Repayment) of Unsecured Loans	16,339,620	7,541,007
<b>Net Cash used in Financing Activities</b>	<b>39,925,355</b>	<b>(22,802,169)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents Total (A+B+C)</b>	<b>30,356,643</b>	<b>(18,508,444)</b>
<b>Cash &amp; Cash Equivalent at the Beginning of the Year</b>		
Cash on Hand	377,980	699,043
Bank Balance	15,583,865	34,912,805
Fixed Deposits for Less than 3 Months	1,141,569	-
<b>Cash &amp; Cash Equivalent at the End of the Year</b>	<b>17,103,404</b>	<b>35,611,848</b>
Cash on Hand	353,635	377,980
Bank Balance	45,841,591	15,583,865
Fixed Deposits for Less than 3 Months	1,264,821	1,141,559
	<b>47,460,047</b>	<b>17,103,404</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 TALATI & TALATI**  
Chartered Accountants  
(Firm Reg. No. : 110758W)

**Umesh H. Talati**  
(Partner)  
Membership No. 34834

Place : Ahmedabad  
Date : 29th May, 2013

For and on behalf of the Board of Director

**Virendra R. Gandhi**  
Managing Director

**Kshitish M. Shah**  
Director



## Note 1

### SIGNIFICANT ACCOUNTING POLICIES :

#### (1) BASIS OF PREPARATION OF ACCOUNTS:

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles in India, the provisions of the Companies Act 1956 and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006.

All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

#### (2) USE OF ESTIMATES:

The presentation of the Financial Statements in conformity with the Generally Accepted Accounting policies requires the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### (3) SALE/REVENUE RECOGNITION:

- (i) Sales are recognized when goods are supplied and are recorded net of trade discount rebates and excluded state Value added tax, Central sales tax and excise duty.
- (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.
- (iii) Dividend on financial instruments are recognized as and when realized. Interest on deposits is recognized on accrual basis.

#### (4) FIXED ASSETS:

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

#### (5) DEPRECIATION:

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

Intangible assets are amortized on straight line basis over their estimated useful life. Software is amortised over a period of 3 to 5 years.

#### (6) ASSETS TAKEN ON LEASE:

In respect of assets taken on finance lease prior to 01.04.2001, the appropriate charge in the Profit & Loss Account is worked out with reference to the principle capital cost which is amortized in equal installments over the economic life of the respective asset, and the finance charge which is spread equally over the lease term. There is no assets taken on finance lease after 01.04.2001.

#### (7) IMPAIRMENT OF ASSETS:

The carrying value of assets of the company's cash generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amount of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds there recoverable amount. The recoverable amount is the greater of the net selling price and there value in use. Value in use is arrived at by discounting the estimated future cash loss to there present value based on appropriate discount factor.

Net selling price is the .estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sales.

#### (8) 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.

#### (9) 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.

#### (10) INVENTORIES:

Inventory of Raw Material and Stores & Spares are valued at cost or net realizable value which ever is lower after considering the credit of state valued added tax and central excise duty.



Cost of finished goods and work in progress includes cost of material consumed, labour and systematic allocation of variable and fixed Production overhead. Excise duty at the applicable rate are also included in the cost of finished goods.

(11) **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 performs 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 commitments 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 encashed or utilized within 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.

(12) **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 items are reported using exchanged rate prevailing on the date of transaction.

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

(13) **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.

(14) **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 issued 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.

(15) **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.

(16) **TAXES ON INCOME:**

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

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

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



**Note : 2**  
**SHARE CAPITAL**

Particulars	As at 31.03.2013	As at 31.03.2012
<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>To the Subscribers of the Memorandum</b>		
<b>ISSUED :</b>		
5009500 Equity Shares of ₹ 10/- each (P.Y. 5009500 Equity Shares of ₹ 10/- each)	50,095,000	50,095,000
<b>SUBSCRIBED &amp; PAID-UP :</b>		
4874000 Equity Share of ₹ 10/- each Fully Paid-up (P.Y.4874000 Equity Share of ₹ 10/- each Fully Paid-up)	48,740,000	48,740,000
<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	31st March 2013		31st March 2012	
	Nos	₹	Nos	₹
<b>Equity Shares</b>				
At the beginning of the period	48,74,000	48,740,000	48,74,000	48,740,000
Add :- Shares issued during the year	-	-	-	-
Less :- Shares Bought back during the year	-	-	-	-
<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**

	31st March 2013		31st March 2012	
	No of Share	% Holding	No of Share	% Holding
<b>Equity shares of ₹ 10/- each fully paid</b>				
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





# Vadilal Chemicals Limited

Notes to the Financial Statement as at 31st March, 2013

## Note : 3 RESERVE & SURPLUS

Particulars	As at 31.03.2013	As at 31.03.2012
	₹	₹
Capital Reserve	1,493,788	1,493,788
Securities Premium Account	15,289,734	15,289,734
General Reserve	9,388,000	9,388,000
<b>Surplus /(Deficit) in the Statement of Profit &amp; Loss</b>		
Balance as per last Financial Statement	(2,236,423)	(8,540,167)
Add : Profit for the year	13,397,469	6,303,744
Less : Appropriations	-	-
<b>Net surplus/(Deficit) in the statement of profit and loss</b>	<b>11,161,046</b>	<b>(2,236,423)</b>
<b>Total</b>	<b>37,332,568</b>	<b>23,935,099</b>

