Vadilal

Date: 5th September, 2019

To,
The National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.

Scrip Code No. VADILALIND-EQ

To
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400 001.

Scrip Code : 519156

Subject: Annual report for F.Y. 2018-19

Please find herewith Copy of annual report and notice of 35th Annual General Meeting of the Company scheduled to be held on **Monday, 30th September, 2019 at 11.00 a.m.** at H T Parekh Convention Center, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad, Gujarat- 380 015 as required under Regulation 34 (1) of SEBI (Listing obligation and disclosure requirement), 2015

Please take the same on record.

Thanking you,

Yours faithfully,

For **VADILAL INDUSTRIES LIMITED**

VADILAL INDUSTRIES LIMITED Ahmedabad

Ms. Rashmi Bhatt
Company Secretary & Compliance Officer

Vadilal®©

110 YEARS.
MILLIONS OF CUSTOMERS.
ONE BRAND.

Creative visualisation only

Vadilal Industries Ltd.

Annual Report 2018-2019

Vadilal®©

BADABITE

Ice Cream

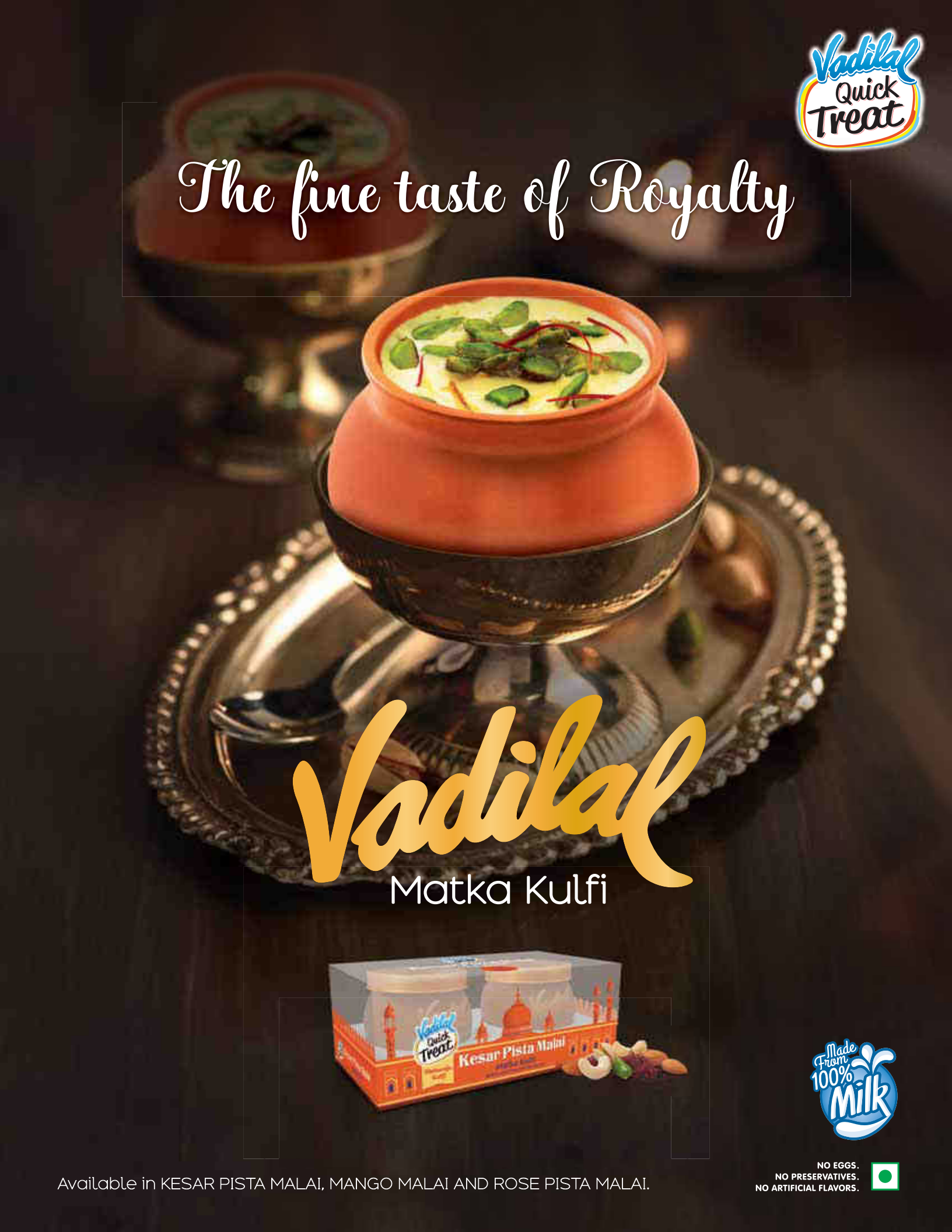
Select Dark Truffle

Select Red Velvet

Cookies 'N' Cream

Mango

Creative visualisation only


Vadilal Quick Treat
The fine taste of Royalty
Vadilal
Matka Kulfi
Kesar Pista Malai
Made From 100% Milk
Available in KESAR PISTA MALAI, MANGO MALAI AND ROSE PISTA MALAI.
NO EGGS.
NO PRESERVATIVES.
NO ARTIFICIAL FLAVORS.

Vadilal Quick Treat

Goodness of Almonds in every sip

Made From 100% Milk

Thandai | Chocolate | Elaichi | Kesar | Mango | Butterscotch | Rose

NO EGGS.
NO PRESERVATIVES.
NO ARTIFICIAL FLAVORS.

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Chairman & Independent Director
Vijay R. Shah, (Chairman w.e.f. 22/07/2019)

Non-Executive & Non- Independent Directors
Rajesh R. Gandhi
Devanshu L. Gandhi
Deval D. Gandhi
Kalpit R. Gandhi (CFO)

Independent Directors
Jignesh J. Shah (up to 18/06/2019)
Malay R. Mahadevia (upto 18/06/2019)
Chetan M. Tamboli

COMPANY SECRETARY	:	Ruchita Gurjar (up to 14/11/2018) Rashmi Bhatt (appointed w.e.f. 12/02/2019)
AUDITORS	:	M/s. Deloitte Haskins & Sells LLP Chartered Accountants
BANKER	:	Bank of Baroda State Bank of India IDBI Bank Ltd. Indusind Bank
REGISTERED OFFICE	:	Vadilal House, Shrimali Society Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad- 380009 CIN : L91110GJ1982PLC005169 Phone : 079- 26564019 to 24, 30153347 Fax: 079-26564027 Web: www.vadilalgorup.com
SHARE DEPARTMENT	:	Colonnade Building, 10th Floor, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015 Phone : 079-4808 1200.
REGISTRAR & SHARE TRANSFER AGENT (For physical & demat)	:	MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009. Phone : 079-26580461/62/63 Fax : 079-26581296
FACTORIES	:	**Ice-cream Division:** 1. Village Pundra, Tal. Mansa Dist. Gandhinagar (Gujarat) 2. Parsakhera Industrial Area Bareilly (Uttar Pradesh) **Process Food Division** Dharampur, Dist. Valsad (Gujarat) **Forex Division** (Money Changing Business) Vadilal House, Navrangpura, Ahmedabad. Phone: 079- 26564025, 26421193 Email id for Investor Grievances: Shareslogs@vadilalgroup.com

35th ANNUAL GENERAL MEETING	
DAY	: Monday
DATE	: 30th September, 2019
TIME	: 11.00 a.m.
VENUE	: H T Parekh Convention Center, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad, Gujarat- 380 015.

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NOTICE

NOTICE is hereby given that the **35th ANNUAL GENERAL MEETING** of the members of **VADILAL INDUSTRIES LIMITED** will be held on Monday, the 30th day of September, 2019 at 11.00 a.m. at H T Parekh Convention Center, C/O Ahmedabad Management Association, 1st Floor, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad, Gujarat - 380015, to transact the following business:

ORDINARY BUSINESS:

1) To receive, consider and adopt:

   (a) The audited financial statement of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon; and

   (b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2019.

2) To declare dividend on Equity Shares for the financial year ended on March 31, 2019.

3) To appoint a Director in place of Mr. Devanshu L. Gandhi (DIN: 00010146) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

4) To appoint a director in place of Mr. Kalpit R. Gandhi (DIN: 02843308) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

5) Approval for Increase in Remuneration of Mr. Kalpit R. Gandhi Director and Chief Financial Officer of the Company and Holding an Office or Place of Profit in the Company.

   To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force), as per the recommendation and approval of the Nomination and Remuneration Committee and Audit Committee in the meeting held on 27.11.2018, approval of shareholders be and is hereby accorded to enhance the salary payable to Mr. Kalpit Gandhi Director and Chief financial Officer of the Company and holding an office or place of profit in the company, as computed under applicable provisions of Companies Act, 2013 and its allied rules from current salary of Rs. 2,49,242/- per month to Salary of Rs. 3,11,552.5/-per month and such other perquisites in accordance with the Company rules.

   RESOLVED FURTHER THAT the Board of Directors and of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties/ doubts arise from it, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company."

Registered Office :
Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169
Email : shareslogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 4808 1200
Dated : August 23, 2019.

For **Vadilal Industries Limited**

Mr. Rajesh R. Gandhi
Director
DIN : 0009879

NOTES :

1) A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office/ Share Department of the Company not less than forty-eight hours before the commencement of the Meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3) At the 33rd AGM held on 27th September, 2017 the members approved appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.: 117366W/ W-100018) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 38th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

4) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Meeting is annexed hereto.

5) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6) (a) The Company has notified closure of Register of Members and Share Transfer Books from 21st September, 2019 to 30th September, 2019 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

   (b) Dividend of Re. 1.25/- per share (@12.50%) on Equity Shares for the year ended on 31st March, 2019 as recommended by the Board, if declared at the meeting, will be paid without deduction of tax at source :

      # to those members, whose names appear on the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company/Share Transfer Agent on or before 20th September, 2019, or

      # in respect of shares held in electronic form, to those "Beneficial Owners" whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 29th September, 2019.

7) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

8) Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

9) The amount of dividend for the financial year ended on 31st March, 2012, 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017 and 31st March, 2018 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 3rd November, 2019, 26th October, 2020, 29th October, 2021, 1st November, 2022, 1st November, 2023, 6th November, 2024 and 6th November, 2025 respectively.

   Members, who have so far not encashed their dividend warrants for the said financial years, are requested to approach the Company for revalidation or duplicate dividend warrants. Thereafter, no claims shall lie against the said Fund or the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims.

10) The Shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/ Claiments are requested to claim their dividends from the Company within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF may claim the same by making an application to the IEPF Authority, in Form IEPF-5 available on www.iepf.gov.in. The Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

11) Members, who hold shares in dematerialised form, are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

12) Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.

13) Relevant documents referred to in the accompanying Notice and the explanatory statement are open for inspection for the members at the Share Department of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.

14) Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.

15) Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its Share Department, at least 10 days before the date of the meeting.

16) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agent Limited for assistance in this regard.

17) The Following statement sets out all material facts relating to the Business mentioned in item No: 3 & 4

Item No: 3 & 4

At this Annual General Meeting, Mr. Devanshu L. Gandhi, Director of the Company and Mr. Kalpit R. Gandhi, Director of the Company, shall retire by rotation and being eligible, offer themselves for re-appointment.

As required under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 given below are the details of the above Directors to be re-appointed/appointed as Directors/Managing Directors of the Company: -

Mr. Devanshu L. Gandhi

Mr. Devanshu L. Gandhi aged 52 years is Science Graduate and has been associated with the Company since its inception having experience on hands for Ice-cream and Processed Food business. He looks after day-to-day affairs of the Company pertaining to the hereby-mentioned areas: Domestic Sales and Marketing of Ice-cream Division, Government Subsidies of Ice-cream plants and Revenue Expenses of Refrigeration Service Division. Mr. Devanshu L. Gandhi looks after Production, Purchase, Works, QC, R & D of Processed Food Division. He looks after purchase of Land & Materials, Project Commissioning & Legal for Construction Division. Entire Forex Division (FFMC & Consultancy Services) and Human Resource & P & A (respective) is taken care by him. He is on the Board of following other Companies.

Mr. Devanshu L. Gandhi is a Member of the Audit Committee, Nomination and Remuneration Committee and the Stakeholders' Relationship Committee of the Company. He is also a Member of the following committees of other Companies. Mr. Devanshu L. Gandhi holds 3,41,450 shares in Vadilal Industries Limited in his individual capacity.

Directorship:	**Member of the Board Committees:**
➢ Vadilal Enterprises Limited	**Audit Committee:**
➢ Vadilal Chemicals Limited	➢ Vadilal Chemicals Limited
➢ Vadilal International Private Limited	**Stakeholders' Relationship Committee:**
➢ Vadilal Gases Limited	➢ Vadilal Enterprises Limited
➢ Vale Properties Private Limited	➢ Vadilal Chemicals Limited
➢ Byad Packaging Industries Private Limited	**Nomination & Remuneration Committee**
➢ Esveegee Wires and Metals Private Limited	➢ Vadilal Enterprises Limited
➢ Numen Technologies Private Limited	

Mr. Kalpit R. Gandhi

Mr. Kalpit Gandhi aged 34 years has highest degree is Master in Business Administration from IESE Business School Barcelona (Spain), which is one of the top universities globally ranked as 5th as per Economist and 7th as per Financial Times and have numerous accolades in field of executive education. He is a graduate from University of Southern California with BSC in Administration & Accounting and carrying wide experience in Finance and Marketing functions with international exposure. He had served reputed organization like Godrej Consumer Products Limited, Financial Technologies (India) ltd in various capacities and had also exposure in international company named Akin Bay in USA which strengthen his business acumens. He is also functioning as a Chief Financial Officer of the Company.

Mr. Kalpit R. Gandhi is looking after functioning of Accounts, Finance, Secretarial, Taxation, H.R., M.I.S. and Costing and Systems Departments of the Company.

Mr. Kalpit R. Gandhi is Permeant in Invitee Audit Committee of the Company. He is also a Director in the following other Companies. Mr. Kalpit R. Gandhi holds Nil shares in Vadilal Industries Limited in his individual capacity.

Directorship:

- Vadilal Chemicals Limited
- Vadilal International Private Limited
- Vadilal Marketing Private Limited

Relationship between the Directors :-

- Mr. Kalpit R. Gandhi is the son of Mr. Rajesh R. Gandhi.
- Mrs. Devalben D. Gandhi is the spouse of Mr. Devanshu L. Gandhi.

None of the other directors are related to any other director on the Board.

Explanatory Statement Pursuant to section 102 of the Companies Act, 2013

Item No: 5

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with related parties of the Company. The provisions of Section 188(1)(f) of the Companies Act, 2013 that govern the related party's appointment to any office or place of profit in the company, its subsidiary company or associate company.

Mr. Kalpit R. Gandhi son of Mr. Rajesh R. Gandhi (Director and Promoter of the Company) was appointed as Chief Financial Officer of the company. A board resolution to this effect was passed by the Board of Directors of the Company on 29th May,2014. As per Companies Act, 2013 he is an officer and holding a place of profit under Section 188(l)(f) read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force). And any payment of monthly remuneration exceeding Rs.2,50,000/ per month requires prior approval of the company by a resolution.

His salary has been proposed to be revised from Rs.2,49,242 per month to Rs.3,11,552.5 per month in the Board meeting held on 27th November, 2018 subject to approval of shareholders, in terms of Sections 188(1)(f) of the Companies Act, 2013 read with applicable rules.

As per the recommendation and approval of Nomination and Remuneration Committee and Audit Committee, for enhancement in prescribed limit of Salary payable to Mr. Kalpit Gandhi, Chief Financial Officer of the Company and holding an office or place of profit in the company, are in the ordinary course of business and at arm's length basis transaction. His salary post enhancement will be Rs. 311552.5 lakh per month. Members may note that he will be eligible for such other perquisites in accordance with the Company rules. He will also be eligible from next year onwards for normal rate of increment offered to other employees.

Mr. Kalpit Gandhi is associated with the Company for last few years and meanwhile gave his best for its immense growth. His present role is crucial to provide impetus in the emerging market business of the Company. Considering his qualification, experience and present role Your Directors recommend passing of this resolution by way of Ordinary resolution.

Except Mr. Rajesh Gandhi non-of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding.

Voting through electronic means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of SEBI (Listing Obligation and Disclosure Requirement), 2015 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote through e-voting services provided by Central Depository Services (India) Limited (CDSL) and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

Registered Office :
Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169
Email : shareslogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 4808 1200
Dated : August 23, 2019.

For **Vadilal Industries Limited**

Mr. Rajesh R. Gandhi
Director
DIN : 0009879

Process and manner for availing remote e-voting facility

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement), 2015. Accordingly, a member may exercise his vote through e-voting service provided by Central Depository Services (India) Limited (CDSL) and the Company may pass any resolution by electronic voting system in accordance with the above provision.

1. The Process and manner of remote e-voting is being sent to all members whose e-mail ids are registered with the Company/ Depository Participants/Share Transfer Agents for communication purpose through electronic mode.
2. The members who have casted there vote by remote e-voting may also attend meeting but shall not entitled to cast their vote again.

3. The Board of Director has appointed Mr. Manoj Hurkat, of M/s. Manoj Hurkat & Associates Practicing Company Secretary, Ahmedabad as Scrutinizer to scrutinize the poll and remote e-voting process in fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.

4. Voting rights shall be reckoned on the paid up value of shares registered in the name of the members/ beneficial owner (in case of electronic shareholding) as on cutoff date i.e. 23rd September, 2019

5. Any person, who acquires shares of the Company and becomes member of Company after dispatch of the notice of the AGM and holding shares on cut-off date i.e. 23rd September, 2019 may obtain the User ID and Password in manner mentioned bellow:

   - If e-mail address or mobile number of member is registered against folio number/DP ID/Client ID, then on homepage of www.evotingindia.com., the member may click on "Forgot Password" and enter folio number/DP ID/Client ID and PAN to generate a password
   - Member may send request at helpdesk.evoting@cdslindia.com
   - If person is already registered with CDSL for e-voting then excising user id and password can be used for casting vote.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 27th September, 2019 (9.00 a.m.) and ends on 29th September, 2019 (5.00 p.m.) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant **Vadilal Industries Limited** on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also use Mobile app - "m - Voting" for e voting. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

DIRECTORS' REPORT

To,
The Members
VADILAL INDUSTRIES LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith the 35th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2019.

FINANCIAL HIGHLIGHTS:

(Rs. in lakhs)

	Particulars	Year ended on 31-03-2019		Year ended on 31-03-2018	
(a)	Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		7919.57		5344.32
(b)	Finance Cost	1392.13		1522.19	
(c)	Depreciation and amortization expenses	1659.83		1598.38	
			3051.96		3120.57
(d)	Profit before Tax		4867.61		2223.75
(e)	Tax Expenses				
	(a) Current Tax	1588.43		608.05	
	(b) Deferred Tax	130.80		131.17	
	Total Tax Expenses		1719.23		739.22
(f)	**Profit for the year**		**3148.38**		**1484.53**
(g)	**Other Comprehensive income :**				
	A (i) Item that will not be reclassified to profit or loss Remeasurement of defined benefit plans		(43.71)		(28.35)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		15.52		9.81
	Other Comprehensive Income for the year :		**(28.19)**		**(18.54)**
(h)	**Total Comprehensive income for the year :**		**3120.19**		**1465.99**

STATE OF COMPANY'S AFFAIRS:

The Company has earned Revenue from Operations of Rs. 50705.76 lacs during the year ended on 31st March, 2019 as against Rs. 52013.98 lacs during the previous year ended on 31st March, 2018 a decline of 2.51% compared to previous year.

After adding thereto, the other income of Rs. 1258.46 lakhs, the Company has earned total income of Rs. 51964.22 lakhs during the year under review. It has incurred total expenses of Rs. 47096.61 lakhs including Finance cost of Rs. 1392.13 lakhs and Depreciation and Amortization expenses of Rs. 1659.83 lakhs, during the year under review.

The Company has earned profit before Tax of Rs. 4867.61 during the year under review as compared to Profit of Rs. 2223.75 lacs during the previous year ended on 31st March, 2018. The Company has earned profit of Rs. 3148.38 lacs during the year ended on 31st March, 2019 after deducting Current Tax of Rs. 1588.43 and Deferred Tax of Rs. 130.80 lacs as compared to Profit of Rs. 1484.53 lacs during the previous year ended on 31st March, 2018.

DIVIDEND:

The Directors have recommended dividend of Rs. 1.25 per share (@12.50%) on 71,87,830 Equity Shares of Rs. 10/- each of the Company for the Financial Year ended on 31st March, 2019. If approved, the Dividend will be paid without deduction of tax at source to the shareholders.

TRANSFER TO RESERVE:

The Company does not propose to transfer any amount to the General Reserve during the year under review.

EXTRACT OF ANNUAL RETURN:

Extract of Annual Return of the Company as required under Section 92(3) of the Act and Rule – 12 of the Companies (Management and Administration) Rules, 2014, in the prescribed Form – MGT-9, is annexed herewith as ***Annexure - A***, to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report has been enclosed herewith as per ***Annexure – B*** and forming part of the Directors' Report.

QUALITY ASSURANCE AND AWARDS

AWARDS AND CERTIFICATIONS:

Vadilal has won 27 awards over 4 consecutive years: 2008 to 2011 at 'The Great Indian Ice Cream Contest' organized by the Indian Dairy Association. The various categories for awards were: The Best in Class (3): Chocolate Frozen Dessert, Standard Chocolate Ice Cream, Rose Coconut Shell (Innovation – Novelty), Gold Medal (4): Standard Chocolate Ice Cream, Chocolate Frozen Dessert, Vanilla Frozen Dessert and Rose Coconut Shell (Innovation – Novelty), Bronze Medal (1): Natural Orange (Premium without Inclusion). Best in Class in Kids category – Joker Ice Trooper, Gold in Kids category – Joker Face Ice Trooper, Silver in Vanilla Frozen Dessert, Bronze in Vanilla Ice Cream – Happinezz Vanilla Ice cream, Bronze in Premium – Pista Happinezz Ice Cream garnished with Green Pista.

Vadilal Ice Creams has been voted as the "Most Trusted Ice Cream Brand in India" as per The Brand Trust Report - 2013. The Economic Times Survey ranked us among the "Top 20 Food and Beverages" brands in India.

ISO 22000:2005 AND ISO 9001:2008 CERTIFICATES

The Company has always made continuous efforts to improve the **"OVERALL PRODUCT QUALITY"** by following the stringent **GMP norms** and continuous process innovation. This is evident with the achievement of **FSMS** (Food Safety Management System) Certifications i.e. **BRC: Issue-6** with Grade **"A", ISO-22000:2005** and **HALAL** for our Processed Food Division (PFD), located at Dharampur, Dist. Valsad, Gujarat.