## Note : 4 LONG TERM BORROWINGS

Particulars	As at 31.03.2013	As at 31.03.2012
	₹	₹
<b>Term Loan (Secured)</b>		
- From Bank (Secured against Commercial Vehicles)	11,718,147	7,352,412
<b>Deposits (Unsecured)</b>		
Fixed Deposit - From Public #	-	20,000
<b>Loans &amp; Advances from Related Parties (Unsecured)</b>		
Veronica Construction Pvt. Ltd. *	145,250,103	128,669,401
	<b>156,968,250</b>	<b>136,041,813</b>
<b>The Above amount includes :</b>		
Secured Borrowing	11,718,147	7,352,412
Unsecured Borrowing	145,250,103	128,689,401
<b>Total</b>	<b>156,968,250</b>	<b>136,041,813</b>

### Repayment Schedule of Term Loan :

Particulars	Rate of Interest	As at 31.03.2013	2013-14	2014-15	2015-16	2016-17
	₹	₹	₹	₹	₹	₹
<b>Term Loan</b>						
- Hire Purchase Loans against Commercial Vehicles						
HDFC BANK LTD.	12.50%	502,019	288,634	213,385	-	-
ICICI BANK LTD.	11.40%	6,304,617	3,541,593	2,723,565	39,459	-
ICICI BANK LTD.	12.25%	545,776	257,694	288,082	-	-
ICICI BANK LTD.	10.50%	7,437,335	3,379,270	3,751,705	306,360	-
ICICI BANK LTD.	9.99%	1,239,246	496,118	548,008	195,120	-
ICICI BANK LTD.	11.50%	384,740	159,278	178,591	46,871	-
ICICI BANK LTD.	12.00%	291,076	125,261	141,149	24,666	-
ICICI BANK LTD.	10.51%	884,487	283,407	314,657	286,423	-
ICICI BANK LTD.	9.74%	4,230,070	1,569,964	1,730,032	930,074	-
<b>Total</b>		<b>21,819,366</b>	<b>10,101,219</b>	<b>9,889,174</b>	<b>1,828,973</b>	<b>-</b>





# Vadilal Chemicals Limited

Notes to the Financial Statement as at 31st March, 2013

## # Repayment Schedule of Public Deposit :

Particulars	Rate of Interest	As at 31.03.2013	2013-14	2014-15
<b>Deposits :</b>		₹	₹	₹
Fixed Deposit from Public	9.00 %	-	-	-
	9.50 %	20,000	20,000	-
	10.00 %	-	-	-

\* 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 that view this loan are generally repayable after period of 12 months.

### Note : 5

#### DEFERRED TAX LIABILITY (Net)

Particulars	As At 31.03.2013	As At 31.03.2012
<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	16,260,131	15,172,281
<b>Total (a)</b>	16,260,131	15,172,281
<b>Deferred Tax Assets</b>		
<b>Arising on accounts of timing difference of :-</b>		
Gratuity	538,282	440,250
Leave Encashments	449,722	382,499
Bonus	122,869	93,792
<b>Total (b)</b>	1110,873	916,541
<b>Net Deffered Tax Liability (a-b)</b>	15,149,258	14,255,740

### Note : 6

#### LONG TERM PROVISIONS

Particulars	As At 31.03.2013	As At 31.03.2012
<b>Provision for Employee Benefits :</b>	₹	₹
- Gratuity	1,024,794	813,368
- Leave Encashment	319,627	241,428
- Bonus	-	8,523
<b>Total</b>	1,344,421	1,063,319



### Note : 7

#### SHORT TERM BORROWINGS

Particulars	As At 31.03.2013	As At 31.03.2012
<b>Secured Loans</b>	₹	₹
-From Banks ( Bank Overdraft against FD From State Bank of H'bad - A'bad )	12,432	18,122
-From Banks ( Cash credit Account From State Bank of H'bad - A'bad, Secured by Hypothecation of Book Debt)	29,442,941	-
<b>Loan repayable on demand From Other Parties</b>		
Cylinder Deposit ( Interest Free ) (Against Company Cylinders with Customers)	25,662,523	25,452,605
<b>Total</b>	<b>55117,896</b>	<b>25,470,727</b>

### Note : 8

#### TRADE PAYABLES

Particulars	As At 31.03.2013	As At 31.03.2012
Micro, Small and Medium Enterprises *	₹	₹
Others	7,069,110	7,039,892
<b>Total</b>	<b>7,069,110</b>	<b>7,039,892</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.

### Note : 9

#### OTHER CURRENT LIABILITIES

Particulars	As At 31.03.2013	As At 31.03.2012
<b>Current Maturities of Long term borrowings</b>	₹	₹
- From Banks (Hire Purchase Loan for Vehicle)	10,101,219	3,618,708
- Fixed Deposit (Unsecured) - From Public	20,000	451,000
Rent Deposit	630,600	593,100
Interest accrued but not due on Public Deposit	1,144	69,718
Unclaim matured deposits	-	70,000
<b>Other Payables</b>		
Statutory dues payable*	1,254,350	1,263,703
Others Liabilities	2,581,349	3,011,344
Advance From Customers	2,305,084	2,211,179
<b>Total</b>	<b>16,893,746</b>	<b>11,288,752</b>
<b>The Above amount includes :</b>		
Secured Borrowing	10,101,219	3,618,708
Unsecured Borrowing	20,000	451,000
<b>Total</b>	<b>10,121,219</b>	<b>4,069,708</b>

\* It includes Excise, Vat, Professional tax etc



### Note : 10

#### SHORT TERM PROVISION

Particulars	As At 31.03.2013	As At 31.03.2012
	₹	₹
<b>Provision for Employee Benefits :</b>		
- Gratuity	634,265	543,545
- Leave Encashment	1,066,478	937,488
- Bonus	378,699	280,557
<b>Others :</b>		
- Provision for Expenses	960,430	1,346,208
<b>Total</b>	<b>3,039,872</b>	<b>3,107,798</b>

### Note : 11

#### TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS (A)								INTANGIBLE FIXED ASSETS (B)	Total (A + B)
Particulars	Land	Factory Building	Plant & Machinery	Gas Cylindrical Tanks/Gas Cylinders	Computers	Furniture & Fixtures	Vehicles	Software	
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Cost of assets</b>									
At 1 April 2011	11,529,749	20,251,324	15,073,985	186,876,679	3,977,834	9,354,627	31,925,318	-	278,989,516
Additions	-	-	409,425	12,410,435	197,850	486,249	18,104,075	-	31,608,034
Disposal / Adjustment	-	-	-	470,177	5,500	-	543,000	-	1,018,677
Exchange Differences	-	-	-	-	-	-	-	-	-
<b>At 31 March 2012</b>	<b>11,529,749</b>	<b>20,251,324</b>	<b>15,483,410</b>	<b>198,816,937</b>	<b>4,170,184</b>	<b>9,840,876</b>	<b>49,486,393</b>	<b>-</b>	<b>309,578,873</b>
Additions	-	-	3,256,580	18,221,885	390,579	396,629	20,456,288	224,720	42,946,681
Disposal / Adjustment	-	-	-	162,518	-	-	3,377,242	-	3,539,760
Exchange Differences	-	-	-	-	-	-	-	-	-
<b>At 31 March 2013</b>	<b>11,529,749</b>	<b>20,251,324</b>	<b>18,739,990</b>	<b>216,876,304</b>	<b>4,560,763</b>	<b>10,237,505</b>	<b>66,565,439</b>	<b>224,720</b>	<b>348,985,793</b>
<b>Depreciation</b>									
At 1 April 2011	-	8,933,657	8,422,319	138,635,746	3,101,556	5,356,966	29,056,555	-	193,506,799
Charge for the year	-	558,608	734,370	15,707,600	241,624	560,304	957,404	-	18,759,910
Disposal / Adjustment	-	-	-	364,276	3,725	-	515,850	-	883,851
<b>At 31 March 2012</b>	<b>-</b>	<b>9,492,265</b>	<b>9,156,689</b>	<b>153,979,070</b>	<b>3,339,455</b>	<b>5,917,270</b>	<b>29,498,109</b>	<b>-</b>	<b>211,382,858</b>
Charge for the year	-	558,608	854,476	18,914,224	378,903	588,709	3,736,609	14,364	25,045,893
Disposal / Adjustment	-	-	-	107,345	-	-	3,069,626	-	3,176,971
<b>At 31 March 2013</b>	<b>-</b>	<b>10,050,873</b>	<b>10,011,165</b>	<b>172,785,949</b>	<b>3,718,358</b>	<b>6,505,979</b>	<b>30,165,092</b>	<b>14,364</b>	<b>233,251,782</b>
<b>Net Block</b>									
At 31 March 2012	11,529,749	10,759,059	6,326,721	44,837,867	830,729	3,923,606	19,988,284	-	98,196,015
At 31 March 2013	11,529,749	10,200,451	8,728,825	44,090,355	842,405	3,731,526	36,400,347	210,356	115,734,011
<b>Capital Work In Progress</b>									
At 31 March 2012	-	-	-	-	-	-	-	-	79,066
At 31 March 2013	-	-	-	-	-	-	-	-	-