The PFD Manufacturing facility is also listed in **"Two Star Export House"** Status by Joint Director General of Foreign Trade, Ministry of Commerce and Industry for export of Processed Foods Products -**APEDA**.

The Ice Cream plants of the Company located in two locations - Pundhra in Gujarat & Barelly in UP are also certified for **ISO-22000:2005, ISO 9001:2015 and BRC: Issue 7** for Food Safety Management System is another feather in the cap for the Company.

FINANCE:

During the year under review, the company has been sanctioned Term Loan of Rs. 21 Crore from Tata Capital Financial Services Ltd and has availed Rs. 4.00 Crore. The said Term Loan is without personal guarantee of promoters.

The Company has availed Unsecured Working Capital Loan of Rs. 15.00 crores from HDFC Bank for the period of 6 months, for procurement of raw materials in winter season.

During the year company has made regular repayment of Loan & interest thereon and there is no overdue payment to Banks and FIs. The Banks have also reduced the rate of interest on loans and the Company had approached India Ratings and Research Pvt. Ltd (Rating Agency) who has rated A(-) Outlook is positive for the company.

During the year as decided by all consortium member banks company has appointed security Trustee M/s. PNB Investment Services Pvt. Ltd. to hold all the Title Deeds and Legal Documents of the company. It will smoothen business between bankers and the company.

During the financial year – 2018-2019, the Company has deposited unclaimed/ unpaid fixed deposit amount of Rs. 59181/- to Investor Education and Protection Fund - IEPF.

During the Financial year – 2018-2019, the Company has also transferred Rs. 278937/- being amount of unpaid dividend for the year – 2010-2011 to Investor Education and Protection Fund.

DETAILS OF DEPOSITS:

a. During the year under review, the details of deposits accepted by the Company from its Members, after complying with the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, are as under :

i. Details of Deposit from Shareholders :

(Rs. in lakhs)

(a)	Amount of existing deposits as at 1st April, 2018	:		2737.63
(b)	Amount of deposits accepted or renewed during the year			
	(i) Secured deposits	:	0	
	(ii) Unsecured deposits	:	636.45	
	Total (b) :	:		**636.45**
(c)	Amount of deposits repaid during the year	:		823.58
(d)	Balance of deposits outstanding at the end of the year (a+b-c)			**2550.50**

ii. Details of Deposit from Public [Accepted under Companies Act, 1956 and Companies (Acceptance of Deposit) Rules, 1975]:

(Rs. in lakhs)

(a)	Amount of existing deposits as at 1st April, 2018	:		0.15
(b)	Amount of deposits accepted or renewed during the year			
	(i) Secured deposits	:	0	
	(ii) Unsecured deposits	:	0	
	Total (b) :	:		**0**
(c)	Amount of deposits repaid during the year	:		0
(d)	Balance of deposits outstanding at the end of the year (a+b-c)			**0.15**

b. As on 31st March, 2019, deposit of Rs. 15000/- has remained unpaid or unclaimed by the Company.

c. During the year under review, the Company has not made any default in repayment of deposits or payment of interest on deposits.

d. The Company has not accepted or renewed any deposit which is not in compliance with the provisions of Chapter – V of the Companies Act, 2013.

SUBSIDIARY COMPANY:

The Company is having a wholly-owned subsidiary company namely Vadilal Industries (USA) Inc., USA.

VADILAL GULF (FZE) is also a subsidiary. During the year under review, the company has also incorporated a new subsidiary company in Australia in the name of Vadilal Industries Pty Ltd, on 16-04-2018. However, the Company has not made any investment in the securities of the VADILAL GULF (FZE) & Vadilal Industries Pty Ltd.

A report on the financial position of the subsidiary and associate as per first proviso to sub-section(3) of Section 129 of the Companies Act, 2013 and Rules made thereunder in the prescribed Form – AOC-1 is provided as ***Annexure – C*** to the Directors' Report. The Policy for determining material subsidiaries may be accessed on the Company's website viz www.vadilalgroup.com.

Pursuant to the provisions of Section 136 of the Act, separate Audited Accounts in respect of subsidiary company for the year ended on 31st March, 2019 are available at the web-site of the Company viz. www.vadilalgroup.com.

CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to the requirements of Section 129(3) read with Schedule – III of the Companies Act, 2013 and Rules made thereunder, and Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement), 2015 and other applicable Accounting Standards, the Consolidated Financial Statements of the Company, its subsidiaries and associates, for the year ended on 31st March, 2019 have been attached with the financial statement of the Company. The Audited Consolidated Financial Statements form part of the Annual Report.

CORPORATE GOVERNANCE:

Being a Listed Company, the Company has taken necessary measures to comply with the provisions of Regulation 72 of SEBI (Listing Obligation and Disclosure Requirement), 2015 regarding Corporate Governance. A separate report on Corporate Governance for the year ended on 31st March, 2019 is attached herewith as a part of this Annual Report viz ***Annexure - D***. A certificate from Secretarial Auditors of

the Company regarding compliance of Corporate Governance as stipulated under Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirement), 2015 is obtained by the Company and annexed to the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

(*a*) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(*b*) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(*c*) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(*d*) The directors had prepared the annual accounts on a going concern basis;

(*e*) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(*f*) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Particulars of loans given, investments made, guarantees given and securities provided by the Company under Section 186 of the Companies Act, 2013 forms part of the *Notes to the financial statements provided in this Annual Report*.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in ***Annexure – E*** in the prescribed Form – AOC-2 and the same forms part of this report. All related party transactions are placed before the Audit Committee of the Company for review and approval.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website viz. www.vadilalgroup.com.

Your Directors draw attention of the members to Note – 46 to the financial statement which sets out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The term of Mr. Rajesh Gandhi and Mr. Devanshu Gandhi as Managing Directors of the Company ended on 31st March, 2019.They continue to work with the same portfolios as Directors of the Company without remuneration. The Company is in the process of appointment of Managing Director/ CEO of the Company.

Mr. Jignesh Shah and Mr. Malay Mahadevia Independent Directors resigned from the Board of Directors of the Company w.e.f. 19th June, 2019. The board places on record their deep appreciation for the Contribution during their tenure.

Mr. Rajesh R Gandhi has resigned from the position of Chairman of the Board of directors of the company with effect from 22ndJuly,2019 in order to align the composition of the board of directors of the company with SEBI Listing regulations,2015. Mr. Vijay Shah was appointed as the Chairman of the board of directors of the company with effect from 22nd July, 2019.

Members are further informed that during the year Ms. Ruchita Gurjar, Company Secretary & Compliance officer resigned from the Company w.e.f. 15th November, 2018.

Further Board of directors in its meeting held on 12th February, 2019 appointed Ms. Rashmi Bhatt (FCS: 3461) having 28 years of experience as Company Secretary & Compliance officer of the Company.

Further Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Devanshu L. Gandhi, Director (DIN: 00010146) of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment The Members are requested to consider his re-appointment as Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

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

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

BOARD EVALUATION:

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual independent directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement), 2015.

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

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

COMMITTEES OF DIRECTORS:

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

A. AUDIT COMMITTEE:

- Mr. Jignesh J. Shah & Mr. Malay Mahadevia Independent Directors have resigned from the Board of Director w.e.f. 19th June, 2019.

  After above resignations audit committee was reconstituted on 22nd July, 2019 which is as follows:

Sr. No.	Name of the Member		Designation	Category
1	Mr. Vijay Shah	-	Chairman	Independent Director
2	Mr. Devanshu Gandhi	-	Member	Non-Executive and Non-Independent Director
3	Mr. Chetan Tamboli	-	Member	Independent Director
4	Mr. Kalpit Gandhi	-	Permanent Invitee	Non-Executive and Non-Independent Director

B. NOMINATION AND REMUNERATION COMMITTEE :

- Mr. Jignesh J. Shah & Mr. Malay Mahadevia Independent Directors have resigned from the Board of Director w.e.f. 19th June, 2019.

  After above resignations nomination and remuneration committee was reconstituted on 22nd July, 2019 which is as follows:

Sr. No.	Name of the Member		Designation	Category
1	Mr. Chetan Tamboli	-	Chairman	Independent Director
2	Mr. Devanshu Gandhi	-	Member	Non-Executive and Non-Independent Director
3	Mr. Vijay Shah	-	Member	Independent Director
4	Mr. Rajesh Gandhi	-	Member	Non-Executive and Non-Independent Director

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

- Mr. Jignesh J. Shah & Mr. Malay Mahadevia Independent Directors have resigned from the Board of Director w.e.f. 19th June, 2019.

Sr. No.	Name of the Member		Designation	Category
1	Mr. Vijay Shah	-	Chairman	Independent Director
2	Mr. Devanshu Gandhi	-	Member	Non-Executive and Non-Independent Director
3	Mr. Rajesh Gandhi	-	Member	Non-Executive and Non-Independent Director

OTHER POLICIES AND MEASURES AS PER THE REQUIREMENT OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT), 2015

The policies formulated by the Company under various provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement), 2015 are available on the website of the Company viz : www.vadilalgroup.com.

NUMBER OF BOARD MEETINGS:

During the year under review, 7 Meetings of Board of Directors were held the details of which are mentioned in the Corporate Governance Report annexed with the Directors' Report.

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

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

RISK MANAGEMENT:

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

In view of the same and in terms of requirements of the regulation 17 of SEBI (Listing Obligation and Disclosure Requirement), 2015 regarding Corporate Governance, the Board of Directors had, approved the risk assessment and minimization procedure adopted by the Company in relation to its business.

The Board periodically reviews the risk assessment and minimization procedure in relation to the business of the Company.

CORPORATE SOCIAL RESPONSIBILITY:

In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a committee of the Directors of the Company has been constituted as Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee has formulated a policy on the Corporate Social Responsibility measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.

The Corporate Social Responsibility Policy is available on the Company's web-site viz. www.vadilalgroup.com.

The Annual Report on CSR activities is annexed herewith marked as ***Annexure - G.***

INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The External and Internal Auditors carryout periodic reviews of the functioning and suggest changes, if required. The company has also a sound budgetary control system with frequent reviews of actual performance as against those budgeted.

The Statutory Auditors have given their adverse opinion on the internal financial controls over the financial reporting in their Report with regards to assessment and closure of the various financial, operational and governance related matters emanating out of the numerous allegations made by promoter directors and two erstwhile independent directors against each other and their consequential impact, if any, on the standalone financial statements of the Company. While the management has voluntary decided to initiate an inquiry in the matter, it does not anticipate any material impact on the financial statements of the Company.

AUDITORS:

In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company were appointed as Statutory Auditors of the Company at the 33rd Annual General Meeting of the Members of the Company held on Friday, 29th September, 2017 for a period of 5 years from the conclusion of the 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the 38th Annual General Meeting. The requirement to place the matter relating to appointment of auditors for ratification by members at every AGM has been done away by the companies (Amendment) Act,2017 with effect from May7,2018. Accordingly no resolution is being proposed for ratification of appointment of Statutory Auditors of the Company at the ensuing AGM and a note to that is given in the Notice of AGM.

AUDITORS' REPORT OF THE COMPANY:

The Independent Auditors' Report dated 23rd August, 2019 on the financial statements of the Company (Standalone and Consolidated) for the year ended on 31st March, 2019 contains Disclaimer of Opinion together with the basis for the same made by the Auditors.

While the management has voluntary decided to initiate an inquiry in the matter, it does not anticipate any material impact on the financial statements of the Company.

SECRETARIAL AUDITOR:

Section 204 of the Companies Act, 2013 inter alia requires every listed companies to annex with its Board Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form. The Board has appointed M/s SPAN & Co., Company Secretaries LLP, to conduct Secretarial Audit for the financial year – 2018-2019. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as ***Annexure – H*** to this Report.

The Secretarial Auditors' Report of the Company for the year ended on 31st March, 2019 contains certain Comments/ observations The explanation on observations therein is as under:-

1. Performance Evaluation: It was done as on 23rd August, 2019
2. 100% Shareholding of Promoter Group is not maintained in dematerialization form: Shareholders are in the Process of dematerialization of Shares of Promoter Group.
3. Late submission of quarterly results as on 30-09-2018: The Company has replied to the Stock Exchanges and Company has paid penalty to the Stock Exchanges.
4. Unspent amount in CSR Expenditure: Please verify Annexure- G of Directors Report.

Pursuant to Regulation 24A of SEBI (LODR) Regulations, a Secretarial Compliance Report for the year ended March 31, 2019 is ***Annexure- H1*** as per SEBI (LODR) Regulations is also annexed.

INSURANCE:

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

LISTING WITH STOCK EXCHANGES:

The Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company confirms that it has paid Annual Listing Fees due to the BSE Limited and National Stock Exchange of India Limited upto the Financial Year –2019-2020.

PARTICULARS OF EMPLOYEES:

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

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

MATERIAL INFORMATION :

During the financial year 2017-18, a Company Petition (being Company Petition No. 42 of 2017) has been filed against the Company, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013 during the previous year. In connection to the said Company Petition No. 42 of 2017, the Petitioners and all the parties to the petition are seeking to arrive at an amicable resolution of matter. The matter was lastly heard by the Hon'ble NCLT on 1st August, 2019 and adjourned to 3rd September, 2019

GENERAL:

- During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31st March, 2019 till the date of this report.
- During the year under review, there was no significant and/or material order passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.
- The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013 does not require.
- During the year under review, no Director or Managing Director of the Company has received any remuneration or commission from subsidiary of the Company in terms of provisions of Section 197(14) of the Companies Act, 2013.
- The disclosure in terms of Rule – 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.

- The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has also organized an awareness program for its employees on the said policy on prevention, prohibition and redressal of sexual harassment at workplace adopted by the Company.
- Annual Return in Form DPT-3 as required under section 73(2) of the Companies Act, 2013 read with rule 16 of Companies (Acceptance of Deposits) Rule, 2014, as amended for the financial year 2018-19 was not filed; However the same shall be filed with penalty.
- The trademark "Vadilal" and its associated trademarks are owned by Vadilal International Pvt. Ltd. The Company is a licensee of the said Trademarks.

ACKNOWLEDGEMENT:

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

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

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

By order of the Board of Directors

	Mr. Rajesh R. Gandhi	**Mr. Devanshu L. Gandhi**
Date : August 23, 2019	Director	Director
Place : Ahmedabad	DIN: 00009879	DIN: 00010146

ANNEXURE – A TO THE DIRECTORS' REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)
of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L91110GJ1982PLC005169
2.	Registration Date	28-4-1982
3.	Name of the Company	VADILAL INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	Vadilal House, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad – 380 009. Ph.: 079-30153189.
6.	Whether listed company	Listed at BSE Limited and National Stock Exchange of India Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. Tel. Nos. : (079) 26580461/62/63 Fax No. : (079) 26581296

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Ice-cream and Frozen Desert Product	1050	85.82%
2	Fruit Pulp, Frozen Fruits etc.	1030	10.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	Vadilal Industries (USA) Inc., 44, Woodbrook Drive, Edison, New Jersey – 08820	N.A.	Wholly Owned Subsidiary	100%	2(87)(ii)
2	Vadilal Gulf (FZE)# SAIF Office P8-14-13 P. O. Box 513893 Sharjah, U.A.E.	N.A.	Subsidiary	Nil	N.A.
3	Vadilal Industries Pty Ltd## Shop 5/17-19 East Parade SUTHERLAND NSW 2232 Australia	N.A.	Subsidiary	Nil	N.A.

The Company has floated a subsidiary company namely Vadilal Gulf (FZE) at U.A.E. on 20-02-2018 However, the Company has not made any investment in the shares of the said Company.

The Company has floated a subsidiary company namely Vadilal Industries Pty Ltd at Australia on 16-04-2018 However, the Company has not made any investment in the shares of the said Company.

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

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters*									
(1) Indian									
a) Individual/ HUF	186351	0	186351	2.59	186351	0	186351	2.59	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
d) Bodies Corp.	3382615	30560	3413175	47.49	3382615	30560	3413175	47.49	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
f) Any other	0	0	0	0.00	0	0	0	0	0.00
Directors' Relatives	1050472	2208	1052680	14.64	1050622	2208	1052830	14.65	0.01
Sub Total(A)(1)	**4619438**	**32768**	**4652206**	**64.72**	**4619588**	**32768**	**4652356**	**64.73**	**0.01**
(2) Foreign									
Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0.00
Bodies Corporate	0	0	0	0	0	0	0	0	0.00
Institutions	0	0	0	0	0	0	0	0	0.00
Any Others(Specify)	0	0	0	0	0	0	0	0	0.00
Sub Total(A)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
Total shareholding of Promoter (A)	**4619438**	**32768**	**4652206**	**64.72**	**4619588**	**32768**	**4652356**	**64.73**	**0.01**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4136	6750	10886	0.15	938	3850	4788	0.06	-0.09
b) Banks / FI	2102	1650	3752	0.05	3093	1650	4743	0.06	0.01
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	10000	500	10500	0.15	48000	500	48500	0.67	0.52
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**16238**	**8900**	**25138**	**0.35**	**52031**	**6000**	**58031**	**0.79**	**0.44**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	488707	7346	496053	6.90	555324	6646	561970	7.82	0.92
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	953680	305872	1259552	17.52	1136309	260559	1396868	19.44	1.92
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	629086	0	629086	8.75	382207	0	382207	5.32	-3.43
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non-Resident Indians	55612	0	55612	0.77	56919	0	56919	0.79	0.02
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Hindu Undivided Families (HUF)	70174	9	70183	0.98	79470	9	79479	1.11	0.13
Sub-total (B)(2):-	**2197259**	**313227**	**2510486**	**34.93**	**2210229**	**267214**	**2477443**	**34.48**	**-0.45**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2213497**	**322127**	**2535624**	**35.28**	**2262260**	**273214**	**2535474**	**35.27**	**-0.01**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**6832935**	**354895**	**7187830**	**100**	**6881848**	**305982**	**7187830**	**100**	**0**

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2018)			Shareholding at the end of the year (31-3-2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Vadilal International Private Limited	2809704	39.09	0	2809704	39.09	0	0.00
2	Vadilal Finance Company Pvt. Ltd.	328311	4.57	0	328311	4.57	0	0.00
3	Veronica Construction Pvt. Ltd.	244600	3.40	0	244600	3.40	0	0.00
4	Vadilal Marketing Private Limited	10330	0.14	0	10330	0.14	0	0.00
5	Byad Packaging Private Limited	10137	0.14	0	10137	0.14	0	0.00
6	Vortex Ice-Cream Private Limited	9943	0.14	0	9943	0.14	0	0.00
7	Vadilal Enterprises Limited	150	0.00	0	150	0.00	0	0.00
9	Virendra R. Gandhi	158634	2.21	0	158634	2.21	0	0.00
10	Rajesh Ramchandra Gandhi	227721	3.17	0	227721	3.17	0	0.00
11	Devanshu Laxmanbhai Gandhi	341450	4.75	0	341450	4.75	0	0.00
12	Ila V. Gandhi	107931	1.50	0	107931	1.50	0	0.00
13	Mamta Rajesh Gandhi	122251	1.70	0	122251	1.70	0	0.00
14	Deval Devanshu Gandhi	59266	0.82	0	59266	0.82	0	0.00
16	Janmajay Virendrabhai Gandhi	14893	0.21	0	14893	0.21	0	0.00
17	Nitaaliashemali Piyush Surati	11558	0.16	0	11558	0.16	0	0.00
18	Ushaben Navinchandra Modi	7354	0.10	0	7504	0.11	0	0.01
19	Virendra Ramchandra Gandhi (Huf)	119699	1.67	0	119699	1.67	0	0.00
20	Rajesh R. Gandhi – HUF	62411	0.87	0	62411	0.87	0	0.00
21	Laxman R. Gandhi (HUF)	4241	0.06	0	4241	0.06	0	0.00
22	Khevna Raj Shah	811	0.01	0	811	0.01	0	0.00
23	Dharini Ketan Khambhatta	811	0.01	0	811	0.01	0	0.00
	Total	**4652206**	**64.72**	**0**	**4652356**	**64.73**	**0**	**0.01**

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

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2018)		Cumulative Shareholding during the year (from 1-4-2018 to 31-3-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Name : Ushaben Navinchandra Modi				
	At the beginning of the year	7354	0.10	7354	0.10
	Increase / Decrease in Promoters Shareholding during the year due to Transfer	150	0.00	7504	0.10
	At the end of the year	7504	0.10	7504	0.11

Note : Apart from the above, there is no change in the shareholding of promoters.

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2018)		Increase/decrease in the shareholding during the year		Cumulative Shareholding during the year (from 1-4-2018 to 31-3-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sanjiv Dhireshbhai Shah#	0	0	171455	2.38	171455	2.38
2	KIFS International LLP	106292	1.4788	4477	0.06	110769	1.53
3	Rajasthan Global Securities Private Limited	25017	0.348	54549	0.7589	79566	1.106
4	ZAKI ABBAS NASSER#	0	0	55000	0.765	55000	0.765
5	EQ India Fund#	0	0	48000	0.6677	48000	0.6677
6	Ganesh Srinivasan#	0	0	48000	0.6677	48000	0.6677
7	Aditya Birla Money Limited	18585	0.2586	27923	0.3884	46508	0.6470
8	Kifs Trade Capital Private Limited#	0	0	35039	0.4874	35039	0.4874
9	TJ Stock Broking Services (P) Ltd#	0	0	22446	0.3122	22446	0.3122
10	IL and FS Securities Services Limited	23478	0.3266	-1527	-0.0212	21951	0.3054
11	Ashish Kacholia*	518432	7.2126	-518432	-7.2126	0	0
12	Infina Finance Private Ltd*	39995	0.5564	-39995	-0.5564	0	0
13	Pathik Gandotra*	24000	0.3339	-24000	-0.3339	0	0
14	Jayesh Pratapchand Shah*	25000	0.3478	-21747	-0.3025	3253	0.0452
15	Integrated Master Securities Pvt. Ltd.*	20000	0.2782	-20000	-0.2782	0	0

* Ceased to be in the list of Top 10 as on 31-03-2019. The same is reflected above since the shareholder was on of the top 10 shareholders as on 01-04-2018

Not in the list of top 10 shareholders as on 01-04-2018. The same has been reflected above since the shareholder was one of the top 10 shareholder as on 31-03-2019

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 1-4-2018)		Cumulative Shareholding during the year (from 1-4-2018 to 31-3-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Mr. Rajesh R. Gandhi, Chairman and Managing Director**				
	At the beginning of the year	227721	3.17	227721	3.17
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	227721	3.17
	At the end of the year	227721	3.17	227721	3.17
2.	**Mr. Devanshu L. Gandhi, Managing Director**				
	At the beginning of the year	341450	4.75	341450	4.75
	Increase / Decrease in Promoters Shareholding during the year due to transmission	0	0	0	0
	At the end of the year	341450	4.75	341450	4.75
3.	**Ms. Deval D. Gandhi, Director**				
	At the beginning of the year	59266	0.82	59266	0.82
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	59266	0.82
	At the end of the year	59266	0.82	59266	0.82

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 1-4-2018)		Cumulative Shareholding during the year (from 1-4-2018 to 31-3-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	**Mr. Kalpit Gandhi, Director & Chief Financial Officer**				
	At the beginning of the year	0	0	0	0
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0
5	**Ms. Ruchita Gurjar, Company Secretary (Up to 15th November, 2018)**				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	1	0	1	0
6	**Ms. Rashmi Bhatt, Company Secretary (From 12th February, 2019)**				
	At the beginning of the year	0	0	0	0
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0

Note : Apart from the above, other Directors and Key Managerial Personnel are not holding any shares in the Company.