# Vadilal Chemicals Limited

Notes to the Financial Statement as at 31st March, 2013

**Note : 12**

**NON - CURRENT INVESTMENT**

Particulars	No. of Shares	As at 31.03.2013	As at 31.03.2012
<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 (100)	1,835	1,835
Vadilal Industries Ltd. of ₹ 10/- each	0 (31800)	-	206,081
<b>Others</b>			
Maharashtra Polybutens Ltd. of ₹ 1/- each	150 (150)	12,350	12,350
Unimers India Ltd. of ₹ 10/- each	200 (200)	7,250	7,250
<b>Total (a)</b>		<b>21,435</b>	<b>227,516</b>
<b>Unquoted, fully paid-up</b>			
<b>Others</b>			
Vadilal Forex and Consultancy Services Ltd. of ₹ 10/- each	70000 (70000)	700,000	700,000
Kalpiti Realty & Services Ltd. of ₹ 10/- each	30000 (30000)	3,000	3,000
<b>Total (b)</b>		<b>703,000</b>	<b>703,000</b>
<b>Total (a + b)</b>		<b>724,435</b>	<b>930,516</b>
<b>Investment in Partnership Firm</b>			
M/s. Vadilal Cold Storage *(Refer Note below)		290,000	290,000
<b>Total (c)</b>		<b>290,000</b>	<b>290,000</b>
<b>Grand Total (a+b+c)</b>		<b>1,014,435</b>	<b>1,220,516</b>
<b>Aggregate market value of quoted investments</b>		16,648	4,829,032
<b>Aggregate total quoted investments</b>		21,435	227,516
<b>Aggregate total unquoted investments</b>		703,000	703,000
Note : Figures in brackets are related to Previous Year.			
<b>* Details of Investment in Partnership Firm -</b>			
The company Continues to be a Partner in the following Partnership firm. The details regarding investment in the total capital of the Partnership firm as well as Profit / Loss sharing ratio of the Company along with other Partners is stated hereunder.			
<b>Investment in Vadilal Cold Storage</b>			
Total Capital of the Firm		14,290,000	14,290,000
<b>Investment in :-</b>			
Capital Account		290,000	290,000
Current Account (Refer Note 13 Long Term Loans & Advances)		565,433	526,375
		<b>855,433</b>	<b>816,375</b>
<b>Name of the partners and share in profit (%)</b>			
M/s. Vadilal Chemicals Limited		2%	2%
M/s. Vadilal Industries Limited		98%	98%





# Vadilal Chemicals Limited

Notes to the Financial Statement as at 31st March, 2013

**Note : 13**

**LONG TERM LOANS AND ADVANCES**

Particulars	As At 31.03.2013	As At 31.03.2012
<b>Unsecured, Considered good unless otherwise stated</b>	₹	₹
Security Deposit	3,503,917	3,319,368
Other Loans and advances		
Advance to Vadilal Cold Storage (Balance in current account with firm in which company is a partner )	565,433	526,375
Prepaid Expenses	207,249	89,284
Loans to Employees	224,590	264,475
Deposit with Government Authority & Others	35,500	35,500
<b>Total</b>	<b>4,536,689</b>	<b>4,235,002</b>

**Note : 14**

**OTHER NON CURRENT ASSETS**

Particulars	As At 31.03.2013	As At 31.03.2012
<b>Unsecured, Considered good unless otherwise stated</b>	₹	₹
Deposits with bank of more than 12 months	52,267,544	-
In Margin Money Deposit (Ags Bank Guaratnee)	45,416	40,398
Interest Receivable	21,303	24,570
<b>Total</b>	<b>52,334,263</b>	<b>64,968</b>

**Note : 15**

**INVENTORIES**

Particulars	As At 31.03.2013	As At 31.03.2012
<b>(As valued and certified by management) (At Lower of Cost or Net Realisable Value whichever is Lower)</b>	₹	₹
Raw Material	3,870,612	1,950,384
Finished Goods	1,054,206	295,698
Stock-in-Trade	5,913,627	5,927,833
Stores & Spares	986,155	841,928
<b>Others</b>		
Stock of Investment	6,894	4,914,836
<b>Total</b>	<b>11,831,494</b>	<b>13,930,679</b>



### Note : 16

#### TRADE RECEIVABLES

Particulars	As At 31.03.2013	As At 31.03.2012
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>	₹	₹
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	10,210,609	10,084,480
<b>Others</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	78,128,340	67,037,040
<b>Total</b>	<b>88,338,949</b>	<b>77,121,520</b>

### Note : 17

#### CASH & CASH EQUIVALENT

Particulars	As At 31.03.2013	As At 31.03.2012
<b>Balances with banks</b>	₹	₹
<b>Cash and Cash equivalents</b>		
Balance with Bank -In current account	45,841,591	15,583,865
Cash on hand	353,635	377,980
<b>Others</b>		
In Fixed Deposit with original maturity of less than three months	1,264,821	1,141,559
<b>Sub Total (A)</b>	<b>47,460,047</b>	<b>17,103,404</b>
<b>Other Bank Balance</b>		
In Fixed Deposit with for more than 3 months but less than 12 months	955,392	39,576,682
<b>Sub Total (B)</b>	<b>955,392</b>	<b>39,576,682</b>
In Fixed Deposit with for more than 12 months	52,267,544	-
In Margin Money Deposit (Against Bank Guarantee)	45,416	40,398
Less : Transferred to Other Non Current Assets	(52,312,960)	(40,398)
<b>Sub Total (C)</b>	<b>-</b>	<b>-</b>
<b>Total [ A + B + C ]</b>	<b>48,415,439</b>	<b>56,680,086</b>

### Note : 18

#### SHORT TERM LOANS AND ADVANCES

Particulars	As At 31.03.2013	As At 31.03.2012
<b>Unsecured, Considered Good unless otherwise stated</b>	₹	₹
<b>Security Deposit</b>	-	42,295
<b>Other Loans and Advances</b>		
Advance to Suppliers	9,376,417	8,678,424
Advance to Drivers	134,001	192,653
Mat Credit Entitlement (F.Y. : 2012-13)	570,497	-
Prepaid Expenses	2,979,317	2,555,524
Loans to Employees	248,500	270,000
Deposit with Government Authority & Others	4,258,508	3,825,105
Advance Income Tax (Net of Provision)	1,882,601	3,705,277
<b>Total</b>	<b>19,449,841</b>	<b>19,269,278</b>





# Vadilal Chemicals Limited

Notes to the Financial Statement as at 31st March, 2013

**Note : 19**

**OTHER CURRENT ASSETS**

Particulars	As At 31.03.2013	As At 31.03.2012
<b>Unsecured, Considered good unless otherwise stated</b>	₹	₹
Lease Rent Adjustment A/c. The Company has debited in Profit & Loss Account ₹ 1,46,010 (P.Y. ₹ 799,247) from Lease Rent Adjustment Account.	-	146,010
<b>Total</b>	-	146,010

**Note : 20**

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

Contingent Liabilities not provided for guarantees issued to Bank of Baroda, University Branch against the various guarantees given by the said Bank of ₹ 4.04 Lacs as on 31.3.2013. (Previous year ₹ 4.04 lacs).

Particulars	As At 31.03.2013	As At 31.03.2012
<b>1. Contingent Liabilities</b>	₹	₹
a. Claims against the company not acknowledge as debts		
i) E.S.I.C	213,160	213,160
b Guarantees		
i) Bank Guarantees Outstanding	404,000	404,000
<b>Total</b>	617,160	617,160

**Note : 21**

**REVENUE FROM OPERATIONS**

Particulars	2012-13	2011-12
	₹	₹
Sale of Products	467,378,817	400,514,876
<b>Other Operating Revenues :</b>		
Cylinder Rent	3,173,679	3,036,792
Gain/(loss) on sale of trade investments	3,083,499	1,065,407
<b>Total</b>	473,635,995	404,617,075

**Note : 22**

**OTHER INCOME**

Particulars	2012-13	2011-12
	₹	₹
Interest Income	4,465,563	4,092,230
Dividend Income	120,120	148,527
Net gain/loss on sale of investments	4,883,365	28,744
Net gain/loss on sale of assets	161,203	644,924
Profit From Partnership Firms	39,058	28,038
<b>Other Non-operating income</b>		
Vaporizer Rent/Mobilisation Charges	157,500	535,000
Service Charges	105,000	292,500
Office Rent Income	1,849,340	647,500
Miscellaneous Income	1,180,702	887,904
Interest on Income Tax Refund	168,681	20,250
<b>Total</b>	13,130,532	7,325,617



**Note : 23**

**COST OF MATERIAL CONSUMED**

Particulars	2012-13	2011-12
	₹	₹
Opening Stock of Raw Material	1,950,384	1,705,057
Add: Purchased During the year	153,034,656	120,250,040
	154,985,040	121,955,097
Less: Closing Stock	3,870,612	1,950,384
<b>Total</b>	<b>151,114,428</b>	<b>120,004,713</b>

**Note : 24**

**CHANGE IN INVENTORIES**

Particulars	2012-13	2011-12
	₹	₹
<b>Opening Stock</b>		
Finished Goods	295,698	349,773
Stock in Trade	5,927,833	5,100,024
<b>Total - A</b>	<b>6,223,531</b>	<b>5,449,797</b>
<b>Closing Stock</b>		
Finished Goods	1,054,206	295,698
Stock in Trade	5,913,627	5,927,833
<b>Total - B</b>	<b>6,967,833</b>	<b>6,223,531</b>
<b>Total (A - B)</b>	<b>(744,302)</b>	<b>(773,734)</b>

**Note : 25**

**EMPLOYMENT BENEFIT EXPENSES**

Particulars	2012-13	2011-12
	₹	₹
Salaries and wages	12,188,709	9,510,175
Contributions to Provident and other fund	1,751,591	1,754,634
Staff welfare expenses	984,061	930,117
<b>Total</b>	<b>14,924,361</b>	<b>12,194,926</b>