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

Rs. In Lacs

Sr. No.		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
1	**Indebtedness at the beginning of the financial year**				
	i) Principal Amount	10,697.10	712.34	2,737.78	14,147.22
	ii) Interest due but not paid	21.23	15.32	-	36.55
	iii) Interest accrued but not due	1.61	27.70	108.52	137.83
	Total (i+ii+iii)	**10,719.94**	**755.36**	**2,846.30**	**14,321.60**
2	**Change in Indebtedness during the financial year**				
A	**+ Addition**				
	i) Principal Amount	1,944.90	1,010.00	634.60	3,589.50
	ii) Interest due but not paid	20.14	10.75	-	30.89
	iii) Interest accrued but not due	2.7	-	144.76	147.54
B	**-Reduction**				
	i) Principal Amount	(1,183.25)	(1,077.83)	(821.73)	(3,082.81)
	ii) Interest due but not paid	(21.23)	(15.32)	-	(36.55)
	iii) Interest accrued but not due	(1.61)	(27.70)	(108.52)	(137.83)
	Net Change	**761.74**	**(100.10)**	**(150.89)**	**510.74**
	Indebtedness at the end of the financial year				
	i) Principal Amount	11,458.75	644.51	2,550.65	14,653.91
	ii) Interest due but not paid	20.14	10.75	-	30.89
	iii) Interest accrued but not due	2.78	-	144.76	147.54
	Total (i+ii+iii)	**11,481.68**	**655.26**	**2,695.41**	**14,832.35**

Note :

i. Deposits include Unclaimed Fixed deposits shown in other current liabilities.

ii. Opening interest shown as paid and closing interest shown as receipt.

iii. Interest accrued and due is debited by bank subsequently.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Remuneration paid during the Financial year – 2018-2019)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Rajesh R. Gandhi, Chairman and Managing Director	Mr. Devanshu L. Gandhi, Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4920000	4920000	9840000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2289600	2289600	4579200
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify…	9997000	9997000	19994000
5	Others, please specify: - Contribution to Provident Fund - Medical Reimbursement	590400	590400	1180800
	Total (A)	**17797000**	**17797000**	**35594000**
	Ceiling as per the Act	10% of net profit		

B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors #				Total Amount (Rs.)(Gross)
1	**Independent Directors**	**Mr. Chetan Tamboli**	**Mr. Malay Mahadevia**	**Mr. Jignesh Shah**	**Mr. Vijay Shah**	
	Fee for attending board committee meetings	279500	0	301500	267000	848000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	**279500**	**0**	**301500**	**267000**	**848000**
2	**Other Non-Executive Directors**	**Mrs. Deval D. Gandhi**				
	Fee for attending board committee meetings	154000				154000
	Commission	0				0
	Others, please specify	0				0
	Total (2)	**154000**				**154000**
	Total Remuneration (1+2)					**1002000**

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Kalpit R. Gandhi, Chief Financial Officer	Ms. Ruchita Gurjar, Company Secretary Up to 15.11. 2018	Ms. Rashmi Bhatt, Company Secretary From 12.02.2019	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1099344	201008	96250	1396602
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1524768	380595	128250	2033613
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	others, specify…	0	0	0	0
5	Others (Medical reimbursement, Bonus, Insurance, Gratuity, Ex-gratia, Provident Fund, KRA)	366792	88462	50500	505754
-	**Total**	**2990904**	**670065**	**275000**	**3935969**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

ANNEXURE – B TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS (2018-2019)

1) INDUSTRY STRUCTURE & DEVELOPMENT AND OUTLOOK.

a) Ice Cream Division

Overview

India is the largest producer and marketer of milk. It accounts for over 1/5th of the global milk production. This provides the ice cream industry with a large volume of raw material to manufacture ice creams. The ice cream market in India is forecast to exhibit a CAGR of 17.03% during 2016-2021. Keeping up with the economy's quantum growth in recent years, the ice cream market has also set new records. Today, the total organized Indian ice cream market is estimated at approx. Rs. 6000 crores.

Ice creams are an integral part of any celebration. And Vadilal offers a range of ice creams and frozen desserts that enriches the celebrations.

Increase in the percentage of urbanization, rise in the disposable incomes, and increase in the "out of home food" consumption coupled with the steep increase in the availability of multi cuisine restaurants in the residential areas are some of the reasons behind the thriving ice cream industry.

The ongoing transformation in the ice cream industry has created ample number of opportunities for investors to invest and grow. Vadilal Ice Cream division has shown a sustainable annual growth and aims at maintaining it further in the years to come.

Since the inception of the company, Vadilal has been committed towards delivering the best quality products at affordable prices to customers from diverse cultures. Moreover, Vadilal is constantly working towards improving their products in terms of nutritional values and benefits.

Developments

Taking forward the tradition of introducing flavour some products at regular intervals, Vadilal has made numerous additions in 2018 like coming up with three new delicious ice creams in the 1+1 party pack form in every 6 months. This year, the company has revamped the entire brand identity by introducing a refreshed brand logo with new template and packaging.

Our existing brands like Gourmet, Badabite, Flingo and Ice trooper continue to show substantial movement in the market. Besides this, Vadilal has also introduced new delicious products like Badabite Select, Badabite Mango, Badabite Red Velvet, Flingo Belgian Chocolate and Chocolate cassatta.

As multi-national ice cream brands enter India. It has become imperative for the company to reinvent its strategy to consolidate its leadership. Vadilal has been a brave and experimental brand, they have always catered to the consumers by taking in consideration of the consumer's needs, which is the reason why Vadilal is one of the leading ice cream manufacturers in India.

The overall consumer awareness and the size of the premium ice cream segment has increased with the entry of international ice cream brands in India. Following these developments, we have launched many variants in the premium segment like ice cream bars, ice cream sandwiches, Artisan ice cream cakes and ice cream pastries.

To break away from the clutter in a heavily-crowded retail environment, a new packaging template has been adopted this year to register our presence in the market.

With an upgrade in the production technology, it has become easier for us to offer premium and delectable products in the market.

Our Ice Trooper range continues to consolidate the kids' market and has become every kid's favorite across India. This year, a new variant called Ice Trooper Double Spin Pineapple has been added to this popular range.

Introduction of new mega brands, installation of state-of-the-art machines and significant expansion in production facilities will make us an even stronger force to reckon with in the domestic ice cream market.

It is a joy to cater to new people. Vadilal's wide range of ice creams and frozen desserts are now available in Tamil Nadu, and the response from the consumers has been so positive that it has motivated us to plan our future endeavors for the south market proactively.

Vadilal has India's fastest cone-making machine. With the production capacity of 3.5 lakh cones per day. It is the first and the only ice cream producer in India to have a machine with such a huge capacity. Vadilal is the largest player in Cones, Cups and Candies categories. Our strategic approach towards the controlled usage of resources and raw materials has boosted our growth in the market by manyfold.

Vadilal has started exclusive parlours in three formats: Scoop Shop, Hangout & Express. These parlours offer a delicious

range of Premium Ice Creams, Scoops and Concoctions in a very enjoyable ambience. The purpose of launching these formats is to give the brand a modern and trendy avatar. It is in line with the brand's efforts towards shifting the focus from mass to mass premium.

Like every other industry, the ice cream industry has a vast unorganized market that works at low costs and margins. The real competition is between the organized players and the unorganized players.

Brand Vadilal as the 2nd largest ice cream brand in India, has always been focused towards maintaining product quality, and constantly improving the same with the products' availability at the Vadilal outlets. Instead of perceiving the unorganized market as a hurdle, we see it as a motivator to deliver our best and expand our presence in the premium ice creams segment.

We are making a steady progress in launching new products in the premium segment. We have introduced a new range of Jumbo Ice Cream Cups that are made with pure milk cream and fine ingredients. Apart from these additions, we also introduce new flavoursome products every three months to give a whole new experience to our trade and consumers.

Vadilal's MELT IN parlour offers a range of high-end Artisanal Gelato ice cream that has gained a lot of popularity in the past few years. With its success, Vadilal has once again proven its mettle in launching international ice cream experiences in India.

Vadilal has two ice cream production facilities – one at Pundhra in Gandhinagar district, Gujarat and the other at Bareilly in Uttar Pradesh. To increase the production capacity and to have better automation, we had undertaken expansion-cum-modernization project of the factories, which has been successfully completed.

Apart from ice creams, Vadilal is also vigorously expanding in categories which offer value chain benefits and show a strong potential to grow. Vadilal already has strong backward linkages with the farmer community for its milk procurement for ice creams at its plant near Ahmedabad. Taking the relationship further, Vadilal has forayed in the flavored milk segment under the brand name "Power Sip". Power Sip comes in a uniquely shaped bottle ensuring a proper grip for the customer and it is available in flavours like "Kesar", "Elaichi", "Coffee" and "Rose". R&D is going on for the development of other flavours. We are also working tirelessly to bring new innovative products in the milk segment which will cater to the youth of India.

b) Processed Food Division

- In nearly every aspect, the consumer world has become on-demand. Modern day innovations and apps have trained consumers to expect convenience and minimal effort in their everyday life.
- The market is coming back around to the original benefit that frozen food provided as a fast, convenient alternative to fresh-from-scratch alternative. The relative ease of frozen offerings in our busy culture has driven their popularity for all types of food, whether it be fruits, vegetables, desserts, or fully-prepared meals.
- They are perceived as natural and healthy food product, which is fueling the growth of the market. Increasing preference of customers towards ready-to-cook products, owing to hygiene and convenience is boosting the growth of frozen processed foods market.
- However, the demand for frozen food products with no-preservatives or artificial flavours is increasing owing to consumer shift towards natural, healthy food products and a healthy lifestyle.
- When it comes to ice creams, the rise in income, along with an increase in demand for sweet dishes, drives the growth of this market. The sales of low-quality ice cream have been declining, due to the increased preference for premium ice cream which are without any additives. Whereas, the new innovative flavours that companies have come up with, act as a major driver for the market. Also, the cheaper price of the private label ice-creams are increasing the demand.

c) GLOBAL MARKET VIEW:

- Global Frozen Processed Food Market is primarily segmented into Europe, North America, Asia Pacific, Middle East & Africa, Australia and New Zealand. North America is dominating in the frozen processed food market followed by Europe. Additionally, high focus on organic ingredients and preservative free frozen food products with high shelf-life is likely to uplift the market for frozen food products at the global level.
- The frozen food market is projected to reach a value of about USD 282.5 billion by 2023, at a CAGR of 5.1%. Developments in the retail landscape, rising demand for convenience food, and technological advancements in the cold chain market are the major driving factors for the market.
- The U.S. has major consumption of frozen processed food, owing to busy lifestyle and changing eating habits in working population, people prefer for time saving and convenient food solution. According to a report by the American Frozen Food Institute (AFFI), the US retail frozen food category notched up +2.6% dollar growth in 2018 outpacing total center store food product sales, with high household penetration.
- Western Europe accounted for the largest frozen food market share in Europe in 2018, owing to the increasing per capita

expenditure on frozen foods among consumers in the region. Western Europe will witness an increase in its market share and remain the market leader for the next five years.

- While Middle East and African Frozen food market is projected to reach a about USD 27.23 billion by 2023, at a CAGR of 5.7% during forecast period of 2018 to 2023.
- The global ice cream market is anticipated to reach USD 78.8 billion by 2025, growing at a CAGR 4.1%, according to a new report by Grand View Research, Inc. The growing demand for premium products especially in developed regions such as North America and Europe is expected to drive the ice creams sales in these regions. The major growth is expected to come from developing regions such as Asia Pacific, Latin America and MEA.
- The impulse segment has outgrown the take-home segment for the last few years and is expected to dominate the market during the forecast period till 2025. The ice cream is likely to remain an impulse purchase as manufacturers in the developing regions have not been able to lure consumers with their bulk products. Manufacturers are expected to extend their impulse product portfolio during the forecast period.

d) Future strategy:

- Noteworthy developments have taken place across all our markets. US has been the most promising of amongst them as almost all the products launched last year were accepted well in the market and this has opened doors for us to venture into newer food categories this year. 360 degree marketing campaign to promote the products, participation in events and on-ground activation has helped us in being 'America's largest Indian ice cream brand'. The result of this success has rubbed on our non-ice cream products as well and has helped in pushing them even further.
- In the year 2019-2020, in US, we will try to grab more market share in ice creams by launching various new products and will eye to get more placements and consumer interaction with our non-ice cream products. With the motive to reach out and bring the consumers even closer to the brand, on-ground activations and social media will play a big role in achieving it.
- SEA region saw us venturing into newer markets and also introducing the highly awaited non-frozen product, Badam Milk Drink. Our non-dairy markets like Australia, Europe and others saw various positives and new products were introduced in the market in the form of ready-to-serve meals and herbs & sprouts. We will keep the momentum high to explore and venture in to newer territories. We saw some initial thrust with ice creams in the African continent as well. This year will be the year of exploring more opportunities in this region. Overall, MEA region will see deeper penetration from Vadilal under ice cream category.
- Over the coming years, we aspire to venture into several food and beverage categories under the frozen and non-frozen segments and make procurement & production more qualitative as well as competitive.

e) Forex Division

RBI AUTHORISED AD.II CATEGORY LICENCE HOLDER.

The Division is RBI approved Authorized Dealer Category II and carries out Money Changing and current account related transactions [other than trade related]. The Division takes care in Money Changing activities such as buying and selling Travelers Cheques, Travel Card, Currency Notes of all major traded currencies of the world. Besides having license under AD.II category, the division takes care of issuance of Demand Drafts, transfer of money abroad through Swifts, Telegraphic Transfer, etc. The Division is among the leading AD II category money changers and is especially competitive in permitted Outward Remittances.

The Year gone by has seen World Trade particularly India's International Trade emerging from contraction and finally things look rosy providing opportunities for Money changing as well as Forex Advisory businesses.

Growth is expected higher both in terms of revenue collection, as also increase in subscribers' strength. However, the division is catching up the market perception, banking formalities, new trend etc.

2) OPPORTUNITY AND THREATS

a) Ice-cream Division

India's ice cream market was dominated by the 'impulse' category of ice creams since the past 5 years, and this category is further expected to continue its dominance during the forecast period as well, owing to growing demand for premium ice creams and changing consumer taste.

Looking at the trends from the recent past, we foresee fast growth in the ice cream and frozen dessert category. However, along with the increasing demand for convenience, the continuing need for value as a trend is also growing. We plan to

continue with the strategy of consolidating our presence in the high-end premium segment. Earlier, Vadilal was only focused on offering mass segment products. However, we have been able to increase our share in the premium segment as well and it has enhanced the overall growth.

Distribution plays a key role in the success of a business. We are planning to increase our reach in the existing market in terms of consolidating our presence in Cash and Carry format as well as the Modern Retail segment. The logistics of ice cream, being a cold chain product, are complex and we are continuously expanding our cold chain distribution network through refrigerated vehicles and deep freezers.

We have worked on increasing the physical touch points with our consumers and executed it by putting in place a robust network of dealers, FOWs (Freezer On Wheels) and Ice Cream parlors. Along with various extensive ATL marketing campaigns, we have heavily invested in various BTL marketing activities to enhance consumer experience. We are also committed towards deeper penetration in trade sector. We are planning to organize innovative cross promotional activities to enhance the brand engagement with consumers and use the digital media actively as well. We are also planning to increase the branding activity at various retail levels.

b) Processed Food Division

In US, after tasting success and tremendous demand in smaller retail formats, Vadilal products will foray into the top grossing hyper retail formats. We'll further strengthen our key success factors, i.e; the distribution channel, by acquiring more warehouses for easier and quicker transit.

Catching on the trend and expanding to new avenues to reach out to the audience will hold the key. Apart from retailers, we have already started and further dig deeper to reach out to audience via digital medium – retailing and distributing via e-commerce and tapping the social media demands will be of key importance.

Vadilal also will be expanding its product portfolio significantly by inclusion of new variety of snacks, IQF vegetables and dairy products.

Vadilal is comfortably on route the journey from being excellent to progressing towards going par excellence.

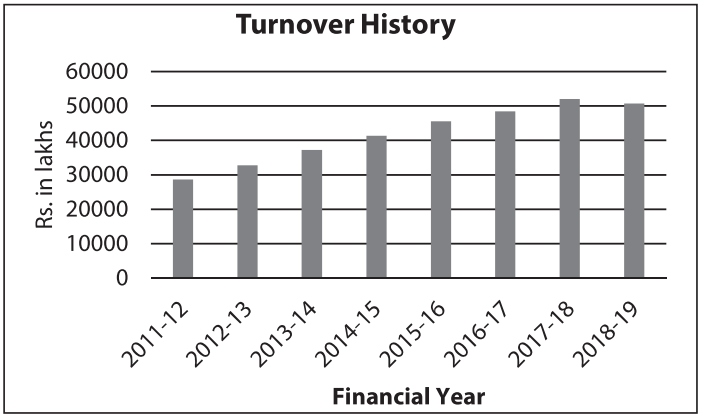
3) HIGHLIGHTS OF FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE.

The Company has earned Revenue from Operations of Rs. 50705.76 lacs during the year ended on 31st March, 2019 as against Rs. 52013.98 lacs earned during the previous year ended on 31st March, 2018 giving a decline of 2.51% as compared to previous year.

After adding thereto, the other income of Rs. 1258.46 lakhs earned by the Company, the Company has earned total income of Rs. 51964.22 lakhs during the year under review. The Company has incurred total expenses of Rs. 47096.61 lakhs including Finance cost of Rs. 1392.13 lakhs and Depreciation and Amortization expenses of Rs. 1659.83 lakhs, during the year under review.

The Company has earned profit before Tax of Rs. 4867.61 during the year under review as compared to Profit Rs. 2223.75 lacs incurred during the previous year ended on 31st March, 2018. The Company has earned profit for the year of Rs. 3148.38 lacs during the year ended on 31st March, 2019 after deducting Current Tax of Rs. 1588.43 and Deferred Tax of Rs. 130.80 lacs, as compared to Profit of Rs. 1484.53 lacs incurred by the Company during the previous year ended on 31st March, 2018.

Turnover History	
Financial year	**Rs. in lakhs**
2008-09	14792.6
2009-10	18890.77
2010-11	23613.82
2011-12	28580.25
2012-13	32765.9
2013-14	37170.32
2014-15	41288.57
2015-16	45538.21
2016-17	48438.1
2017-18	52013.98
2018-19	50705.78



4) SEGMENT WISE PERFORMANCE.

The company is primarily engaged in one business segment namely Food segment as determined by the chief operating decision maker in accordance with IND AS 108 - "Operating segment" and hence, Segment-wise Performance of the Company has not been provided.

5) RISKS AND CONCERNS

a) Ice Creams Division

Brand Vadilal has a 10% of organized market share against total organized Indian ice cream market which is estimated at approx. Rs. 6000 crores. Vadilal has a robust and extensive pan-India distribution network over 1,25,000 retailers and trade partners that cater to every nook and corner of the country.

For us, competition is not seen as a risk. We track our competition closely to continuously innovate and make better products that will keep us a step ahead of our competitors. The market is flooded with new regional players with cheaper and shoddy product options but Vadilal, with its experience and expertise of providing quality ice cream products, is well equipped to face such challenges.

However, there are certain concerns like infrastructure and rising input costs, which the company shall keep in mind.

b) Processed Food Division

The major concerns for the frozen food industry has been the same for over so many years, inadequate infrastructure, poor agricultural input management and semi-organized supply chain management have been the major bottle necks. Additionally increasing fuel puts an extra burden on the overall operational costs. The special requirement for transportation makes it even difficult to keep the costs low.

The frequent fluctuation of foreign currency, especially US Dollar with respect to Indian Rupee keeps the companies on worried every time.

6) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The External and Internal Auditors carryout periodic reviews of the functioning and suggest changes, if required. The company has also a sound budgetary control system with frequent reviews of actual performance as against those budgeted.

The Statutory Auditors have given their adverse opinion on the internal financial controls over the financial reporting in their Report with regards to assessment and closure of the various financial, operational and governance related matters emanating out of the numerous allegations made by promoter directors and two erstwhile independent directors against each other and their consequential impact, if any, on the standalone financial statements of the Company. While the management has voluntary decided to initiate an inquiry in the matter, it does not anticipate any material impact on the financial statements of the Company.

7) KEY DEVELOPMENT ON HUMAN RESOURCE RELATIONS:

The Company recognizes the important role that its employees need to play for the growth of various business activities. The human resource policies and processes of the Company are in line with this.

The Company has been maintaining cordial and healthy Industrial Relations, which has helped to a great extent in achieving the steady growth.

As on 31st March, 2019, the Company has employed total 722 employees at all locations.

8) DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIO AS COMPARED TO LAST YEAR

Ratio	2019	2018
Interest Coverage Ratio	4.89	2.63
Net Profit Ratio	6.06%	2.81%
Return on Net worth Ratio	15.50%	8.58%
Operating Profit Margin Ratio	12.05%	7.10%

Note: The above ratios improved YoY mainly due to increase in margins attributable to reduction in raw material costs, favourable exchange rate variances, higher export incentives due to increase in export turnover and better operating efficiency.

9) CAUTIONARY STATEMENT :

The statements made and figures given in the various sections of "Management Discussion and Analysis" are keeping in mind the Company's objectives, estimates and expectations. The Actual results may differ from those expected depending upon the economic conditions, changes in Govt. Regulations, tax regimes and other external and internal factors.