**Note : 25.1**

**EMPLOYEE BENEFITS**

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

**GRATUITY PLAN**

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

Particulars	31-03-13 (Funded)	31-03-12 (Funded)
<b>Change in present value of obligations</b>		
Obligations at beginning of the year	1,356,913	1,224,405
Service cost	98,767	174,162
Interest cost	115,338	101,013
Actuarial (gain) / loss	248,368	150,237
Benefits paid	(160,327)	(292,904)
<b>Obligation at the end of the year</b>	<b>1,659,059</b>	<b>1,356,913</b>





# Vadilal Chemicals Limited

Notes to the Financial Statement as at 31st March, 2013

Particulars	31-03-13 (Funded)	31-03-12 (Funded)			
	₹	₹			
<b>Reconciliation of opening and closing of Fair value of Plan Assets</b>	<b>LIC 1994-96</b>	<b>LIC 1994-96</b>			
Fair value of Plan assets at beginning of the year	1,961,653	1,799,682			
Expected return of plan asset	166,741	148,474			
Actuarial gain/ (loss) on plan Assets	9,808	13,497			
Contribution	(160,327)	(292,904)			
Benefits paid	160,327	292,904			
Fair value of plan assets at end of the year	2,138,202	1,961,653			
Total Actuarial gain/ (loss) to be recognized	238,560	136,740			
<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	1,659,059	1,356,913			
Fair Value of Plan Assets at the end of the Year	2,138,202	1,961,653			
Funded Status Amount of Assets Recognized in the Balance Sheet	(479,143)	(604,740)			
<b>Gratuity cost for the year</b>					
Service Cost	98,767	174,162			
Interest Cost	115,338	101,013			
Expected return of plan asset	(166,741)	(148,474)			
Actuarial gain/ (loss) on plan assets	238,560	136,740			
Net Gratuity Cost	285,924	263,441			
<b>Assumptions (LIC 1994-96)</b>					
Interest rate	8.25%	8.50%			
Estimated rate of return of plan assets	8.70%	8.50%			
Rate of growth in salary levels	6.00%	6.00%			
Amounts for the Current & Previous four periods are as follows					
Particulars	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
	₹	₹	₹	₹	₹
Defined Benefit Obligation	1,659,059	1,356,913	1,224,405	1,236,625	1,119,222
Plan Assets	2,138,202	1,961,653	1,799,682	1,630,712	1,382,698
Surplus/ (Deficit)	(479,143)	(604,740)	(575,277)	(394,087)	(263,476)
Experience adjustments on plan liability	-	-	-	-	-
Experience adjustments on plan assets	(479,143)	(604,740)	(575,277)	(394,087)	(263,476)
<b>LEAVE ENCASHMENT PLAN</b>					
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	31.03.13 (Non Funded)	31.03.12 (Non Funded)			
	₹	₹			
<b>Change in Present Value of Obligations</b>					
Obligations at beginning of the Year	1,178,916	842,796			
Service Cost	77,559	80,502			
Interest Cost	100,208	69,531			
Actuarial (gain) / loss	66,783	240,630			
Benefits paid	(37,361)	(54,543)			
Obligation at the end of the Year	1,386,105	1,178,916			



Particulars	31.03.13 (Non Funded)	31.03.12 (Non Funded)
	₹	₹
<b>Change in Plan assets</b>		
Fair Value of Plan Assets at beginning of the Year	-	-
Expected Return of Plan Asset	37,361	54,543
Actuarial gain/ (loss) on plan assets	(37,361)	(54,543)
Contribution	-	-
Benefits paid	-	-
	<u>(66,783)</u>	<u>(240,630)</u>
Total Actuarial gain/ (loss) to be Recognized		

Particulars	31.03.13 (Non Funded)	31.03.12 (Non Funded)
	₹	₹
<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	1,386,105	1,178,916
Fair value of plan assets at the end of the year	-	-
Funded status amount of assets recognized in the balance sheet	1,386,105	1,178,916
<b>Leave Encashment Cost for the Year</b>		
Service Cost	77,559	80,502
Interest Cost	100,208	69,531
Expected return of plan asset	-	-
Actuarial gain/ (loss) on plan assets	66,783	240,630
Net Gratuity Cost	<u>244,550</u>	<u>390,663</u>
<b>Assumptions</b>		
Interest rate	8.25%	8.50%
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	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
	₹	₹	₹	₹	₹
Defined Benefit Obligation	-	-	-	-	-
Plan Assets	1,386,105	1,178,916	842,797	852,272	1,370,418
Surplus/ (Deficit)	-	-	-	-	-
Experience adjustments on plan liability	1,386,105	1,178,916	842,797	852,272	1,370,418
Experience adjustments on plan assets	-	-	-	-	-

### Note : 26

#### FINANCIAL COST

Particulars	2012-13	2011-12
	₹	₹
<b>Interest Expenses</b>		
Interest on Bank	-	-
Interest on Public Deposit	15,618	81,480
Interest on Other loans	16,450,802	13,080,660
Interest on Income Tax	-	25,345
	<u>16,466,420</u>	<u>13,187,485</u>
<b>Other Borrowing Costs</b>		
Bank Charges	233,342	58,148
<b>Total</b>	<b>16,699,762</b>	<b>13,245,633</b>