ANNEXURE – C TO THE DIRECTORS' REPORT

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr. No.	Particulars	Rs. in Lacs	Rs. in Lacs	
1	Name of the subsidiary	Vadilal Industries (USA) Inc., (wholly owned subsidiary)	Vadilal Industries (USA) Inc., (wholly owned subsidiary)	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2019	31st March, 2018	
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary	1 $ - Rs. 69.17	1 $ - Rs. 65.04	
4	Share capital	136.41	136.41	*
5	Reserves & surplus	453.97	38.17	**
6	Total assets	3405.20	2472.35	**
7	Total Liabilities	3405.20	2472.35	**
8	Investments	Nil	Nil	
9	Turnover	9943.80	5411.3	***
10	Profit / (Loss) before taxation	611.64	277.43	***
11	Provision for taxation	159.09	11.98	***
12	Profit / (Loss) after taxation	452.55	265.45	***
13	Proposed Dividend	Nil	Nil	
14	% of shareholding	100.00%	100.00%	

Notes:

1. Names of subsidiaries which are yet to commence operations:
   I. Vadilal Gulf (FZE)
   II. Vadilal Industries Pty Ltd.
2. Names of subsidiaries which have been liquidated or sold during the year. - NA

NOTES - EXCHANGE RATE CONSIDERED			
*	Rate of exchange (Initial) 1 USD	60.63	60.63
**	Rate of exchange 1 USD (Closing Rate)	69.17	65.04
***	Rate of exchange 1 USD (Average Rate)	75.88	64.21

Part "B": Associates and Joint Ventures

The Company does not have any Associate or Joint Ventures as on 31-03-2019.

Notes :

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

ANNEXURE – D TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2019 (2018-2019)

Pursuant to Schedule – V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

❖ **Brief statement on Company's philosophy on Code of Governance :-**

SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as "SEBI (LODR) Regulations, 2015") envisages various compliances and disclosure requirements in terms of Corporate Governance. Further, Schedule – V read with regulation 34(3) and 53(f) of the SEBI (LODR) Regulation, 2015 the Annual Report of a listed entity shall contain various Additional Disclosures which includes Corporate Governance Report.

Over the past few years, the transition in the business environment, coupled with liberalisation and changing market conditions, has led to a fundamental shift in the management's approach to enhancing shareholder value. In this context, Corporate Governance has attained paramount importance for ensuring fairness, transparency, accountability and responsibility to all stakeholders.

The Company's philosophy on Corporate Governance is aimed at making the top management of the Company in the efficient conduct of its business and in making its obligation to Shareholders.

❖ **The Report on Corporate Governance is divided into ten parts :-**

1) Board of Directors,
2) Remuneration of Directors,
3) Committees of the Board,
4) General Body Meetings,
5) Means of Communication
6) General Shareholder information
7) Other Disclosures
8) Disclosure of Compliance with Corporate Governance Requirements
9) Non-compliance, if any, of requirement of Corporate Governance Report
10) Compliance of discretionary requirements

1) Board of Directors

(i) Composition and category of Directors :

The Board of the Company comprises Executive and Non-executive Directors. The majority Directors on the Board are Non-executive Directors. The day-to-day management of the Company is conducted by the Managing Directors of the Company, subject to the supervision, direction and control of the Board of Directors of the Company.

The Board of Directors of the Company as on 31-03-2019 consists the following 8 Directors, out of which, majority Directors are Non-executive Directors and one half of the total Directors are Independent Directors :-

	Category		Name of the Directors
A.	Promoters and Executive Directors	1 2	Mr. Rajesh R. Gandhi, Chairman & Managing Director Mr. Devanshu L. Gandhi, Managing Director
B.	Promoters, Non-executive and Non-Independent Directors	3 4	Mrs. Devalben D. Gandhi Mr. Kalpit R. Gandhi*
C.	Independent Directors	5 6 7 8	Mr. Malay Mahadevia Mr. Chetan Tamboli Mr. Jignesh Shah Mr. Vijay Shah

* Mr. Kalpit R. Gandhi is also Chief Financial Officer, Key Managerial Personnel, of the Company.

(ii) Number of Board Meetings held and the dates on which held:

During the year under review, 7 Board Meetings were held on 28.5.2018, 11.8.2018, 27.11.2018, 24.12.2018, 3.1.2019, 12.2.2019 and 30.3.2019 The gap between two Board Meetings did not exceed 120 days.

(iii) Attendance of each Director at the 7 Board Meetings held during the year from 01-04-2018 to 31-03-2019, last Annual General Meeting (AGM) and number of Directorship and Chairmanship / Membership of Committee of each Director in various Companies as on 31-03-2019:

Name of Director	Attendance Particulars		No. of Directorships and Committee membership/chairmanship held in Listed Entities (including Vadilal Industries Limited)			
	Board Meetings	Last AGM	Name of listed entity in which Directorship held (Category of Directorship)	Directorship*	Committee Member ship **	Committee Chairmanship ** (Out of Committee Membership)
Mr. Rajesh R. Gandhi	7	Yes	1. Vadilal Industries Limited (Non-Independent, Executive) 2. Vadilal Enterprises Limited Non –Independent, Non-Executive) 3. Vadilal Chemicals Limited (Non-Independent, Executive)	3	4	1
Mr. Devanshu L. Gandhi	7	Yes	1. Vadilal Industries Limited (Non-Independent, Executive) 2. Vadilal Enterprises Limited (Non –Independent, Non-Executive) 3. Vadilal Chemicals Limited (Non-Independent, Executive)	3	6	0
Mrs. Deval D. Gandhi	7	No	1. Vadilal Industries Limited (Non-Independent, Non-Executive Director) 2. Vadilal Chemicals Limited (Non-Independent, Non-Executive)	2	0	0
Mr. Kalpit R. Gandhi	7	Yes	1. Vadilal Industries Limited) (Non-Independent, Non-Executive) 2. Vadilal Chemicals Limited (Non-Independent Non-Executive)	2	1	0
Mr. Malay R. Mahadevia*	7	No	1. Adani Ports and Special Economic Zone Limited (Independent, Executive) 2. Vadilal Industries Limited (Independent, Non-Executive)	2	1	0
Mr. Chetan M. Tamboli	6	No	1. Vadilal Industries Limited (Independent, Non-Executive) 2. Steel Cast Limited (Non-Independent, Executive)	2	1	0
Mr. Jignesh J. Shah*	7	Yes	1. Industries Limited (Independent, Non-Executive) 2. Vadilal Enterprises Limited (Independent, Non-Executive) 3. Vadilal Chemicals Limited (Independent, Non-Executive)	3	5	3
Mr. Vijay R. Shah	6	Yes	1. Vadilal Industries Limited (Independent, Non-Executive)	1	2	1

* This excludes Directorships held in Private/Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.

** Committees of Directors include Audit Committee and Stakeholders' Relationship Committee.

None of the Directors of the Company is a member of Board of more than 20 Companies and more than 10 Public Limited Companies, in terms of Section 165 of the Companies Act, 2013. None of the Directors is a member of more than 10 Board level Committees or a Chairman of more than 5 such Committees as required under Regulation 26(1) of SEBI (LODR) Regulation, 2015. The necessary disclosures regarding Committee positions have been made by the Directors.

(iv) Relationship between the Directors :-

- Mr. Kalpit R. Gandhi is the son of Mr. Rajesh R. Gandhi.
- Mrs. Devalben D. Gandhi is the spouse of Mr. Devanshu L. Gandhi.

None of the other directors are related to any other director on the Board.

(v) Independent Directors :

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Every Independent Director abides by the provisions specified in Schedule – IV to the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulation, 2015 related to obligation of Independent Directors.

The policy decisions are considered by the Nomination and Remuneration Committee for appointment as Independent Director on the Board. The Board considers the committee's recommendation and takes appropriate action.

During the year under review, the Company's Independent Directors met 3 times during the year i.e. on 27.11.2018, 12.02.2019, 30.3.2019 without the presence of Executive Directors or management personnel, to inter alia:

- review the performance of non-independent directors and the Board as a whole.
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(vi) Familiarisation programme for independent director: the said policy is available on website of the Company

(vii) Information supplied to the Board :-

The information in respect of the following matters, among others, are regularly placed before the Board of Directors:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Appointment, remuneration and resignation of Directors.
- Formation/reconstitution of Board Committees.
- Declaration of Independent Directors at the time of appointment/annually

- Disclosure of Directors' interest and their shareholding
- Appointment or removal of the Key Managerial Personnel
- Appointment of Internal Auditors and Secretarial Auditors
- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors
- Dividend declaration
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made
- Significant changes in accounting policies and internal controls
- Issue of securities including debentures
- Recommending appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee
- Internal Audit findings and External Audit Reports(through the Audit Committee)
- Proposals for major investments, mergers, amalgamations and reconstructions

The Board is routinely presented with all information required under Regulation 17(7) read with Schedule – II of the SEBI (LODR) Regulation, 2015 wherever applicable and materially significant. These are normally submitted as a part of the Agenda papers and circulated in advance to the Directors. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Action taken report on the decision / minutes of the previous meeting is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

The evaluation of performance of the Board and that of its committees and individual directors in terms of the provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 17(10) read with Regulation 25(4) of the SEBI (LODR) Regulation, 2015,was under process for completion.

2) Remuneration to Directors:

The aggregate value of salary, perquisites and other allowances paid including contribution towards Provident Fund to the two Managing Directors of the Company during the year ended on 31-03-2019 (i.e. from 01-04-2018 to 31-03-2019) are as follows:-

Amount (Rs. in lacs)

Name of Managing Director	Salary	Perquisites/ Allowances	Commission	Contribution to PF	Total
Mr. Rajesh R. Gandhi	49.20	22.89	99.97	5.90	177.98
Mr. Devanshu L. Gandhi	49.20	22.89	99.97	5.90	177.98

Besides this, the above Managing Directors are also entitled to Superannuation or Annuity Fund, to the extent not taxable and Gratuity and encashment of Leave as per Rules of the Company.

The Company has not paid Bonus to the above Managing Directors of the Company for the financial year ended on 31-03-2019.

The Managing Directors are required to give 3 months' notice in writing to the Company to resign from the office of Managing Director. The Company does not have a scheme for grant of stock options either to the Managing Directors or Employees.

Apart from the Managing Directors, Mr. Kalpit R. Gandhi, who is a non-executive and non-independent Director and Chief Financial Officer of the Company, has received remuneration, as under, in his capacity of Chief Financial Officer, during the year – 2018-2019:

Name of the Director	Salary	Perquisites/Allowances	Others	Total
Mr. Kalpit R. Gandhi	10.99	15.25	3.67	29.91

Except the above, none of the other Directors are paid remuneration except sitting fees for attending Board and Committee Meetings.

The Company has paid sitting fees to all Non-executive Directors & Independent Directors of the Company for attending Board Meetings, as under, held during the year ended on 31-03-2019:

Sr. No.	Name of the Director	Amount in Rs. (Gross)
1	Mrs. Deval D. Gandhi	154000
2	Mr. Kalpit R. Gandhi*	0
3	Mr. Malay Mahadevia **	0
4	Mr. Chetan M. Tamboli	132000
5	Mr. Jignesh J. Shah	154000
6	Mr. Vijay R. Shah	132000

* Mr. Kalpit R. Gandhi do not receive sitting fees for attending any meeting of the Board and any committee thereof.

** Mr. Malay Mahadevia has voluntarily waived the payment of sitting fees for attending meetings of the Board and committee thereof and hence, he is not receiving any sitting fees.

The Company has also paid sitting fees to the following Non-executive Directors & Independent Directors of the Company for attending Audit Committee meetings, held during the year ended on 31-03-2019:-

Sr. No.	Name of the Member of the committee	Amount in Rs. (Gross)
1	Mr. Devanshu L. Gandhi*	0
2	Mr. Kalpit R. Gandhi *	0
3	Mr. Malay Mahadevia**	0
4	Mr. Chetan M. Tamboli	87500
5	Mr. Jignesh J. Shah	87500
6	Mr. Vijay R. Shah	75000

* Mr. Devanshu L. Gandhi and Mr. Kalpit R. Gandhi do not receive sitting fees for attending any meeting of the Board and any committee thereof.

** Mr. Malay Mahadevia has voluntarily waived the payment of sitting fees for attending meetings of the Board and committee thereof and hence, he is not receiving any sitting fees.

The Company has also paid sitting fees to the following Non-executive Directors & Independent Directors of the Company for attending Nomination and Remuneration Committee meeting, held during the year ended on 31-03-2019 :-

Sr. No.	Name of the Member of the committee	Amount in Rs. (Gross)
1	Mr. Malay Mahadevia**	0
2	Mr. Chetan M. Tamboli	60000
3	Mr. Jignesh J. Shah	60000
4	Mr. Vijay R. Shah	60000

** Mr. Malay Mahadevia has voluntarily waived the payment of sitting fees for attending meetings of the Board and committee thereof and hence, he is not receiving any sitting fees.

The Non-executive Directors & Independent Directors of the Company are also reimbursed the traveling and out-of-pocket expenses for attending such meetings.

Mrs. Devalben D. Gandhi is holding 59266 Equity Shares of the Company. Except the above, no other Non-executive Directors of the Company hold any shares in the Company.

There was no pecuniary relationship or transaction of Independent Directors with the Company.

3) The Board has identified following skills/expertise/competencies fundamental for the Effective functioning of the Company which are currently available with the board.

Strategy and planning- appreciation of long terms, strategic choices and experience in guiding and leading management teams to make decision in uncertain environment

Governance- Experience in developing governance practice serving best interest of stake holder, maintaining board and management accountability, building long term effective stake holder engagements and driving corporate ethics and value

4) Committees of the Board:

The Board of Directors of the Company has formulated the following committees in terms of the provisions of the SEBI (LODR) Regulation, 2015 and Companies Act, 2013 and Rules made there under :

(a) Audit Committee

(b) Nomination and Remuneration Committee

(c) Stakeholders' Relationship Committee

(d) Corporate Social Responsibility Committee

The composition and terms of reference of the said committees are as under :

(a) Audit Committee :

(i) Composition

As on 31-03-2019, there were 6 members of Audit Committee as under :-

Sr. No.	Name of the Member		Designation	Category
1	Mr. Vijay R. Shah	-	Chairman	Independent Director
2	Mr. Devanshu L. Gandhi	-	Member	Executive Director
3	Mr. Kalpit R. Gandhi	-	Member	Non-Executive and Non-independent Director
4	Mr. Malay Mahadevia	-	Member	Independent Director
5	Mr. Jignesh J. Shah	-	Member	Independent Director
6	Mr. Chetan M. Tamboli	-	Member	Independent Director

The constitution of the Audit Committee fulfills the requirements of Regulation 18 of the SEBI (LODR) Regulation, 2015 and Section 177 of the Companies Act, 2013.The members of audit committee are financially literate and having accounting or related financial management expertise.

Mrs. Rashmi Bhatt, who is a Company Secretary of the Company, is the Secretary to the Audit Committee.

(ii) Meeting and Attendance :

The Audit Committee met 7 times during the year under review on 28.5.2018, 11.8.2018, 27.11.2018, 24.12.2018, 3.1.2019, 12.2.2019 and 30.3.2019.

The presence of the Members of the aforesaid Audit Committee Meetings are as under :

Sr. No.	Name of the Director	No. of Audit Committee Meetings attended.
1	Mr. Chetan Tamboli	7
2	Mr. Devanshu L. Gandhi	7
3	Mr. Kalpit R. Gandhi	7
4	Mr. Malay Mahadevia	7
5	Mr. Jignesh J. Shah	7
6	Mr. Vijay R. Shah	6

The representative of the Statutory Auditors was present in all meetings of the Audit Committee. The Internal Auditors were present in the meetings as and when called for. The Managing Directors of the Company were also generally invited to attend the Audit Committee meetings. The Minutes of the Audit Committee Meetings are placed before all Directors of the Company at the time of Board Meeting and are confirmed in the Board Meeting.

(iii) Terms of reference:

The terms of reference of the Audit Committee are as under and they are in accordance with the provisions of Regulation 18 read with Part C of Schedule II of the SEBI (LODR) Regulation, 2015 and Section 177 of the Companies Act, 2013:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon; Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified Opinions/Qualifications in the draft audit report
4. Approval or any subsequent modification of transactions of the company with related parties;

5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
10. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
11. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate."

(b) Nomination and Remuneration Committee :

(i) Composition

The Nomination and Remuneration Committee of the Company comprises the following Directors of the Company, as on 31st March, 2019, namely:

Sr. No.	Name of the Member		Designation	Category
1	Mr. Malay Mahadevia	-	Chairman	Independent Director
2	Mr. Chetan M. Tamboli	-	Member	Independent Director
3	Mr. Vijay R. Shah	-	Member	Independent Director
4	Mr. Jignesh J. Shah*	-	Member	Independent Director

The constitution of Nomination and Remuneration Committee fulfills the requirements of the Regulation 19 of the SEBI (LODR) Regulation, 2015 and Section 178 of the Companies Act, 2013. All members of the Nomination and Remuneration Committee are independent Directors of the Company.

(ii) Meeting and attendance:

The Nomination and Remuneration Committee normally meets for considering proposal related to appointment and/or remuneration of any Director or Key Managerial Personnel of the Company and for considering any other matter as may be specified under the terms of reference of the committee.

During the year under review, the Nomination and Remuneration Committee met 6 times on 28.5.2018, 11.8.2018, 27.11.2018, 24.12.2018, 12.2.2019 and 30.3.2019.

The presence of the Members of the aforesaid Nomination and Remuneration Committee Meetings are as under:

Sr. No.	Name of the Member		No. of meetings attended
1	Mr. Malay Mahadevia	-	6
2	Mr. Chetan M. Tamboli	-	6
3	Mr. Vijay R. Shah	-	5
4	Mr. Jignesh J. Shah	-	6

(iii) Terms of Reference:

Pursuant to Section 178 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) and Regulation 19 read with Part – D of Schedule – II of SEBI (LODR) Regulation, 2015, the role of the Nomination and Remuneration committee shall, *inter-alia*, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of the Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(iv) Performance evaluation Criteria for Independent Directors

The Performance evaluation Criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation is carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

(c) Stakeholders' Relationship Committee:

(i) Composition:

The Stakeholders' Relationship Committee of the Company comprises the following Directors of the Company, as on 31st March, 2019, namely:

Sr. No.	Name of the Member		Designation	Category
1	Mr. Jignesh J. Shah	-	Chairman	Independent Director
2	Mr. Rajesh R. Gandhi	-	Member	Executive Director
3	Mr. Devanshu L. Gandhi	-	Member	Executive Director
4	Mr. Vijay R. Shah	-	Member	Independent Director

The constitution of Stakeholders' Relationship Committee fulfills the requirements of Regulation 20 read with Part D of Schedule II of the SEBI (LODR) Regulation, 2015 and Section 178 of the Companies Act, 2013.

The Committee, inter alia, approves the transfer of Shares, issue of duplicate Share Certificates, splitting and consolidation of Shares etc. The Committee also looks after redressal of Shareholder's complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends, etc. The Board of Directors has delegated the power of approving transfer of Shares etc. to the Stakeholders' Relationship Committee.

(ii) No. of Shareholders complaints received and not solved to the satisfaction of the Shareholders:

The total number of complaints received and replied to the satisfaction of Shareholders during the year under review were as under :

No. of Complaints outstanding as on 31-03-2018	-	0
No. of complaints received during the year under review	-	1
No. of complaints disposed off during the year under review	-	1
No. of complaints outstanding as on 31-03-2019	-	0

(iii) Name and designation of Compliance Officer :

The Board has designated Ms. Rashmi Bhatt, Dy. General Manager (Secretarial) and Company Secretary, as the Compliance Officer of the Company in terms of Regulation 6 and 20 of the SEBI (LODR) Regulation, 2015.

(d) Risk Management Committee :

The provisions of Regulation 21 of the SEBI (LODR) Regulation, 2015 regarding constitution of Risk Management Committee of the Directors are not applicable to the Company, as the company does not fall in the list of top 100 listed entities determined on the basis of market capitalization.

The Board always takes endeavors to minimize risk associated with the Company and has laid down the plan for risk assessment and minimization and reviews the same periodically.

(e) Corporate Social Responsibility Committee :

(i) Composition :

In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a committee of the Directors of the Company has been constituted as Corporate Social Responsibility Committee, comprising the following Directors:

Sr. No.	Name of the Member		Designation
1	Mr. Vijay R. Shah	-	Chairman
2	Mr. Devanshu L. Gandhi	-	Member
3	Mr. Kalpit R. Gandhi	-	Member
4	Mr. Jignesh J. Shah	-	Member

The constitution of the Corporate Social Responsibility Committee fulfills the requirements of Section 135 of the Companies Act, 2013.

(ii) Terms of Reference :

The Corporate Social Responsibility Committee shall,—

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (*a*);
3. Monitor the Corporate Social Responsibility Policy of the company from time to time and;
4. Institute a transparent mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.

(iii) Corporate Social Responsibility Policy:

The Corporate Social Responsibility Committee has formulated a policy on the measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.

4) General Body Meetings:

(i) Location and Time for last 3 Annual General Meetings (AGM) were along with details of Special Resolution Passed:

Year	AGM	Location	Date	Time	Special Resolution Passed
2017-2018	34th	H T Parekh Convention Center, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015	24-09-2018	11.00 a.m.	No special resolution.
2016-2017	33rd	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	29-09-2017	4.00 p.m.	1. To approve the remuneration to be paid to Mr. Rajesh R. Gandhi, Chairman and Managing Director for remaining period of 2 years of his term w.e.f. 1st April, 2017. 2. To approve the remuneration to be paid to Mr. Devanshu L. Gandhi, Managing Director for remaining period of 2 years of his term w.e.f. 1st April, 2017.
2015-2016	32nd	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	27-09-2016	3.00 p.m.	No special resolution.

(ii) Resolution carried out through Postal Ballot:

No postal ballots were used/invited for voting at the above meetings in respect of Special Resolutions passed in the above said meetings.

At the forthcoming 35th AGM, no resolution is proposed to be passed through Postal Ballot.

5) Means of communication:

- **Annual Reports :**

The Company has total 14885 shareholders as on 31st March, 2019. The main channel of communication to the shareholders is through Annual Report, which includes inter alia, the Director's Report, Management Discussions & Analysis and Report on Corporate Governance and Audited Financial Results. The Annual Report is also posted on the web-site of the Company viz. www.vadilalgroup.com/reports.