# Vadilal Chemicals Limited

Notes to the Financial Statement as at 31st March, 2013

Note : 27

## OTHER EXPENSES

Particulars	2012-13	2011-12
<b>Filling Plant Operation Charges</b>	₹	₹
Cylinder Filling Labour	821,888	1,093,274
Consumption of Stores and Spares Parts		
Opening Stores and Spares	841,928	795,488
Add: Purchase during the year	1,402,471	1,381,114
Less: Closing Stores and Spares	986,155	841,928
	1,258,244	1,334,674
Loss on Sale of Trade Investment	2,739,271	-
Water charges	258,403	257,669
Factory Electricity Expenses	614,182	532,866
Factory Expenses	895,077	840,099
<b>Repairs on :</b>		
Cylinders	2,071,024	2,680,116
Plant and Machinery	441,650	856,903
Building	1,054,110	4,397,033
Others	340,459	500,808
Sub Total (A)	10,494,308	12,493,442
<b>Administrative Expenses</b>		
Rent, Rates & Taxes	1,720,464	1,875,392
Lease Rent	146,011	799,247
Insurance Expenses	1,612,184	1,338,506
Postage & Telegram	1,305,373	1,462,670
Legal Expenses & Professional Charges	1,275,440	1,419,811
Travelling Expenses	923,359	1,295,097
Service Charges	1,418,654	1,309,077
Office Expenses	1,192,899	1,182,388
Office Electricity Expenses	358,022	356,436
Other Misc. Expenses	1,192,868	1,366,840
Bad-Debts Written off	3,312,075	5,250,901
Sundry Balances Written Off	59,375	132,921
<b>Payment to Auditor</b>		
<b>As Auditor :</b>		
Audit Fees	136,000	125,000
Tax Audit Fees	45,000	40,000
<b>For Taxation Matters</b>	22,500	15,000
<b>For Other Service</b>	51,500	35,500
	255,000	215,500
Donation	21,000	9,500
Conveyance Expenses	595,323	576,066
Stationery Expenses	697,763	621,491
Listing Fees	65,984	63,869
Director Sitting Fees	56,000	68,000
Membership Fees	20,836	93,066
Sub Total (B)	16,228,630	19,436,778
<b>Selling and Distribution Expenses</b>		
Transport & Octroi Expenses	42,680,705	37,535,500
Vehicle Repairs & Petrol	496,405	516,692
Sales Incentive & Commission	1,238,579	841,367
Advertisement Expenses	241,165	202,438
Sales Tax / Excise duty Expenses	1,015,902	798,555
Sub Total (C)	45,672,756	39,894,552
<b>Total</b>	<b>(A + B + C)</b>	<b>72,395,694</b>
		<b>71,824,772</b>





# Vadilal Chemicals Limited

Notes to the Financial Statement as at 31st March, 2013

## Note : 28

### SEGMENT REPORTING

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

## Note : 29

### RELATED PARTY DISCLOSURE UNDER AS-18

Names of related parties and description of relationship

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

Particulars	Associates	Key. Mgt. Personnel	Relatives of Key Mgt. Personnel	Total
	₹	₹	₹	₹
Finance (including loan and equity contribution in cash or in kind)				
Loan Taken from Veronica Construction Pvt Ltd.	21,878,347 (17,100,048)			21,878,347 (17,100,048)
Repayment to Veronica Construction Pvt Ltd.	5,297,645 (8,126,000)			5,297,645 (8,126,000)
Managerial Remuneration		2,950,116 (1,716,000)		2,950,116 (1,716,000)
Remuneration Paid			584,382 (587,040)	584,382 (587,040)
Balance outstanding at the year end payable	145,250,103 (128,669,401)			145,250,103 (128,669,401)

Note : Figures in brackets are related to Previous year.

## Note : 30

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

Particulars	2012-13	2011-12
	₹	₹
Net Profit / (Loss) for the year	13,397,469	6,303,744
Basic / Weighted average number of Equity Shares outstanding during the year	4,874,000	4,874,000
Nominal value of Equity Shares	10	10
Basic / Diluted Earning per Share	2.75	1.29

## 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

### Other Details

### Note : 32.1

#### Consumption Of Raw Materials

Product	2012-13	2011-12
	₹	₹
Ammonia Gas	151,114,428	120,004,713





# Vadilal Chemicals Limited

Notes to the Financial Statement as at 31st March, 2013

**Note : 32.2**

**Goods Purchased (Traded)**

Product	2012-13	2011-12
Ammonia Tanker	₹ 30,555,265	₹ 33,241,290
Other Gases & Gas Mixtures	122,962,361	106,256,679
Gas Cylinder	3,246,399	3,330,007
<b>Total....</b>	<b>156,764,025</b>	<b>142,827,976</b>

**Note : 32.3**

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

Product	Sales		Opening stock		Closing stock	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Ammonia Gas	₹ 146,218,209	₹ 109,494,471	₹ 58,800	₹ 129,363	₹ 614,052	₹ 58,800
Liquor Ammonia	64,520,358	49,598,290	236,898	220,410	440,154	236,898
<b>Total....</b>	<b>210,738,567</b>	<b>159,092,761</b>	<b>295,698</b>	<b>349,773</b>	<b>1,054,206</b>	<b>295,698</b>

**Note : 32.4**

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

Product	Sales		Opening stock		Closing stock	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Ammonia Tanker	₹ 32,722,622	₹ 35,102,625	₹ -	₹ -	₹ -	₹ -
Other Gases & Gas Mixtures	217,346,153	201,591,269	2,322,458	2,277,320	2,166,401	2,322,458
Gas Cylinder	6,571,475	4,728,222	3,605,375	2,822,704	3,747,226	3,605,375
<b>Total....</b>	<b>256,640,250</b>	<b>241,422,116</b>	<b>5,927,833</b>	<b>5,100,024</b>	<b>5,913,627</b>	<b>5,927,833</b>

**Notes:32.5**

**Closing Stock of Raw-Material Components**

Product	Raw-Material Components	
	2012-13	2011-12
Ammonia Gas	₹ 3,870,612	₹ 1,950,384

**Note : 32.6**

**Closing Stock of WIP :-**

Particulars	WIP	
	2012-13	2011-12
	₹ N.A.	₹ N.A.





# Vadilal Chemicals Limited

## Note : 32.7

Details of Share ( Sale & Purchase ) During the Period 01.04.12 to 31.03.13

Name	Opening		Purchase		Sale		Profit(+)/ Loss(-)	Surplus(+)/ Erosion(-)	Closing	
	Nos.	Value	Nos.	Value	Nos.	Value			Nos.	Value
		₹		₹		₹	₹	₹		₹
Reliance Power Ltd	70	8,183	42*	-	-	-	-	(1289)	112	6,894
Shalimar Paint Ltd	12,000	4,906,653	-	-	12,000	7,991,158	3,084,505	-	-	-
Sawaca Business	20,000	3,784,723	-	-	20,000	1,045,452	(2,739,271)	-	-	-
Vadilal Industries Ltd.	-	-	625	72,600	625	72,883	283	-	-	-
<b>Total</b>	<b>32,070</b>	<b>8,699,559</b>	<b>625</b>	<b>72,600</b>	<b>32,625</b>	<b>9,109,493</b>	<b>345,517</b>	<b>(1289)</b>	<b>112</b>	<b>6,894</b>

\* Bonus Share Received

Signature to Notes 1 to 32.7

**For TALATI & TALATI**  
Chartered Accountants  
(Firm Reg. No. : 110758W)

**Umesh H. Talati**  
(Partner)  
Membership No. 34834

Place : Ahmedabad  
Date : 29th May, 2013

For and on behalf of the Board of Director

**Virendra R. Gandhi**  
Managing Director

**Kshitish M. Shah**  
Director





# Vadilal Chemicals Limited

## FORM OF PROXY

### VADILAL CHEMICALS LIMITED

Regd. Office : B-202, Safal Pegasus, Nr. AUDA Garden,  
Prahladnagar, Ahmedabad - 380 015.

I/We, \_\_\_\_\_ of \_\_\_\_\_

being a Member/Members of VADILAL CHEMICALS LIMITED, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ or failing him/her \_\_\_\_\_

as my/our Proxy to vote for me/us on my/our behalf at the **22nd** Annual General Meeting of the Company to be held on Monday, 30th September, 2013 at **1.00 P.M.** at Registered Office of the Company at B-202, SAFAL Pegasus, Nr. AUDA Garden, Prahladnagar, AHMEDABAD-380 015 and at any adjournment thereof.

Signature \_\_\_\_\_

Affix a  
Revenue  
Stamp

Ledger Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

## IMPORTANT

- [1] This form duly completed and signed across the stamp as per specimen signature registered with the Company should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the Meeting.
- [2] Revenue Stamp of Rs 1. is to be affixed on this form.
- [3] A proxy need not be a member.

## ATTENDANCE SLIP

### VADILAL CHEMICALS LIMITED

Regd. Office : B-202, Safal Pegasus, Nr. AUDA Garden,  
Prahladnagar, Ahmedabad - 380 015.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE SLIP ON REQUEST.

Name	Registered Folio No.	No. of Shares Held
Shareholder : _____ _____		
Proxy : _____		

I hereby record my presence at the **22nd** Annual General Meeting of the Company to be held on Monday, 30th September, 2013 at **1.00 P.M.** at Registered Office of the Company, at B-202, SAFAL Pegasus, Nr. AUDA Garden, Prahladnagar, AHMEDABAD-380 015

\_\_\_\_\_  
Signature of Shareholder / Proxy



BOOK - POST

To,



If undelivered please return to :

**Vadilal Chemicals Limited**

Regd. Office :

B-202, SAFAL PEGASUS, NR. AUDA GARDEN,  
PRAHLADNAGAR, AHMEDABAD - 380 015.