- **Quarterly Results:**

The Unaudited Quarterly Results of the Company for the quarters ended on 30-06-2018 (1st Quarter), 30-09-2018 (2nd Quarter) and 31-12-2018 (3rd Quarter) and the Annual Audited Accounts for the year ended on 31-03-2018 including notes, results and also the Consolidated Financial Results and Limited Review Report thereon were submitted to the Stock Exchanges immediately after conclusion of the Board Meetings in which, they are approved by the Board.

The said results were published in the newspapers of Ahmedabad edition, namely, Indian Express (English) and Financial Express (Gujarati). The said results including Notes and Segment wise revenue, results and capital employed are displayed on the corporate website of the Company viz. www.vadilalgroup.com/reports.

- **Company's Web-site :**

The website of the Company viz. www.vadilalgroup.com has an exhaustive investor-relations section. It contains comprehensive guidelines and procedure for the investors. It also contains all statutory disclosures required to be placed under the provisions of various statute.

- **NSE Electronic Application Processing System (NEAPS):**

The NEAPS www.connect2nse.com/LISTING/is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre viz. www.listing.bseindia.comis a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

- **SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

- **Designated Exclusive email-id:**

The Company has designated email-id viz. shareslogs@vadilalgroup.com exclusively for resolving investor grievance.

6) General Shareholder' information:

(i) Annual General Meeting, i.e. next AGM

- Date & Time : Monday, 30th September, 2019 at 11.00 a.m.
- Venue : Shri H. T. Parekh Auditorium, C/O Ahmedabad Management Association, AMA Management House, Torrent AMA Management Centre, Atira CAM, Dr Vikram Sarabhai Road, Vastrapur, Ahmedabad – 380015.

(ii) Financial Calendar (from 01-04-2019 to 31-03-2020) (Tentative) :

- Results for quarter ended on 30-06-2019 : On or before 14th August, 2019
- Results for quarter ending on 30-09-2019 : On or before 14th November, 2019
- Results for quarter ending on 31-12-2019 : On or before 14th February, 2020
- Audited Results for the year ending on 31-03-2020 : On or before 30th May, 2020
- AGM for the year ending on 31-03-2020 : In the month of September, 2020

(iii) Book-closure date :

Book-closure shall be from 21st September, 2019 to 30th September, 2019 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2019.

(iv) Dividend payment date :

The Dividend of Rs. 1.25 per share (@ 12.50%) on Equity Shares for the year ended on 31st March, 2019, if approved and declared, will be paid within the prescribed time limit.

(v) Listing of Equity Shares on Stock Exchanges at -

The Company's shares are listed at the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
Phone: 91-22-2272 1234 / 1233

The National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
Phone: 91-22-26598100/8114

Listing fees upto the Financial Year –2019-2020 has already been paid to the above Stock Exchanges. The Annual Custody/ Issuer fee for the year –2019-2020 has also been paid by the Company to NSDL and CDSL.

(vi) Security Code No. :

- BSE Limited : 519156
- National Stock Exchange of (India) Limited : VADILALIND-EQ
- ISIN No. of NSDL & CDSL for demat of Equity Shares : INE694D01016

(vii) Stock Market Data :

The monthly High, Low and Closing Prices of Shares of the Company at BSE Limited, (BSE) and National Stock Exchange of India Limited (NSE), for the year under review are as under:

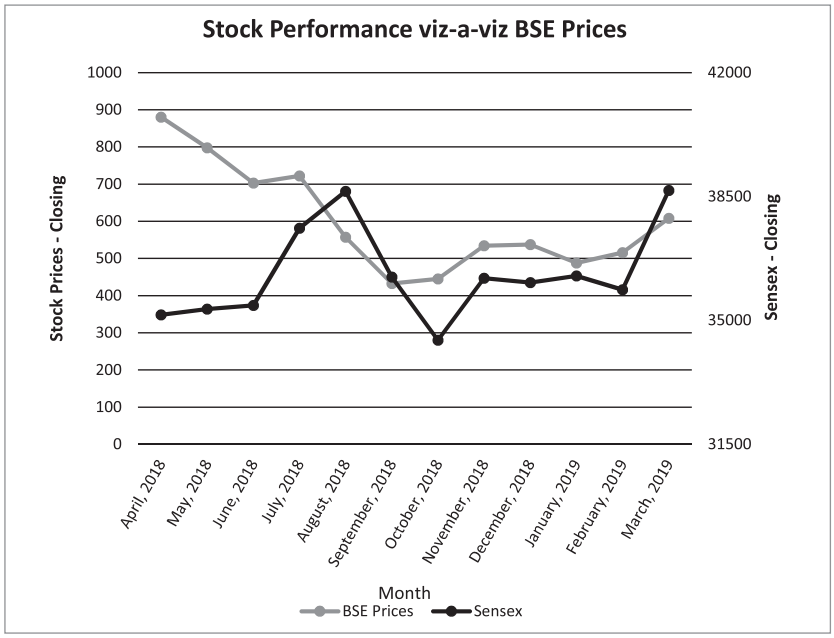
Months	BSE			NSE		
	High (Rs.)	Low (Rs.)	Closing (Rs.)	High (Rs.)	Low (Rs.)	Closing (Rs.)
April, 2018	950.00	832.10	880.00	944.00	838.15	881.10
May, 2018	912.6	753.20	797.70	914.00	752.00	795.25
June, 2018	804.10	690.00	703.10	805.60	692.65	703.05
July, 2018	738.00	633.00	722.30	733.70	640.10	726.00
August, 2018	811.00	516.50	556.95	809.00	517.30	556.05
September, 2018	580.00	430.00	432.70	580.80	427.00	431.25
October, 2018	494.55	400.00	444.90	492.00	387.20	445.55
November, 2018	575.90	420.00	534.45	577.75	440.00	532.00
December, 2018	567.50	443.00	537.55	570.00	455.55	535.75
January, 2019	555.00	468.95	487.55	554.75	467.95	487.20
February, 2019	538.70	441.15	515.70	538.80	436.10	514.65
March, 2019	644.40	512.95	607.80	624.40	516.00	608.15

(viii) Vadilal Industries Limited BSE Share Price versus the BSE Sensex :

Market - Price data : The monthly closing prices of the shares of the Company, during the financial year under review and performance of the same in comparison to BSE Sensex are given below :

Months	BSE Closing (Rs.)	SENSEX Closing (Rs.)
April, 2018	880.00	35160.36
May, 2018	797.70	35322.38
June, 2018	703.10	35423.48
July, 2018	722.30	37606.58
August, 2018	556.95	38645.07
September, 2018	432.70	36227.14
October, 2018	444.90	34442.05
November, 2018	534.45	36194.30
December, 2018	537.55	36068.33
January, 2019	487.55	36256.69
February, 2019	515.70	35867.44
March, 2019	607.80	38672.91

Price Chart:

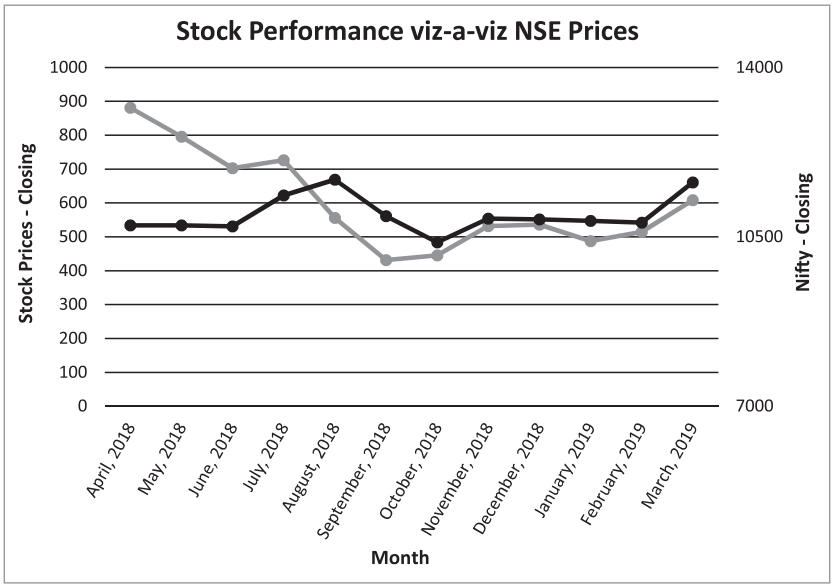


(ix) Vadilal Industries Limited NSE Share Price versus the NSE NIFTY

Market - Price data : The monthly closing prices of the shares of the Company, during the financial year under review and performance of the same in comparison to NSE Nifty are given below :

Months	NSE Closing (Rs.)	Nifty Closing (Rs.)
April, 2018	881.10	10739.35
May, 2018	795.25	10736.15
June, 2018	703.05	10714.30
July, 2018	726.00	11356.50
August, 2018	556.05	11680.50
September, 2018	431.25	10930.45
October, 2018	445.55	10386.60
November, 2018	532.00	10876.75
December, 2018	535.75	10862.55
January, 2019	487.20	10830.95
February, 2019	514.65	10792.50
March, 2019	608.15	11623.90

Price Chart:



(x) Registrar and Transfer Agent:

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2002, dated 27-12-2002, the Company has assigned all work related to Share Registry in terms of both physical and electronic to MCS Share Transfer Agent Ltd., Ahmedabad, by entering into an Agreement with the said R&T Agent to that effect. Hence, all Shareholders are requested to send/deliver the documents/correspondence including complaints relating to the Company's share transfer/demat/remat activity to

MCS Share Transfer Agent Ltd.
MCS Share Transfer Agent Limited
201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009.
Tel. Nos. : (079) 26580461/62/63 Fax No. : (079) 26581296

(xi) Share Transfer system:

Presently, the requests for share transfer, which are received by the Company or its Registrar & Share Transfer Agent, in physical form, from the shareholders, are processed and the share certificates are returned to the shareholders, within a period of 15/30 days from the date of receipt of such request for transfer, subject to the documents being valid and complete in all respects. The Share Transfer & Investors' Grievance Committee of the Company, normally meets twice a month to approve the transfer, issue of duplicate share certificates, consolidation and splitting of shares etc.

(xii) Share Reconciliation Audit:

M/s PRT & Associates, practicing Company Secretaries carried out Share Reconciliation audit for all quarters in the Financial Year –2018-2019, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

Pursuant to SEBI Cir. D&CC/FITTC/CIR-16/2002 dated December, 2002 , certificates, on half-yearly basis, have been issued by a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

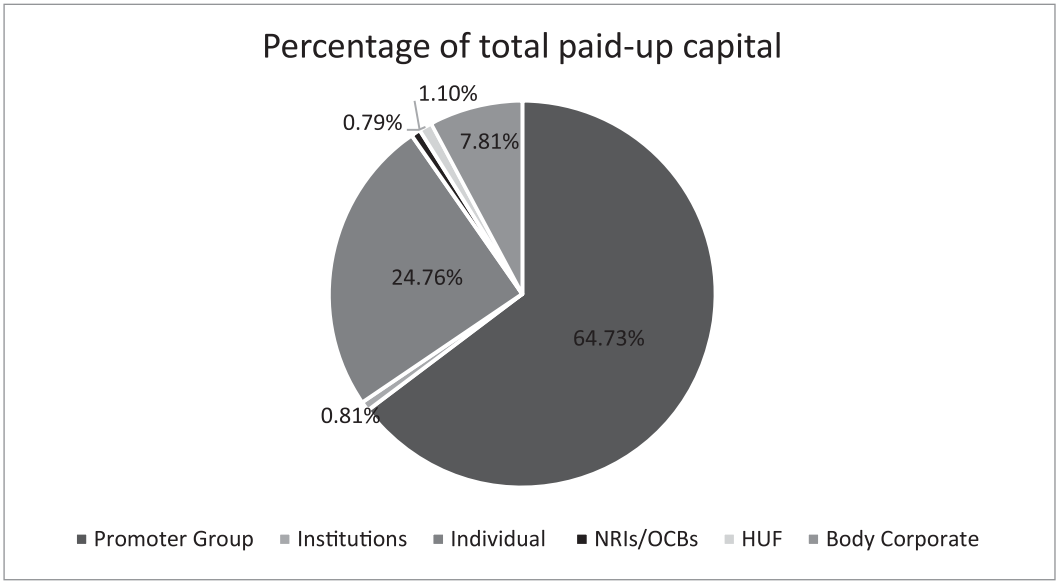
(xiii) Shareholding Details:

(a) Distribution of Shareholding as on 31st March, 2019:

No. of Equity Shares held	No. of Shareholders	No. of Shares	% of Shareholding
1-500	16838	1007299	14.01
501-1000	292	224922	3.12
1001-2000	141	205738	2.86
2001-3000	37	92571	1.28
3001-4000	14	48661	0.67
4001-5000	19	89741	1.24
5001-10000	17	135516	1.88
10001- 50000	22	455310	6.33
50001-100000	4	230793	3.21
100001 & above	12	4697279	65.35
Total:	**14885**	**7187830**	**100.00**

(b) Categories of Shareholders as on 31st March, 2019:

Category of Shareholders		No. of Equity Shares held	Percentage of total paid-up capital
A :	**Promoters and Promoters' Group :**		
	Directors and Relatives	1052830	14.66
	Group Companies	3413175	47.48
	HUFs	186351	2.59
	Total (A) :	**4652356**	**64.73**
B :	**Public :**		
	Institutions	58031	0.81
	Individual	1779075	24.76
	Body Corporate	561970	7.81
	NRIs/OCBs	56919	0.79
	HUFs	79479	1.10
	Total (B) :	**2535474**	**35.27**
Total		**7187830**	**100.00**



(xiv) Dematerialisation of Shares :

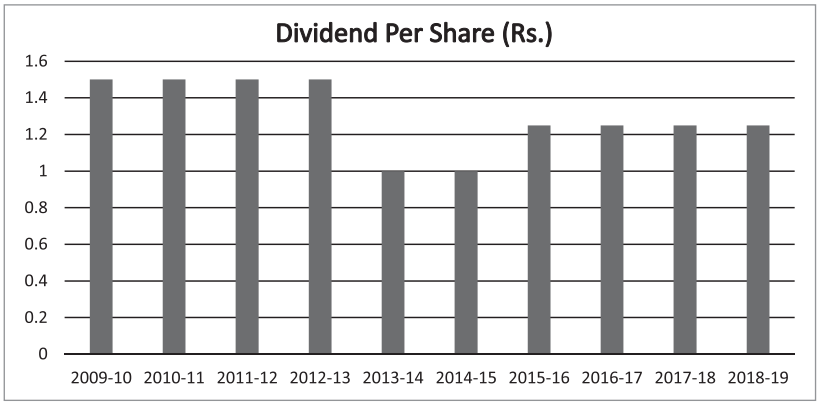
The Company, consequent to introduction of Depository System (DS), has established an electronic connectivity with NSDL & CDSL, Depositories. Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL and CDSL. In view of the numerous advantages offered by the DS, members are requested to avail the facility of dematerialisation of the Company's shares on either of the Depositories as aforesaid.

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

It is reiterated that requests for Dematerialisation and Rematerialisation are to be made only to the DP with whom you have opened an account and not directly to the Company or its Registrar & Share Transfer Agent.

Total 6881848 Equity Shares of the Company representing 95.74% of the total paid-up capital of the Company have been dematerialized upto 31-03-2019. Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by SEBI.

(xv) Dividend History for last 10 years :



Financial year	Dividend Per Share (Rs.)
2009-10	1.50
2010-11	1.50
2011-12	1.50
2012-13	1.50
2013-14	1.00
2014-15	1.00
2015-16	1.25
2016-17	1.25
2017-18	1.25
2018-19	1.25

(xvi) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity :

Not Applicable

(xvii) Plant locations :

A.	Ice-cream Division	:	1) Village Pundhra, Taluka Mansa, Dist. Gandhinagar (Gujarat)
			2) Parsakhera Industrial Area, Bareilly, Uttar Pradesh.
B.	Processed Food Division	:	Dharampur, Dist. Valsad (Gujarat)
C.	Forex Division	:	Vadilal House, Navrangpura, Ahmedabad (Gujarat)

(xviii) Investor Correspondence:

For transfer and dematerialisation of shares, payment of dividend on shares and interest and redemption on debentures and any other query relating to the shares of the Company :-

1) MCS Share Transfer Agent Limited, (Unit : Vadilal Industries Limited),
201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009.
Tel. Nos. : (079) 26580461/62/63 • Fax No. : (079) 26581296

2) Secretarial & Share Department
9th Floor, Colonnade Building, Opp. Iskon Temple BRTS Bus Stop, Bopal-Ambli Road, Bopal, Ahmedabad.
Contact person : Ms. Rashmi Bhatt, Company Secretary
Tel. Nos. : (079) 30921313 • Fax No. : (079) 30921200

3) E-mail ID for investors' grievance purpose : shareslogs@vadilalgroup.com
Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

(xix) Amalgamation of Vadilal Financial Services Ltd. with Vadilal Industries Limited –

Exchange of Share Certificates :

Vadilal Financial Services Ltd. (VFSL), which was a Subsidiary Company, was amalgamated with Vadilal Industries Limited (VIL) w.e.f. 1st April, 1997. It is observed that some of the members of VFSL have still not exchanged their Share Certificates for new Shares of VIL on amalgamation of VFSL with VIL. As the Share Certificates of VFSL are no longer valid, concerned Shareholders are requested to surrender their Share Certificates of VFSL at the Registered Office of the Company to enable them to get new Shares of VIL in the ratio of 1:4.

(xx) Nomination facility:

Your Company has already offered the facility of nomination to the members. Individual Shareholders can avail of the facility of nomination and may submit to the Company the prescribed SH-13 **at the Share Department** of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name. In case of any assistance, please contract **at the Share Department** of the Company at -

9th Floor, Colonnade Building, Opp. Iskon Temple BRTS Bus Stop, Bopal-Ambli Road, Bopal, Ahmedabad.
Contact person : Mrs. Rashmi Bhatt, Company Secretary
Tel. Nos. : (079) 4808 1328/1329 • Fax No. : (079) 4808 1200

(xxi) Transfer of unclaimed/ unpaid amounts to the Investors Education and Protection Fund.

Pursuant to Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority.

In light of the aforesaid provisions, the Company has during the year under review transferred amount of Rs. 278931 the unclaimed dividends to IEPF of the year- 2010-11.

7) Other Disclosures:

(i) Related party transactions:

Transaction with related parties are disclosed in Note No. 46 of the Notes on Accounts for the year ended on 31st March, 2019, in the Annual Report as required by the Indian Accounting Standard (IND-AS) issued by ICAI.

The details of Related party transactions made by the Company during the year under review are mentioned in the Directors' Report.

However, there are no materially significant related party transactions made by the Company with its promoters, directors or the management or their subsidiaries etc. that may have potential conflict with the interests of the Company at large.

The Independent Directors, who apart from receiving sitting fees for attending Board Meetings and Committee Meetings, do not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its subsidiary, which in the judgment of the Board may affect independence of the judgment of the Directors.

The Directors regularly make full disclosures to the Board of Directors regarding nature of their interest in the Companies in which they are Directors or Members. Full particulars of contract entered with the Companies / Partnership Firms, in which the Directors are directly or indirectly concerned or interested are entered in the Register of Contract maintained under Section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting and signature of the Directors.

The policy on related party transaction is placed on the company website at www.vadilalgroup.com

(ii) During the last three years, there were following penalties imposed on the Company by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

Penalty paid to Bombay stock Exchange and National Stock Exchange for late declaration of Unaudited financial results for the quarter and half year ended on 30th September, 2018 of Rs. 76700 to BSE and NSE each.

(iii) Risk Management :

Business risk evaluation and management is an ongoing process within the Company. During the year under review, the Board of Directors has reviewed frequently the risk assessment and minimisation procedure adopted by the Company covering the business operations of the Company

(iv) CEO/CFO Certification :

In terms of Regulation 17(8) read with Part – B of Schedule – II of the SEBI (LODR) Regulation, 2015 the Certification by CEO and CFO on the financial statements and internal controls relating to financial reporting of the Company has been obtained and is a part of the Annual Report.

(v) Management:

The Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this report.

Pursuant to the provisions of Regulation 26(5) of the SEBI (LODR) Regulation, 2015 the Senior Management has made disclosures to the Board that during the year ended on 31st March, 2019, they have not entered into any material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company.

(vi) Code of Conduct :

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel. The said Code has been communicated to all the Directors and members of Senior Management. They have also affirmed to the Company about the compliance of the said Code during the Financial Year ended on 31st March, 2019. The Code has also been posted on the Company's website - www.vadilalgroup.com The Certificate received from Managing Directors of the Company, affirming compliance of the said Code of Conduct by all the Board Members and the Senior Management Personnel is annexed separately to this Report.

(vii) Whistle Blower policy / Vigil Mechanism:

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

(viii) Policy on Directors' appointment and remuneration:

The Policy on Directors' appointment and remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors is available on the company's website at www.vadilalgroup.com.

(ix) Policy on determining 'material' subsidiary:

The Company has prepared policy on determining 'material' subsidiary pursuant to regulation 16 of the SEBI (LODR) Regulation, 2015 were criteria for determining material subsidiary has been clearly specified
The policy on the same has been placed on the company website at www.vadilalgroup.com.

(x) Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015:

The Company has formulated Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders including therein Code of Conduct for fair disclosures of price sensitive information of the Company, in terms of provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015. The same has also been published on the web-site of the Company viz. www.vadilalgroup.com.

(xi) A certificate has been received from M/s SPAN & Co. Companies Secretaries LLP that none of the Directors on the Board of the company has been debarred from being appointed or continuing as directors of companies by the SEBI, MCA or any such authority.

(xii) Fees paid to Statutory Auditors

The total fees incurred by the Company for services rendered by Statutory Auditors Deloitte Haskins & Sells, LLP and its affiliate entities, is given below:

	(Rs. In Lacs)
Audit Fees	38.00
Limited Review	4.20
Certification Fees	0.90
Reimbursement of expenses	0.59

(xii) Credit Rating

During the year company has obtained BBB+ credit rating from CARE RATINGS LIMITED.

(xiii) Certificate of Non-Disqualification of Directors

The Company has obtained a certificate pursuant to the regulation 34(3) read with schedule V of the Listing regulation from M/s PRT & Associates confirming that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company either by SEBI or MCA or any other statutory authority.

(xiv) There are no complaint during the year in relation to sexual harassment of woman at workplace (prevention, prohibition and redressal) act, 2013

8) Disclosure of Compliance with Corporate Governance requirements:

The Company has duly complied with the Corporate Governance requirements as specified in Regulation 17 to 27 of and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulation, 2015.

9) Non-Compliance, if any, of requirements of Corporate Governance Report:

There is no instance of non-compliance of any requirement of corporate governance report as specified in sub-paras (2) to (10) of Part C of Schedule – V of the SEBI (LODR) Regulation, 2015 except as under:

1. Board evaluation was under process during the audit period. However the same process is completed before the date of issuing Corporate Governance Report.

❖ **Compliance Certificate of the Auditors :**

The Certificate from the Company's Secretarial Auditors, M/s. SPAN & Co. Company Secretaries LLP Ahmedabad, confirming compliance with conditions of Corporate Governance as stipulated under SEBI (LODR) Regulation, 2015, is attached to this Report.

	Mr. Rajesh R. Gandhi	**Mr. Devanshu L. Gandhi**
Date : August 23, 2019	Director	Director
Place : Ahmedabad	DIN: 00009879	DIN: 00010146

Annexure-A

CERTIFICATE

(Pursuant to clause 10 of Part C of Schedule V of LODR)

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) in respect of **VADILAL INDUSTRIES LIMITED** (L91110GJ1982PLC005169) (the Company), we hereby certify that :

On the basis of written Representation/Declaration received from the directors and taken on record by the Board of Directors as on March 31, 2019, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

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

Place: Ahmedabad
Date: August 23, 2019

Annexure - B

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
VADILAL INDUSTRIES LIMITED

We, M/s. SPAN & Co. Company Secretaries LLP, a firm of Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by **Vadilal Industries Limited** ("the Company") for the year ended 31st March, 2019, as per regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") with amendments as applicable.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Regulations as applicable except the following:

Sr. No.	Compliance Requirement (Regulations/Circulars / Guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1.	Regulation 17 of SEBI (LODR) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD/ CIR /P/2017/004 dated 5th January, 2017	Performance evaluation of the Board as a whole, individual directors (including independent directors and Chairperson) and various Committees of the Board is not done.	As per representation received from the Compliance Officer of the Company, the matter of performance evaluation, as envisaged under the Listing Regulations and Circular, was under process during the Audit Period. However, as on the date of this certificate, the evaluation process is completed.

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

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

Place: Ahmedabad
Date: August 23, 2019

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

[As per Schedule II, Part B read with Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015]

We the undersigned, certify that:

(a) We have reviewed financial statements and the cash flow statement of Vadilal Industries Limited for the year ended 31st March, 2019 that to the best of their knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which We are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

1. That there were no significant changes in internal control over financial reporting during the year;
2. That there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. That there were no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place : Ahmedabad	**Kalpit Gandhi**	**Rajesh R. Gandhi**	**Devanshu L. Gandhi**
Date : August 23, 2019	Chief Financial Officer	Director	Director

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of the Regulation 26 of SEBI (Listing obligations and Disclosure Requirements) regulations,2015 regarding Corporate Governance, we hereby confirm that all Board members and senior Management Personnel of Vadilal Industries Limited have affirmed the Compliance of code of Business Conduct & Ethics during the year ended on 31st March,2019.

Place : Ahmedabad	**Rajesh R. Gandhi**	**Devanshu L. Gandhi**
Date : August 23, 2019	Director	Director

ANNEXURE – E TO THE DIRECTORS' REPORT

FORM NO. AOC -2

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

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

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

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vadilal Enterprises Limited (VEL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.
b)	Nature of contracts/arrangements/transaction	Agreement between VIL and VEL to sell Ice-cream, Frozen Desserts, Flavoured Milk and other Milk and Dairy products and Processed Food Products by VIL to VEL.
c)	Duration of the contracts/arrangements/transaction	Agreement executed on 29.09.2017, which is valid for a period of 10 years w.e.f. 1st October, 2017.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	- Sale of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products and Processed Food Products by VIL to VEL on Principal to Principal basis and on credit basis. All matters related to marketing including marketing expenses will be decided and born by VEL. - Payment shall be made by VEL within 180 days from the last date of month in which the Company has supplied the products to VEL. VEL shall be liable to pay interest @15% at the discretion of the Company on all outstanding amount due to the Company, beyond the said credit period of 180 days
e)	Date of approval by the Board	The Agreement was approved by the Board at its meeting held on 8-8-2017. The details transactions of sale/purchase between VIL and VEL are placed at the Board Meetings on quarterly basis.
f)	Amount paid as advances, if any	No.

ANNEXURE – F TO THE DIRECTORS' REPORT

[Information under Section 134(3)(m) of the Companies Act, 2013 and Rules made thereunder and forming part of the Directors' Report for the year ended on 31st March, 2019]

A) CONSERVATION OF ENERGY

In order to reduce the cost of production, save consumption of energy and increase the productivity, the Company has taken several measures which mainly include the following:

Ice-cream Division at Pundhra, Gujarat :

- Splitting of Five storied Cold Store No: 20 in two parts to reduce to fresh air intake at 5th floor & reduction in Ice formation & loss of Refrigeration at first Floor.
- Merging of Cold Store: 1,2,3 & 4 into a single Cold store to increase storage area & reduction in refrigeration power.
- Installed Duel Fuel Burner on 2 TPH F.O. fired boiler to use Bio gas for steam generation.
- Added plates in Puyan Candy Machine Brine PHE Chiller to improve Brine temp. to -37 to -39 Deg. C.
- Installed Hot gas defrosting system in Cold Store No: 20 & 21 to save water & reduce time.
- Installed & Commissioned Higher Capacity Gas oven to increase output & productivity of RM Section.

Ice-cream Division at Bareilly, Uttar Pradesh:

- One cone filling machine of 18000 cone/hr. installed to reduce power & manpower.
- A robot is installed on vector cup filing machine to improve quality & reduce manpower.
- production area enhanced.
- One high stage screw compressor installed to prevent over loading of existing machine as well as freezing capacity will be increased.
- One 1010 kva dg sets installed to prevent over loading as well as full fill our plant requirement.
- Empty crate conveyor repositioning from bottom to top to smooth movement of manpower & increased the efficiency of manpower
- Cassatta wrapping started by automatic wrapping machine to improve product. Quality
- Air ducting installed from ht 2,3,4& 5 area to dg room & LT room area to reduce temperature & utilized wasted temperature.
- Air ducting installed from hardening hadder to near ETP(atmosphere) & use to exhaust ammonia at the time of leakage.
- Air compressor installed to full fill plant requirement as well as control over loading existing air compressor.
- Candy machine 8000pcs/hr under installation
- Candy machine 21000 pcs/hr under installation
- 02nos cold room under installation & may be increased approx 10000crate storage capacity.
- A system installed on empty crate washing machine, whenever no take create from conveyor with one minute, conveyor automatically stopped & prevent crate damaging by friction
- automatic main gate hooter system & replace one security.

Processed Food Division at Dharampur, Gujarat:

So far as Processed Foods Division is concerned, the Company has taken the following measures towards conservation of energy and technology updates :

- Company had installed PHE (PLATE HEATE EXCHGER) for Chilled water generation and as oil cooler at High Stage Screw compressor.
- Company had replaced Old Economizer at Boiler to improve efficiency of Boiler and reduced fuel consumption cost.
- Company had installed 9 Nos New Doors for cold stores to minimize losses and got power saving.
- Company have Anti-rooms for all cold store (Ground floor) made to avoid ice formation and energy saving.
- Company had HVAC system installed for comfort atmosphere at work place to increase the productivity.
- Company had Tooty fruity production started to supply this to our ice cream plant in order to reduce the cost

b) Capital investments on energy conservation equipments:

Ice-cream Division at Pundhra, Gujarat:

- Hot gas defrosting system for Cold Store No: 17,18,19 to save water & defrosting time.
- Evaporative Condensors for Refrigeration system which is latest & Energy Efficient Technology.
- One more Screw Compressor for Refrigeration system to enhance capacity.
- Installation of Cooling tower temp. control automation to save energy.
- Splitting of Five storied Cold Store No: 21 in two parts to reduce to fresh air intake at 5th floor & reduction in Ice formation & loss of Refrigeration at first Floor.

Ice-cream Division at Bareilly, Uttar Pradesh:

- One mini cone machine required of 12000 pcs/hr to full fill market sale requirement

Processed Food Division at Dharampur, Gujarat:

- The Company is planning to install Spiral freezer for RTE product at Dharampur Factory, to improve the quality and reduce the manpower.
- The Company is planning to expanded Kitchen to increase the production from 2.5 Mt to 4.5 Mt
- The Company is planning to install Continuous fryer machine to improve the product quality, output as well as energy saving
- The Company is planning to install PHE at Mango pulp line to bring down temp. of pulp before pass through tubular cooler and increase temp. of Mango pulp before pass through Hot pulp pasteurizer.

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

Ice-cream Division at Pundhra, Gujarat:

- After Cold Store No-20 splitting work reduce the air filtration/ ice formation in cold room and finally saved the power about 4 to 5% of this cold-room and reduce the frosting problem in finished product box.
- Due to merge the cold room product storage capacity is increased about 15 to 20% and AHU operation power also saved.
- Constant required steam pressure is achieved by running the oil-fired boiler in Bio gas and also Steam cost is reduced about 10 to 15% after installation dual fire burner
- By adding the plate in Puyuan candy machine chiller temp. is achieved till -38 to -39 and production capacity of machine is increased.
- After Installation of Hot gas defrosting system in Cold Store No: 20 & 21 defrosting time & quantity of water required has reduced.
- After Installation of New Higher Capacity Gas oven productivity of oven has increased by 25%.
- After Installation of Hot gas defrosting system in Cold Store No: 17, 18 & 19 defrosting time & quantity of water required will reduce.
- After Installation of Evaporative Condensers for Refrigeration system total power requirement per ton refrigeration will come down.
- After Installation of one more Screw Compressor for Refrigeration system refrigeration capacity will increase.
- After Installation of Cooling tower temp. control automation total power required in cooling tower system will reduce.
- After Splitting of Five storied Cold Store No: 21 in two parts, fresh air intake at 5th floor & Ice formation & loss of Refrigeration at first Floor will reduce.

Processed Food Division at Dharampur, Gujarat:

- The measures listed in above (a) and (b) would result in energy saving, increase in production rate, improvement in quality and avoiding in production break-down due to power-off.

B) TECHNOLOGY ABSORPTION

a) Efforts in brief, made towards technology absorption, adaptation and innovation:

Ice-cream Division at Pundhra, Gujarat:

- Installed one sand filter in raw water supply line for improve the water quality & finally product quality
- Reuse the RO Reject water in toilet flush and urinal and saved the water about 20Kl per Day.
- Expanded the refrigeration capacity of glycol and water chiller for improve the Ice cream mix temperature
- Shrink pack introduced to improve load ability & transport cost in export product.

b) Additional investments and proposals, if any, for Technology Absorption, Adaption & Innovation: -

Ice-cream Division at Pundhra, Gujarat:

- Manual Foldering / Cartoning of product will be replaced by Automatic Cartoning Machine.
- Manual Cup filling in box of will be replaced by Automatic Pick & Place Machine on Rotary Cup Filling machine.
- Cookies dropping machine to increase productivity & quality of cookies in RM Section.
- Cassata icing m/c to improve productivity & quality of product
- Sandwich making Machine to improve productivity & quality of product.
- Chilled water type Air Drier to reduce moisture in HP air & reduce breakdowns of Pneu. Equipment's.
- New Mix Pasteurizer suitable for 50% TS mix to reduce & improve quality of product leakages in Pasteurizer.
- Installation of new Automation system & piping to increase productive time & reduce microbiological issues.

c) Benefits derived as a result of the above efforts :

Ice-cream Division at Pundhra, Gujarat:

- product quality improvement
- water saving
- product quality improvement
- cost reduction

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

During the year under review, the Company has imported the following technologies:

Details of Imported Technology	Year of import	Whether fully absorbed or not	Areas where absorption has not taken place and reason.
Tub filling machine 02 Nos from China	2018	yes	manufacture
Rotary cone machine from china	2018	yes	manufacture

e) The expenditure incurred on Research and Development :

During the year under review, the Company has incurred expenditure of Rs. NIL lakhs towards Research of Development.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

As against Foreign Exchange Earnings of Rs. 5488.19 lacs for the previous year ended on 31st March, 2018, the Company has earned Foreign Exchange of Rs. 7166.36 lacs for Export of Goods on FOB value for the year ended on 31st March, 2019.

As against Foreign Exchange Outgo of Rs. 1187.13 lacs for the previous year, the Outgo during the year under review was Rs. 1060.23 lacs.

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ANNEXURE- G TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year – 2018-2019

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Refer Section on Corporate Social Responsibility in Directors' Report
2.	Composition of CSR Committee	1. Mr. Vijay R. Shah – Chairman 2. Mr. Rajesh R. Gandhi 3. Mr. Devanshu L. Gandhi 4. Mr. Jignesh J. Shah
3.	Average net profit of the Company for last three financial years	Rs. 2623.37 lakhs
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	Rs. 52.47 lakhs
5.	Details of CSR spent during the financial year:	
	a. Total amount spent for the financial year	Rs. 18.17 lakhs
	b. Amount unspent, if any	
	i. Current year	Rs. 34.30 lakhs
	ii. Previous years	Rs. 23.70 lakhs
	c. Manner in which the amount spent during the financial year	Details given in the table bellow

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR – 2018-2019:

1	2	3	4	5	6	7	8
Sr. No.	**CSR project or Activity Identified**	**Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)**	**Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken**	**Amount Outlay (Budget) Project or Program wise**	**on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (Rs. in lacs)**	**Cumulative Expenditure upto the reporting period i.e. FY 2018-2019 (Rs. in lacs)**	**Amount Spent Direct or through Implementing Agency**
1	Providing Medical Aid to the Villagers near Pundhra Factory of the Company	Clause (i) of Schedule VII	Pundhra Village, Taluka : Mansa, Dist. Gandhinagar, State : Gujarat	As per requirement of CSR expenditure	Rs. 14.96	Rs.44.76	Through Trust
2	Bus stand Lodhra Gaam Panchayat	Clause (iv) of Schedule VII	Pundhra Village, Taluka : Mansa, Dist. Gandhinagar, State : Gujarat	As per requirement of CSR expenditure	Rs. 0.75	Rs.0.75	-
3	Lake deepening Sujalam Sufalam Scheme	Clause (i) of Schedule VII	Pundhra Village, Taluka : Mansa, Dist. Gandhinagar, State : Gujarat	As per requirement of CSR expenditure	Rs. 1.63	Rs.1.63	-
4	Sewing Machines	Clause (i) of Schedule VII	Pundhra Village, Taluka : Mansa, Dist. Gandhinagar, State : Gujarat	As per requirement of CSR expenditure	Rs. 0.32	Rs.0.32	-
5	Water line Khadat Gaam Panchayat	Clause (i) of Schedule VII	Pundhra Village, Taluka : Mansa, Dist. Gandhinagar, State : Gujarat	As per requirement of CSR expenditure	Rs. 0.50	Rs. 0.50	-
	Total Spent				**Rs. 18.16**	**Rs. 47.96**	

REASONS FOR NOT SPENDING THE TWO PER CENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF:

Due to shortage of resources required for the activity, the Company could not spend towards Corporate Social Responsibility measures during the year – 2018-2019, as required. The Directors ensure that the Company will spend sufficient amount towards Corporate Social measures in the next financial year.

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility and Governance (CSR & G) Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

	RAJESH R. GANDHI	**DEVANSHU L. GANDHI**	**VIJAY R. SHAH**
Date : August 23, 2019.	DIRECTOR	DIRECTOR	CHAIRMAN
Place : Ahmedabad.	VADILAL INDUSTRIES LIMITED	VADILAL INDUSTRIES LIMITED	VADILAL INDUSTRIES LIMITED

Annexure-H

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members
Vadilal IndustriesLimited
Vadilal House, 53, Shrimali Society,
Nr Navrangpura Police Station,
Navrangpura-380009
Ahmedabad, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vadilal Industries Limited** (CIN: L91110GJ1982PLC005169) (hereinafter called '**the Company'**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of yearly secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on **31st March, 2019** ('**Audit Period'**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

i. The Companies Act, 2013 ('the Act') and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), up to September 10, 2018 and SEBI ICDR Regulations, 2018 w.e.f September 11, 2018 *(Not Applicable to the Company during the Audit period)*;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 *(Not Applicable to the Company during the Audit period);*

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable to the Company during the Audit period)*;

   f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not Applicable to the Company during the Audit period)*; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (SEBI Buyback Regulations) up to September 10, 2018 and SEBI Buyback Regulations, 2018 w.e.f. September 11, 2018 *(Not Applicable to the Company during the Audit period)*;

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

a. Prevention of Food Adulteration Act, 1954 and rules and regulations made thereunder ;

b. Food Safety and Standards Act, 2006 and rules and regulations made thereunder ;

c. The Standards of Weights and Measurers Act, 1976 and Standards of Weights and Measurers (Packaged Commodities) Rules, 1977 and other rules and regulations made thereunder ;

d. Legal Metrology Act, 2009 And Legal Metrology (Packaged Commodities) Rules, 2011 ;

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

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

i) Secretarial Standards issued by the Institute of Company Secretaries of India; and

ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [**SEBI (LODR) Regulations**].

During the Audit Period, the listed entity has complied with the provisions of the above Acts, Rules, Regulations and Standards etc. mentioned above subject to the following observations:

1. As required under Reg. 17 of SEBI (LODR) Regulations, performance evaluation of the Board as a whole, individual directors (including independent directors and Chairperson) and various Committees of the Board was not done and it was under process.

2. As required under Reg. 31(2) of SEBI (LODR) Regulations, hundred percent shareholding of promoters and promoter group is not maintained in dematerialized form.

3. There was delay in submission of the Quarterly Financial Results and the Limited Review Report to BSE and NSE for the quarter ended 30th September, 2018 as required in terms of Reg. 33of SEBI (LODR) Regulations. However, in this regard, the Company has received letter from the BSE and NSE imposing fine, which has been duly paid by the Company.

4. As per section 135 of Companies Act 2013, the Company was required to spend 2% of average net profit of the Company made during the three immediately preceding financial years amounting to Rs. 52.47 Lakhs towards Corporate Social Responsibility as per its CSR policy. However, as per CSR Report pertaining to the financial year ended 31st March, 2019, Rs 18.17 Lakhs was spent during the financial year 2018-19 and the remaining amount was unspent.

We further report that:

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

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

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

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

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

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

Place: Ahmedabad
Date: August 23, 2019

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

Annexure A

To,
The Members
Vadilal Industries Limited
Vadilal House, 53, Shrimali Society,
Nr. Navrangpura Police Station,
Ahmedabad – 380009, India

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

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

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

Place: Ahmedabad
Date: August 23, 2019

Annexure-H 1

ANNUAL SECRETARIAL COMPLIANCE REPORT

OF

"VADILAL INDUSTRIES LIMITED"

FOR THE YEAR ENDED 31ST MARCH, 2019

[Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019]

We, SPAN & Co. Company Secretaries LLP, have examined:

a) all the documents and records made available to us and explanation provided by Vadilal Industries Limited having CIN L91110GJ1982PLC005169 and its Registered Office situated at Vadilal House, 53, Shrimali Society, Nr. Navrangpura Police Station, Ahmedabad – 380009, Gujarat, India **("the listed entity"),**

b) the filings/ submissions made by the listed entity to the Stock Exchanges,

c) website of the listed entity,

d) other relevant documents and filings, for the year ended 31st March, 2019 **("review period")** in respect of compliance with the provisions of:

   a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, Circulars, Guidelines issued thereunder; and

   b) the Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the Circulars/ Guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **["SEBI (LODR) Regulations, 2015"];**

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;- ***Not applicable during the review period***

c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;- ***Not applicable during the review period***

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;- ***Not applicable during the review period***

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- ***Not applicable during the review period***

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;- ***Not applicable during the review period***

h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;

i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

j) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

and circulars/guidelines issued thereunder;

and based on the above examination, we hereby report that during the above review period:

a) The listed entity has complied with the provisions of the above Regulations and Circulars/ Guidelines issued thereunder, except in respect of matters specified below:

Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 17 of SEBI (LODR) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/ CMD/CIR/P/2017/004 dated 5th January, 2017	Performance evaluation of the Board as a whole, individual directors (including independent directors and Chairperson) and various Committees of the Board is not done.	As per representation received from the Compliance Officer of the listed entity, the matter of performance evaluation as envisaged under the Regulation and Circular is under process and anticipated to be completed as early as possible.
2	Regulation 31 of SEBI (LODR) Regulations, 2015	The shareholding of few promoter and promoter group companies is not in dematerialized form.	As per representation received from the Compliance Officer of the listed entity, dematerialization of the shares of those promoter and promoter group companies is in process.
3	Regulation 33 of SEBI (LODR) Regulations, 2015	There was delay in submission of the financial results and the Limited Review Report to the Stock Exchanges namely, National Stock Exchange of India Ltd. ("NSE") and BSE Limited ("BSE") for the quarter ended 30th September, 2018	The listed entity submitted the unaudited financial results on 27th November, 2018 (delay of 13 days). However, the Limited Review Report was submitted on 3rd January, 2019 (delay of 50 days).

b) The Listed entity has maintained proper records under the provisions of the above Regulations and Circulars/ Guidelines issued thereunder insofar as it appears from our examination of those records.

c) The following are the details of actions taken against the listed entity/ its Promoters/ Directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and Circulars/ Guidelines issued thereunder:

Sr. No	Action taken by	Details of Violations	Details of Action taken E.g. fines/ warning letter/ debarment etc.	Observations/ Remarks of the Practicing Company Secretary, if any
1	NSE	Non-compliance of Regulation 33 of SEBI (LODR) Regulations, 2015 in submission of unaudited financial results along with Limited Review Report for the quarter ended 30th September, 2018.	Pursuant to Circular in relation to the Standing Operating Procedure, the NSE had imposed a fine of Rs.76,700/- on the listed entity.	The listed entity has paid the fine and sent a Reply Letter in relation to the payment made.
2	BSE	Non-compliance of Regulation 33 of SEBI (LODR) Regulations, 2015 in submission of unaudited financial results along with Limited Review Report for the quarter ended 30th September, 2018.	Pursuant to Circular in relation to the Standing Operating Procedure, the BSE had imposed a fine of Rs.76,700/- on the listed entity.	The listed entity has paid the fine and sent a Reply Letter in relation to the payment made.

The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in previous report	Observations made in the secretarial compliance report for the year ended 31st March, 2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable (As this is the first year of submission of this Report)				

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

Place : Ahmedabad
Date : May 30, 2019

ANNEXURE – I to the Directors' Report:

PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2019, are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-2019 and The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year – 2018-2019:

Name of the Managing Directors, Chief Financial Officers and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year
Mr. Rajesh R. Gandhi, Chairman and Managing Director	1: 26	8.00%
Mr. Devanshu L. Gandhi, Managing Director	1: 26	8.00%
Mr. Kalpit R. Gandhi, Chief Financial Officer	N.A.	0.00%
Mrs. Ruchita V. Gurjar, Company Secretary (Up to 15th November, 2018)	N.A.	0.00%
Ms. Rashmi T. Bhatt, Company Secretary (From 12th February, 2019)	N.A.	0.00%

The Company does not pay any remuneration to the Non-executive Directors except sitting fees for attending Board and Committee Meetings.

b. The percentage increase in the median remuneration of employees in the financial year – 2018-2019: 8.26%

c. The number of permanent employees on the rolls of Company as on 31-3-2019: 722

d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year – 2018-2019 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

During the year under review, the average annual increase was around 15.00%

Increase in the managerial remuneration for the year was 8%. There is no exceptional increase in the remuneration of the Managing Directors of the Company.

In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

e. Affirmation:

The Company affirms that the remuneration of the Managing Directors and the employees of the Company are as per the remuneration policy of the Company.

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

INDEPENDENT AUDITOR'S REPORT

To The Members of Vadilal Industries Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the accompanying standalone financial statements of Vadilal Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying standalone financial statements of the Company. Because of the significance of the matters discussed in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

Basis for Disclaimer of Opinion

We refer to the following.

1. Note 50(A) to the standalone financial statements describes disputes on various financial, operational and governance matters between the promoter directors of the Company and the numerous allegations made against each other from August 2018 till July 2019 vide their respective communications to the Board of Directors of the Company. Furthermore, two erstwhile Independent Directors have, in their resignation letters dated June 19, 2019, addressed to the Company, have raised concerns in respect of the aforesaid disputes between the promoter directors and hostile environment in the meetings of the Board of Directors and its committees. We provided to the Audit Committee and Board of Directors our suggestions to have these allegations investigated by an independent external agency to determine whether any irregularities / non-compliances / illegalities have occurred in relation to the allegations. The promoter directors have communicated to Audit Committee and Board of Directors their withdrawal of all the above allegations on July 22, 2019, except for the matters referred in Paragraphs 2 and 3 below.

   As per a resolution passed by the Board of Directors on 30th March, 2019, the promoter directors ceased to be Managing Directors of the Company and it was resolved in the same meeting to appoint Professional Management as Director / Manager / CEO for the Company and that in the interim period, the Promoter Directors would continue to manage the business affairs of the Company without remuneration.

2. Note 50(B) to the standalone financial statements, pertaining to the allegation made by Promoter Director 1 and, the Chief Financial Officer on August 11, 2018 with respect to potential personal expenses, amounting to ` 25.33 lakhs as official business expenses by Promoter Director 2. The Board of Directors of the Company at their meeting held on March 30, 2019 has initiated an independent investigation by an external consultant along with an external legal firm, the scope of which, inter-alia covers, ascertainment of irregularities, if any, with respect to these potential personal expenses. As per the information and explanations given to us, the external consultant is currently conducting their investigations and they may make a determination on whether the payments were inappropriate / illegal and its consequential impact, if any, including on compliance of relevant laws / regulations.

3. Note 50(B) to the standalone financial statements which refers to suspicion raised by Promoter Director 2 on July 22, 2019 with respect to personal travel expenses of approximately ` 23 lakhs suspected to have been claimed as business expense by Promoter Director 1.

4. Note 41 to the standalone financial statements which refers to the status of on-going litigations filed against the Company under Section 241 and 242 of the Companies Act, 2013 pertaining to prevention of oppression and mismanagement of the Company.

5. Due to the possible effects of the matters described in paragraphs 1 to 4 above, we are unable to state whether the remuneration of ` 355.96 lakhs paid by the Company to its promoter directors during the year is in accordance with the provisions of section 197 of the Act and any consequential effect thereof on these standalone financial statements.

The Audit Committee and the Board of Director in their meeting held on August 23, 2019 resolved to initiate independent inquiries into the matters referred in paragraph 1 and 3 above.

Pending completion of the aforesaid inquiries / investigations and resolution of the above matters, we are unable to determine if any adjustments are necessary to the aforesaid financial statements on account of the aforesaid matters, any restatement of prior years' including any consequential effect thereof.

Emphasis of Matter

We draw attention to footnote 5 of Note 46 to the standalone financial statements which describe the key terms of a contract entered into by the Company with Vadilal Enterprises Limited, a related party, for sale of its goods.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our responsibility is to conduct an audit of the entity's financial statements in accordance with the Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis of Disclaimer of Opinion section above, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(1)(e), we report that in respect of the expenses stated in paragraphs 2 and 3 of the Basis for Disclaimer of Opinion section above, we are unable to comment on whether personal expenses have been charged to revenue account.

2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

   a) As described in the Basis for Disclaimer of Opinion section above, we have sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) The matter described in the Basis for Disclaimer of Opinion section above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.

   h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an adverse opinion on the Company's internal financial controls over financial reporting for the reasons stated therein.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, due to the possible effects of the matter described in paragraph 1 to 4 in the Basis for Disclaimer of Opinion section above, we are unable to state whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except ` 0.15 lakh which is held in abeyance pending resolution of a legal dispute.

3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order which is subject to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above and the material weakness described in the Basis for Adverse Opinion in our separate Report on the Internal Controls over Financial Reporting.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)
UDIN: 19106189AAAAMZ2877

Date : August 23, 2019
Place : Ahmedabad

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of Vadilal Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified as at March 31, 2019 relating to inadequate entity level controls with regards to assessment and closure of the various financial, operational and

governance related matters emanating out of the numerous allegations made by promoter directors and two erstwhile independent directors against each other and their consequential impact, if any, on the standalone financial statements of the Company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Adverse Opinion

In our opinion, to the best of our information and according to the explanations given to us, because of the possible effects of the material weakness described in Basis for Adverse Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2019, and the material weakness has affected our opinion on the said standalone financial statements of the Company and we have issued a disclaimer of opinion on the standalone financial statements of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)
UDIN: 19106189AAAAMZ2877

Date : August 23, 2019
Place : Ahmedabad

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 3 on Report on Other Legal and Regulatory Requirements' on our report of even date and to be read subject to the possible effects of the matters described in the Basis of Disclaimer of Opinion section above and the material weakness described in the Basis of Adverse Opinion in our separate Report on the Internal Controls over Financial Reporting.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the Management of the Company during the year and discrepancies noted on such verification have been properly dealt with the books of accounts. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except for the following:

Particulars of the land and building	Gross Block (as at March 31, 2019)	Net Block (as at March 31, 2019)	Remarks
Freehold land located at Dwarka admeasuring 58,096 Sq mtrs.	` 338.44 lakhs	` 338.44 lakhs	The title deeds are not readily available.
Freehold land located at Bareilly admeasuring 94 Sq yrds.	` 8.82 lakhs	` 8.82 lakhs	The title deeds are not readily available.
Residential Flat in Maruti Centre, Ahmedabad admeasuring carpet area 4750 Sq Ft	` 13.34 lakhs	` 4.72 lakhs	The title deeds are not readily available.
Investment property located at Mahalaya Complex, Ahmedabad admeasuring 1360 Sq Ft	` 20.69 lakhs	` 19.40 lakhs	The title deed is not yet on name of the Company
House Building Located at, "Pushpak Bungalows", Hill Darshan Co. Op. Housing Society Limited, Ahmedabad admeasuring 200 Sq. Yd.	` 13.39 lakhs	` 8.64 lakhs	The title deeds are not readily available.

Immovable properties of freehold and leasehold land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmation directly received by us from lender.

In respect of following immovable property of leasehold land & building and disclosed as fixed asset in the standalone financial statements, final lease deed / sale agreement is yet to be executed in the name of the Company:

Particulars of the land and building	Gross Block (as at March 31, 2019)	Net Block (as at March 31, 2019)
Leasehold land admeasuring 7,825 Sq. Mtrs. at Bareily, Uttar Pradesh	` 586.82 lakhs	` 586.82 lakhs

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted except filing of annual return in Form DPT-3 as required under section 73(2) of the Companies Act, 2013 read with rule 16 of Companies (Acceptance of Deposits) Rules, 2014, as amended, for the financial year 2018-19. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, cess, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Customs Duty, cess, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales tax, Excise Duty and Income-tax which have not been deposited as on 31st March, 2019 on account of disputes are given below:

Sr no	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (In Lacs)	Amount unpaid (In Lacs)
1	Central Sales tax act and Sales tax act of various states	Sales tax and penalty	High Court	1998-99	39.07	23.24
		Additional tax demand	JT Comm S. Tax	2000-01	12.49	12.49
		Sales tax demand	DC, Appeal-4, Mehsana	2000-01	20.74	15.74
		Sales tax demand	Dy. Comm, S. Tax	2001-02	1.55	1.55
		Sales tax demand	Sales Tax Tribubal, Bhubneshwar	2002-03	2.10	0.60
		Sales tax asst dues	JC-1, Appeal, Ahmedabad	2003-04	2.39	2.39
		Purchase tax	JC-1, Appeal, Ahmedabad	2003-04	0.46	0.46
		Sales tax	Sales Tax Tribunal	2004-05	3.67	3.67
		Sales tax and penalty	Sales Tax Tribunal	2010-11	24.81	14.81
		Sales tax	Adnl Comm Grade-2	2012-13	2.39	1.42
		Sales tax	Adnl Comm Grade-2	2013-14	3.08	1.54
		Sales tax	Adnl Comm Grade-2	2016-17	45.84	30.25
		Sales tax	JC-Corporate, Bareilly	2010-11	8.02	7.25
		Sales tax	Adnl Comm, Grade-2 Appeal, Bareilly	2013-14	9.34	4.67
		Sales tax	Adnl Comm, Grade-2 Appeal, Bareilly	2012-13	0.66	-
		Sales tax	Adnl Comm, Grade-2 Appeal, Bareilly	2017-18	0.25	-
		Sales tax	Adnl Comm, Grade-2 Appeal, Bareilly	2015-16	3.83	2.50
		Sales tax	Deputy Commissioner Sales Tax	2004-05	0.19	-
2	Central Excise Act, 1944	Excise duty	Asst. Commissioner	1988-89	4.58	4.58
		Excise duty	Asst. Commissioner	2003-04	4.28	4.28
		Excise duty	Customs, Excise & Service Tax Appellate Tribunal	2011-12 to 2014-15	34.14	34.14
3	Income tax Act, 1961	Income tax	AO	2007-08	28.77	28.21
		Income tax	ITAT	1996-97	1.93	1.93
		Income tax	AO	2006-07	1.37	1.37
		Income tax	Circle 4 (1)(2), Ahmedabad	2015-16	7.72	7.53
		Income tax	Circle 4 (1)(2), Ahmedabad	2016-17	33.08	33.08
		Income tax	High Court	1992-93	50.46	50.46

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company has not taken any loans or borrowings from government or has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans has been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) Except for the possible effects of the matters described in the Basis for Disclaimer of Opinion section in our audit report on the Financial Statements on which we are unable to comment, to the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi) Due to the possible effects of the matter described in paragraph 1 to 4 in the Basis for Disclaimer of Opinion section above, we are unable to state whether the remuneration paid by the Company to its promoter directors during the year is in accordance with the provisions of section 197 of the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, and considering the legal opinion taken by the Company on the compliances with the provisions of section 177 and 188 of the Companies Act, 2013, in respect of an agreement entered into by the Company with Vadilal Enterprises Limited, a related party (Refer footnote 5 of Note 46 to the standalone financial statements), the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)
UDIN: 19106189AAAAMZ2877

Date : August 23, 2019
Place : Ahmedabad

BALANCE SHEET as at 31st March, 2019

(` in Lacs)

Particulars	Notes	As At March 31, 2019	As At March 31, 2018
I. ASSETS			
(1) Non-Current Assets			
(a) Property,Plant And Equipment	3 (a)	26,051.47	25,115.03
(b) Capital Work-In-Progress	3 (b)	1,319.63	728.89
(c) Investment Property	3 (c)	19.40	19.74
(d) Intangible Assets	3 (d)	193.06	247.65
(e) Financial Assets			
(i) Investments	4	290.39	289.86
(ii) Loans	5	301.49	283.60
(iii) Other Financial Assets	6	661.75	607.62
(f) Non Current Tax Assets (Net)	7	47.15	-
(g) Other Non-Current Assets	8	618.12	559.69
Total Non-Current Assets		**29,502.46**	**27,852.08**
(2) Current Assets			
(a) Inventories	9	11,831.30	9,675.35
(b) Financial Assets			
(i) Investments	10	1.44	1.73
(ii) Trade Receivables	11	3,339.26	4,523.56
(iii) Cash & Cash Equivalents	12	81.95	106.05
(iv) Other Balances with Banks	13	252.37	211.67
(v) Loans	14	210.05	13.99
(vi) Other Financial Assets	15	211.04	85.63
(c) Current Tax Assets (Net)	16	-	47.15
(d) Other Current Assets	17	1,151.66	996.64
Total Current Assets		**17,079.07**	**15,661.77**
Total Assets		**46,581.53**	**43,513.85**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	18	718.78	718.78
(b) Other Equity	19	19,598.84	16,586.97
Total Equity		**20,317.62**	**17,305.75**
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	5,743.42	7,099.10
(ii) Other Financial Liabilities	21	55.53	48.49
(b) Provisions	22	201.37	128.34
(c) Deferred Tax Liabilities (Net)	23	2,223.30	2,091.74
(d) Other Non Current Liabilities	24	660.54	698.35
Total Non-current Liabilities		**8,884.16**	**10,066.02**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	6,563.89	5,305.16
(ii) Trade Payables			
- Dues of micro enterprises and small enterprises	26	411.20	475.27
- Dues of creditors other than micro enterprises and small enterprises	26	6,134.10	7,157.25
(iii) Other Financial Liabilities	27	3,333.32	2,453.69
(b) Provisions	28	290.69	239.73
(c) Current Tax Liabilities (Net)	29	79.81	-
(d) Other Current Liabilities	30	566.74	510.98
Total Current Liabilities		**17,379.75**	**16,142.08**
Total Liabilities		**26,263.91**	**26,208.10**
Total Equity & Liabilities		**46,581.53**	**43,513.85**

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : August 23, 2019

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Director
(DIN - 00009879)

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date : August 23, 2019

Rashmi Bhatt
Company Secretary

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

(` in Lacs)

	Particulars	Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
I	Revenue From Operations	31	50,705.76	52,013.98
II	Other Income	32	1,258.46	743.53
III	**Total Income (I+II)**		**51,964.22**	**52,757.51**
IV	**Expenses:**			
	Cost of Materials Consumed	33	28,414.93	28,817.33
	Purchase of Stock-in-trade	34	1,064.58	586.34
	Changes in Inventories of Finished Goods and Stock-in-trade	35	(982.16)	1,416.56
	Excise Duty on Sale of Goods		-	493.24
	Employee Benefits Expense	36	3,921.43	3,195.34
	Finance Costs	37	1,392.13	1,522.19
	Depreciation and Amortization Expenses	3	1,659.83	1,598.38
	Other Expenses	38	11,625.87	12,904.38
	Total Expense (IV)		**47,096.61**	**50,533.76**
V	**Profit Before Tax (III-IV)**		**4,867.61**	**2,223.75**
VI	**Tax Expenses**			
	(a) Current Tax	39	1,588.43	608.05
	(b) Deferred Tax	39	130.80	131.17
	Total Tax Expenses		**1,719.23**	**739.22**
VII	**Profit for the year (V-VI)**		**3,148.38**	**1,484.53**
VIII	**Other Comprehensive Income**			
	(i) Item that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans		(43.71)	(28.35)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		15.52	9.81
	Other Comprehensive Income for the year		**(28.19)**	**(18.54)**
	Total Comprehensive Income for the year (VII+VIII)		**3,120.19**	**1,465.99**
	Earning Per Share (Face Value of ` 10 each)			
	- Basic & Diluted	45	43.80	20.65

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : August 23, 2019

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Director
(DIN - 00009879)

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Rashmi Bhatt
Company Secretary

Place : Ahmedabad
Date : August 23, 2019

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

(` in Lacs)

	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**4,867.61**	**2,223.75**
	Adjustments for:		
	Depreciation and Amortisation Expense	1,659.83	1,598.38
	(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	58.84	2.83
	Profit on Sale of Investments	(41.68)	-
	Excess Provision Written Back	(23.77)	(99.91)
	(Gain) / Loss on Fair Value of Current Investment	0.30	1.24
	(Gain) / Loss on Fair Value of Non Current Investment	(0.54)	-
	Diminution on Non Current Investments Written back	-	(135.04)
	Loans & Advances written back	(196.93)	-
	Financial Guarantee Commission Income	(25.46)	(15.87)
	Grant Income	(55.68)	(86.15)
	Dividend Income	(0.01)	-
	Interest Income	(84.13)	(60.54)
	Finance Costs	1,392.13	1,522.19
	Provision for Doubtful Debts	(2.90)	3.29
	Provision for Doubtful Advances	(2.15)	(1.10)
	Bad Debts Written Off	-	13.41
	Share of Loss of Partnership Firm	(10.11)	(4.33)
		2,667.74	**2,738.40**
	Operating Profit before Working Capital changes	**7,535.35**	**4,962.15**
	Changes in Working Capital:		
	(Increase) / Decrease in Inventories	(2,155.95)	2,283.07
	(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	760.07	(3,659.22)
	Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	(605.11)	(1,271.39)
	Cash Generated from Operations	**(2,000.99)**	**(2,647.54)**
	Income Taxes Paid	(1,492.34)	(511.78)
	Net Cash Generated from / (Used in) Operating Activities (A)	**4,042.02**	**1,802.83**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Loan Given to Subsidiary	-	(250.00)
	Capital Expenditure on Property, Plant & Equipment	(3,211.66)	(2,268.77)
	Proceeds from Sale of Property, Plant & Equipment	20.74	18.70
	Payments for Current Investments	(8,080.00)	-
	Proceeds from Sale of Current Investment	8,121.68	-
	Interest Received	72.82	60.54
	Dividend Received	0.01	-
	Net Cash Generated from / (Used in) Investing Activities (B)	**(3,076.41)**	**(2,439.53)**

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

(` in Lacs)

Particulars		Year Ended March 31, 2019	Year Ended March 31, 2018
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from Non Current Borrowings	957.89	5,735.45
	Repayment of Non Current Borrowings	(1,709.93)	(2,329.25)
	Proceeds from / (Repayment of) Current Borrowings (Net)	1,258.73	(1,155.31)
	Interest Paid	(1,388.08)	(1,522.19)
	Dividend Paid (Including Tax on Dividend)	(108.32)	(108.14)
	Net Cash Generated from / (Used in) Financing Activities (C)	**(989.71)**	**620.56**
	Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	**(24.10)**	**(16.14)**
	Cash and Cash Equivalents at the beginning of the year (Note-12)	**106.05**	**122.19**
	Cash and Cash Equivalents at the end of the year (Note-12)	**81.95**	**106.05**

Notes :

1. The above Cash Flow Statement has been prepared as per 'Indirect Method' as set out in Ind AS 7 on Statement of Cash Flow.
2. Figures in brackets represents outflow.

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : August 23, 2019

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Director
(DIN - 00009879)

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Rashmi Bhatt
Company Secretary

Place : Ahmedabad
Date : August 23, 2019

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

(` in Lacs)

Particulars	Equity share Capital	Other Equity						Total other equity	Total Equity
		Capital Reserve	Securities Premium Reserve	General Reserves	Retained Earning	Revaluation Surplus	Items of other comprehensive income		
Balances as at April 1, 2017	**718.78**	**8.84**	**487.28**	**5,000.00**	**2,238.58**	**7,524.17**	**(29.75)**	**15,229.12**	**15,947.90**
Profit for the year					1,484.53			1,484.53	1,484.53
Other comprehensive income (Actuarial loss net of income tax)							(18.54)	(18.54)	(18.54)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**1,484.53**	**-**	**(18.54)**	**1,465.99**	**1,465.99**
Payment of dividend for the year including tax on dividend					(108.14)			(108.14)	(108.14)
Balance as at March 31, 2018	**718.78**	**8.84**	**487.28**	**5,000.00**	**3,614.97**	**7,524.17**	**(48.29)**	**16,586.97**	**17,305.75**
Profit for the year					3,148.38			3,148.38	3,148.38
Other comprehensive income (Actuarial loss net of income tax)							(28.19)	(28.19)	(28.19)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**3,148.38**	**-**	**(28.19)**	**3,120.19**	**3,120.19**
Payment of dividend for the year including tax on dividend					(108.32)			(108.32)	(108.32)
Balances as at March 31, 2019	**718.78**	**8.84**	**487.28**	**5,000.00**	**6,655.03**	**7,524.17**	**(76.48)**	**19,598.84**	**20,317.62**

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : August 23, 2019

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Director
(DIN - 00009879)

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Rashmi Bhatt
Company Secretary

Place : Ahmedabad
Date : August 23, 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 COMPANY OVERVIEW:-

Vadilal Industries Limited is a Public Limited Company domiciled in India. The company has its registered office at Vadilal House, 53, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380009.

The Company is engaged in the business of manufacturing Ice-cream, Flavored Milk, Frozen Dessert, Other Dairy Products and processing & exporting Processed Food Products such as Frozen Fruits, Vegetable, Pulp, Ready-to-eat and Ready-to-serve products etc.

The Company is having two ice-cream production facilities – one in Gujarat and the other in Uttar Pradesh.

The Company is processing Frozen Fruits, Vegetables and Processed Foods at factory situated at Dharampur, Dist.Valsad, Gujarat. The Company is exporting to various Countries.

The Company is having RBI license under AD.II category and engaged in Money changing business. The Company's shares are listed on BSE and NSE.

The Standalone Financial Statements for the year ended 31st March, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 23, 2019.

2 SIGNIFICANT ACCOUNTING POLICIES:-

a) Statement of Compliance

These financial statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2019 have been prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

b) Basis of Preparation of Financial Statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each financial year, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements are presented in Indian Rupee ("INR") and all values are rounded to the nearest lakhs as per the requirement of Schedule III, except when otherwise indicated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristic into account when pricing the asset or liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

1) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.

2) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

3) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

c) Use of Estimates

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to the accounting estimates are recognized in the financial year in which the estimates are revised and in any future periods affected.

d) Inventories

Inventories are valued as under -

Finished Good:-At lower of cost or net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. Due provision for obsolescence is made.Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Raw Materials, Packing Materials & Stores and Spares:-Valued at lower of cost or net realisable value and for this purpose cost is determined on moving weighted average basis. Due provision for obsolescence is made.

e) Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

f) Revenue Recognition

Effective April 1, 2018, the Company has adopted Ind AS 115 – 'Revenue from contracts with customers', which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Sale of Goods

The Company earns revenue primarily from sale of manufactured ice-creams. It has applied the principles laid down in Ind AS 115 and determined that there is no change required in the existing revenue recognition methodology. In case of sale to domestic customers, most of the sale is made on ex-factory basis and revenue is recognised when the goods are dispatched from the factory gates. In case of export sales, revenue is recognised on shipment date, when performance obligation is met.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

g) Government Grant

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

h) Property, Plant and Equipment

Property, plant & equipments are stated at actual cost (including cost of acquisition and installation) less accumulated depreciation and net of impairment, if any.

All items of property, plant and equipments are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment are charged based on straight line method on estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II.

Particulars	Estimated Useful Life
Building	
1) Factory Building	28 Years
2) Others - RCC Structured	58 Years
Plant & Machinery	
1) Continuous Process	18 Years
2) Plastic Crates	5 Years
3) Others	20 Years

The estimated useful lives and residual values of the property, plant and equipment are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

i) Intangible Assets

Intangible Assets Acquired Separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized on a straight-line basis over their estimated useful lives. The estimated useful life are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of Intangible Assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the statement of profit and loss when the asset is derecognized.

Useful Lives of Intangible Assets

Intangible assets are amortised over their estimated useful life on a straight line basis over a period of 5 years.

j) Investment Property

Investment property comprise portion of office building that are held for long term yield and / or capital appreciation.

Investment property is initially recognized at cost. Subsequently investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated under the straight line method as per the rates and the useful life prescribed as per Schedule II of the Companies Act. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on value as per local body on periodic basis.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss.

k) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Rental expense from operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increase, such increases are recognized in the year in which such benefits accrue.

l) Foreign Currencies

In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date and differences are

recognised in statement of profit and loss account. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on monetary items are recognized in the statement of profit and loss in the year in which they arise.

m) Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plan:

The Company's contribution to Provident Fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the financial year in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

1) Service costs comprising current service costs, gains and losses on curtailments and settlements; and

2) Net interest expense or income

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term and Long-term Employee Benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related services rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of the related service.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

n) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of profit and loss in the year in which they are incurred.

o) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The company did not have any potential to dilutive securities in any period presented.

p) Taxation

Tax expense represents the sum of the current tax and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Current tax is measured at the amount expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the financial year.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the financial year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) credit paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and Deferred Tax for the Year

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income.

q) Provisions, Contingent Liabilities and Contingent Assets and Commitments

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present obligations of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

r) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

s) Financial Instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or loss arising on remeasurement recognised in profit and loss.

Initial Recognition and Measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than Financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category generally applies to trade and other receivables.

Financial Asset at Fair Value Through Profit and Loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each financial year at fair value with all changes recognised in the statement of profit and loss.

Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit and loss if such gain or loss would have otherwise been recognized in profit and loss on disposal of that financial asset.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

Derivative Contracts

The Company enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each financial year. The resulting gain or loss is recognized in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18

t) Impairment

Financial assets (other than at fair value)

The Company assesses at each Balance sheet whether a financial asset or a group of financial assets is impaired.

Non-financial Assets

Property, Plant and Equipment and Intangible Assets

At the end of each financial year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

u) Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after end of financial year, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after end of financial year

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after end of financial year, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after end of the financial year

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company has identified twelve months as its operating cycle.

v) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for annual reporting period commencing from April 01, 2018

Ind AS 115 Revenue from Contracts with Customers

The core principle of the standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition : Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The adoption of the standard did not have any material impact on the financial statements of the Company.

Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance

The amendment clarifies that where the government grant related to assets, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or deducting grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the assets. This amendment do not have any impact on the financial statements.

Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

The Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.If there are multiple payments or receipts in advance,then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which The entity first applies The Appendix.

The interpretation does not have any impact on the Company's financial statements.

Amendment to Ind AS 12, Income Taxes

The amendment clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore,the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively.However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate),without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the financial statement of the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Amendment to Ind AS 40, Investment Property

The amendment clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable,reclassify property to reflect the conditions that exist at that date.Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.These amendments do not have any impact on the Company's financial statements.

Amendment to Ind AS 28, Investment in Associates and Joint Ventures

The amendment clarify that a venture capital organisation or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. Further, Ind AS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint venture (that are investment entities) when applying the equity method. Therefore, this choice is available, at initial recognition, for each investment entity associate or joint venture.

Ind AS 112, Disclosure of Interest in Other Entities

The amendment clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16,apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

w) Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the company from April 1, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

Ind AS 116 Lease Accounting:

Ind AS 116 will replace Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. In accordance with the standard, the Comapny will elect not to apply the requirements of Ind AS 116 to short-term leases less than 12 months and leases for which the underlying asset is of low value. The standard also contains enhanced disclosure requirements for the lessees. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company has evaluated the impact of the adoption of Ind AS 116 and the same is not material.

Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on April 1, 2019. The Company has evaluated the impact of the adoption of Ind AS 116 and the same is not material.

Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company will apply this amendment for annual reporting periods beginning on or after April 1, 2019. The Company has evaluated the impact of the adoption of Ind AS 12 and the same is not material.

Amendment to Ind AS 23, Borrowing Costs:

The amendment clarifies that an entity shall consider specific borrowings as general borrowing while calculating capitalization rate, once substantial activities necessary to prepare a qualifying asset for which specific borrowing was obtained is completed for its intended use or sale. The Company will apply this amendment for annual reporting periods beginning on or after April 1, 2019.The Company has evaluated the impact of the adoption of Ind AS 23 and the same is not material.

x) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year that may have a significant risk of causing as material adjustment to the carrying amounts of assets and liabilities within next financial year.

i. Useful Lives of Property, Plant and Equipment

As described in Note 2(h), the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each financial year. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

ii. Allowances for Doubtful Debts

As described in Note 11, the Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the financial year in which such estimate has been changed.

iii. Allowances for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

iv. Fair Value Measurement of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Information about the fair value of various assets and liabilities are disclosed in Note 44.

NOTE-3

(` in Lacs)

Particulars	Land (Refer Note 19 (c))	Building	Leasehold Building Improvements	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
3 (a) Property, Plant and Equipment								
As at April 1, 2017	**7,769.66**	**5,023.77**	**17.13**	**21,696.22**	**206.12**	**598.15**	**417.44**	**35,728.49**
Additions	-	313.39	-	1,391.51	20.81	118.43	120.36	1,964.50
Deductions	-	1.40	-	95.31	-	17.38	38.05	152.14
As at March 31, 2018	**7,769.66**	**5,335.76**	**17.13**	**22,992.42**	**226.93**	**699.20**	**499.75**	**37,540.85**
Additions	-	321.91	-	2,056.26	22.61	123.56	12.48	2,536.82
Deductions	-	-	-	235.71	2.63	4.15	49.24	291.73
As at March 31, 2019	**7,769.66**	**5,657.67**	**17.13**	**24,812.97**	**246.91**	**818.61**	**462.99**	**39,785.94**
Accumulated Depreciation and Impairment								
As at April 1, 2017	**-**	**1,416.42**	**7.26**	**8,822.71**	**154.93**	**455.35**	**233.28**	**11,089.95**
Depreciation charge for the year	-	194.31	-	1,130.85	18.16	80.99	42.17	1,466.48
Deductions	-	0.52	-	77.95	-	15.82	36.32	130.61
As at March 31, 2018	**-**	**1,610.21**	**7.26**	**9,875.61**	**173.09**	**520.52**	**239.13**	**12,425.82**
Depreciation charge for the year	-	204.89	1.81	1,180.47	13.65	71.32	48.66	1,520.80
Deductions	-	-	-	159.03	2.63	3.41	47.08	212.15
As at March 31, 2019	**-**	**1,815.10**	**9.07**	**10,897.05**	**184.11**	**588.43**	**240.71**	**13,734.47**
Net carrying value								
As at March 31, 2019	**7,769.66**	**3,842.57**	**8.06**	**13,915.92**	**62.80**	**230.18**	**222.28**	**26,051.47**
As at March 31, 2018	**7,769.66**	**3,725.55**	**9.87**	**13,116.81**	**53.84**	**178.68**	**260.62**	**25,115.03**

Note:

1) Land includes ₹ 586.82 lacs (as at March 31, 2018 ₹ 586.82 lacs) and building constructed thereon which is in process of being transferred in the name of the company.

2) Building includes House Building of which Gross Value is ₹ 13.39 lacs (as at March 31, 2018 ₹ 13.39 lacs) and Net Value is ₹ 8.64 lacs (as at March 31, 2018 ₹ 8.86 lacs) acquired against loan which is yet to be transferred in the name of the company.

3) Refer footnote to Note 20 & 25 for security/charges created on property,plant and equipment.

3 (b)	Capital Work In Progress	(₹ in Lacs)
	As at April 1, 2017	**452.23**
	Additions	597.81
	Deductions	321.15
	As at March 31, 2018	**728.89**
	Additions	1,059.77
	Deductions	469.03
	As at March 31, 2019	**1,319.63**

3 (c)	Investment Property *	(₹ in Lacs)
	Deemed cost	
	As at April 1, 2017	**20.69**
	Additions	-
	Deductions	-
	As at March 31, 2018	**20.69**
	Additions	-
	Deductions	-
	As at March 31, 2019	**20.69**
	Accumulated Depreciation	
	As at April 1, 2017	**0.61**
	Depreciation charge for the year	0.34
	Deductions	-
	As at March 31, 2018	**0.95**
	Depreciation charge for the year	0.34
	Deductions	-
	As at March 31, 2019	**1.29**
	Net Carrying Amount	
	As at March 31, 2019	**19.40**
	As at March 31, 2018	**19.74**
	Fair Value of Investment Property	
	As at March 31, 2019	**51.09**
	As at March 31, 2018	**51.09**

* The property is in process of transfer in the name of the company.

3 (d)	Intangible Assets (Software & Development Cost)	(₹ in Lacs)
	Cost or Deemed Cost	
	As at April 1, 2017	**696.31**
	Additions	27.61
	Deductions	-
	As at March 31, 2018	**723.92**
	Additions	84.10
	Deductions	-
	As at March 31, 2019	**808.02**
	Amortisation	
	As at April 1, 2017	**344.75**
	Depreciation charge for the year	131.52
	Deductions	-
	As at March 31, 2018	**476.27**
	Depreciation charge for the year	138.69
	Deductions	-
	As at March 31, 2019	**614.96**
	Net Carrying Amount	
	As at March 31, 2019	**193.06**
	As at March 31, 2018	**247.65**

NOTE-4 INVESTMENTS

Particulars	Face Value	As At March 31, 2019		As At March 31, 2018	
		Units	(` in Lacs)	Units	(` in Lacs)
Non Current Investments					
A) Investment in Equity Instruments of Subsidiary at cost (Unquoted fully paid up):					
Vadilal Industries (Inc.) USA (Refer Note-46)	$100	2,250	136.41	2,250	1.36
Add: Reversal of Impairment Loss on Investments			-		135.05
			136.41		136.41
Vadilal Gulf (FZE)*	-	-	-	-	-
Vadilal Industries Pty Ltd.*	-	-	-	-	-
Investment in Partnership Firm at cost:					
Vadilal Cold Storage (Refer Note-46)	-	-	140.00	-	140.00
* The company has incorporated subsidiaries in United Arab Emirates and Australia in the name of VADILAL GULF (FZE) dated February 20, 2018 and VADILAL INDUSTRIES PTY LTD. dated April 16, 2018. As at reporting date, the Compay has not made any investment in these subsidiaries and these subsidiaries have not started operations.					
B) Other Investments					
Investment in Government and Trust securities at amortized cost (Unquoted):					
7 Year National Saving Certificates	-	-	0.28	-	0.28
(Lodged with Government Authorities)					
In Equity instruments of other companies at FVTPL (Unquoted fully paid up) :					
Vadilal Forex and Consultancy Services Ltd.	10	36,250	9.69	36,250	9.43
Majestic Farm House Ltd. (Refer Note-46)	10	74,100	3.95	74,100	3.68
Padm Complex Ltd.	10	280	0.03	280	0.03
Volute Construction Ltd.	10	280	0.03	280	0.03
Total			**290.39**		**289.86**

NOTE- 5 LOANS

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Loan to Subsidiary (At Amortized Cost) (Refer Note-46)	250.00	250.00
Investments in Current Capital of a Partnership Firm (Refer Note-46)	42.05	31.95
Loan to employees	9.44	1.65
Total	**301.49**	**283.60**

NOTE-6 OTHER FINANCIAL ASSETS

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Margin Money Deposits with banks (Refer Note-13)	301.33	290.95
Security Deposits (Refer Note-46)	249.42	214.25
Other Deposits	111.00	102.42
Total	**661.75**	**607.62**

NOTE-7 TAX ASSETS

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Taxes Receivable	47.15	-
Total	**47.15**	**-**

NOTE-8 OTHER ASSETS

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Capital Advances	310.80	240.10
Prepaid Expenses	307.32	319.59
Total	**618.12**	**559.69**

NOTE-9 INVENTORIES

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(At lower of Cost or Net Realisable Value)		
Raw Materials	5,473.33	4,710.53
Packing Materials	1,759.48	1,492.94
Finished Goods	4,005.52	3,023.36
Stores, Spares and Consumables	592.97	448.52
Total	**11,831.30**	**9,675.35**

NOTE-10 INVESTMENTS

Particulars	Face Value	As At March 31, 2019		As At March 31, 2018	
		Units	(` in Lacs)	Units	(` in Lacs)
Current Investments					
Investments in Equity Instruments-Quoted (Valued at fair value through Profit and Loss)					
Aminex Chemicals Ltd.	10	400	-	400	-
Century Enka Ltd.	10	15	0.04	15	0.05
Essar Steel Ltd.	10	60	0.01	60	0.01
Golden Agro Tech Industries Ltd.	10	200	-	200	-
Great Eastern Shipping Co. Ltd.	10	100	0.28	100	0.34
Great Offshore Ltd.	10	25	-	25	-
Interface Financial Services Ltd.	1	25,000	0.05	25,000	0.05
Radhe Developers Ltd.	10	4,900	0.59	4,900	0.81
Saket Projects Ltd.	10	2,500	0.02	2,500	0.02
Sanara Media Ltd.	1	9,00,000	0.45	9,00,000	0.45
Total			**1.44**		**1.73**

NOTE-11 TRADE RECEIVABLES

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured, Considered Good	106.41	90.52
Unsecured, Considered Good (Refer Note-46)	3,232.85	4,433.04
Unsecured, Considered Doubtful	19.45	22.35
	3,358.71	**4,545.91**
Less: Allowance for Doubtful Trade Receivables (expected credit loss allowance)	19.45	22.35
Total	**3,339.26**	**4,523.56**

Note: Refer Note-44 for information about credit risk and market risk of Trade receivables.

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Break-up of trade receivables		
Trade receivables from other than related parties	530.77	540.51
Receivables from related parties (Note-46)	2,808.49	3,983.05
Total	**3,339.26**	**4,523.56**

Notes

1. The credit period ranges from 0 days to 180 days.
2. Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. There are no customers who represent more than 5% of the total balance of trade receivable except, as at March 31, 2019 : ₹ 2,808.49 lacs are due from two customer (as at March 31, 2018 : ₹ 3,983.05 lacs are due from two customer).
3. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on company policy and ageing of the receivables that are due.
4. Movement in Expected Credit Loss Allowance

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	22.35	19.06
Add: Allowance for the year	4.79	3.29
Less: Reversal of provision due to recovery	7.69	-
Balance at the end of the year	**19.45**	**22.35**

NOTE-12 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks :		
In Current Accounts	71.26	87.35
Cash on hand	10.69	18.70
Total	**81.95**	**106.05**

Note: There are no restrictions with regards to Cash and Cash Equivalents

NOTE-13 OTHER BALANCES WITH BANKS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances in Fixed Deposits Account	200.59	175.59
Balances in Unclaimed Dividend Accounts	22.00	21.07
Deposits with original maturity for more than 3 months (Includes Security deposit with banks ₹ 96.00 Lacs (March 31, 2018 ₹ 115.40 lacs))	96.32	115.72
Margin Money Deposit (towards guarantee and LC issued by banks as well as for loan security)	234.79	190.24
	553.70	**502.62**
Less : Deposits with original maturity of more than 12 months		
Amount disclosed under Non-Current Financial Assets (Note-6)	301.33	290.95
Total	**252.37**	**211.67**

Note: Unclaimed Dividend Account balance can only be used for payment of Unclaimed Dividend.

NOTE-14 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Loan to Subsidiary *(Refer Note-46)	196.93	-
Loan to Employees	13.12	13.99
Total	**210.05**	**13.99**

During the year,Vadilal Industries (USA) Inc., a subsidiary, has made a profit of ₹ 448.83 lacs (₹ 265.30 lacs in the year 2017-18) and net worth as at March 31, 2019 is ₹ 693.46 lacs (₹ 236.68 lacs as at March 31, 2018). In view of the improvement in financial performance of subsidiary during the year,the company has written back loan of ₹ 196.93 lacs given to subsidiary which was written off in earlier year.

NOTE-15 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
(Unsecured, Considered Good)		
Interest accrued on loans and deposits from related parties (Refer Note-46)	25.40	13.55
Interest accrued on loans and deposits from others	0.28	0.82
Other Deposit	11.67	5.76
Subsidy Receivable	44.21	65.50
Others	129.48	-
Total	**211.04**	**85.63**

NOTE-16 TAX ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Taxes Receivable (Net of Provision)	-	47.15
Total	**-**	**47.15**

NOTE-17 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Prepaid Expenses	343.68	375.69
Balances with Govt.Authorities	303.98	160.78
Export Benefits Receivable	256.84	170.57
(A)	**904.50**	**707.04**
Advances for Goods & Expenses		
Considered Good	247.16	289.60
Considered Doubtful	35.81	37.45
Less: Allowances for Doubtful Advance	35.81	37.45
(B)	**247.16**	**289.60**
Total (A + B)	**1,151.66**	**996.64**

NOTE-18 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital:		
1,50,00,000 (as at March 31, 2018:1,50,00,000) Equity shares of ₹ 10/- each	1,500.00	1,500.00
	1,500.00	**1,500.00**
Issued, Subscribed and Fully paid-up Share Capital		
Issued and Subscribed Share Capital :		
71,88,230 (as at March 31, 2018:71,88,230) Equity shares of ₹ 10/- each	718.82	718.82
	718.82	**718.82**
Paid up Share Capital:		
71,87,830 (as at March 31, 2018:71,87,830) Equity shares of ₹ 10/- each	718.78	718.78
	718.78	**718.78**

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As At March 31, 2019		As At March 31, 2018	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Shares outstanding at the beginning of the period	71,87,830	718.78	71,87,830	718.78
Add / Less: Issued shares / buy back during the year	-	-	-	-
Shares outstanding at the end of the period	**71,87,830**	**718.78**	**71,87,830**	**718.78**

b) Rights, preferences and restrictions attached to equity shares:

The company has issued only one class of equity share having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share and are entitled to dividend as and when declared. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

All shares rank equally with regard to the company's residual assets after distribution of all preferential amount.

c) Details of shareholders holding more than 5% shares in the company (Equity shares of ₹ 10 each fully paid)

Name of the Shareholder	As At March 31, 2019		As At March 31, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
Vadilal International Pvt. Ltd.	28,09,704	39.09%	28,09,704	39.09%
Ashish Kacholia	-	-	5,18,432	7.21%

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

NOTE-19 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve		
Balance at beginning of the year	8.84	8.84
Balance at the end of the year	**8.84**	**8.84**
Securities Premium		
Balance at beginning of the year	487.28	487.28
Balance at the end of the year	**487.28**	**487.28**
General Reserve		
Balance at beginning of the year	5,000.00	5,000.00
Balance at the end of the year	**5,000.00**	**5,000.00**
Retained Earnings		
Balance at beginning of the year	3,614.97	2,238.58
Add : Profit for the year	3,148.38	1,484.53
Less : Appropriations		
Dividend for the year including tax on dividend (Dividend per share ₹ 1.25 (P.Y. amount per share ₹ 1.25))	108.32	108.14
Total Appropriations	**108.32**	**108.14**
Balance at the end of the year	**6,655.03**	**3,614.97**
Revaluation Reserve		
Balance at beginning of the year	7,524.17	7,524.17
Balance at the end of the year	**7,524.17**	**7,524.17**
Other Comprehensive Income		
Balance at beginning of the year	(48.29)	(29.75)
Add : Remeasurement of Employee Benefit	(28.19)	(18.54)
Balance at the end of the year	(76.48)	(48.29)
	19,598.84	**16,586.97**

a) On October 6, 2017 & October 3, 2018 a dividend of ₹ 1.25 per share (total dividend ₹ 108.14 lacs and ₹ 108.32 lacs respectively) was paid to holders of fully paid equity shares. The total dividend includes dividend distribution tax at applicable rates.

b) The Board of Directors, in its meeting held on August 23, 2019, have proposed a final dividend of ₹ 1.25 per share for the financial year ended March 31, 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held in the month of September, 2019 and if approved would result in a cash outflow of approximately ₹ 108.32 lacs including dividend distribution tax.

c) **Nature and Purpose of Reserve**

Capital Reserve : The company has created capital reserve out of investment utilization reserve written back and forfeited shares.

Securities Premium Reserve : The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is available for utilization in accordance with the provisions of the Companies Act, 2013. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

Revaluation Reserve : The company has created revaluation reserve out of revaluation of land carried out as at April 1, 2016.

General Reserve : The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

NOTE-20 BORROWING

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Secured-at amortised Cost		
Term Loans from Banks	5,090.24	6,160.43
Less: Current maturity of long term loans (Note-27)	1,503.03	1,124.00
	3,587.21	**5,036.43**
Vehicle Loans	141.26	238.90
Less: Current maturity of vehicle loans (Note-27)	48.47	107.03
	92.79	**131.87**
Term Loans from Financial Institution	488.47	-
Less: Current maturity of long term loans (Note-27)	37.95	-
	450.52	**-**
	4,130.52	**5,168.30**
Unsecured-at amortised Cost		
Public Fixed Deposits	2,369.90	2,442.58
Less: Current maturity of public fixed deposits (Note-27)	757.00	511.78
	1,612.90	**1,930.80**
Total	**5,743.42**	**7,099.10**

Note

1 Refer Note-44 for information about Liquidity Risk.

2 Amount stated in current maturity is disclosed under the head of " Other Current Financial Liabilities " (Note-27).

Repayment Schedule of Loans

Particulars	As at March 31, 2019	As at March 31, 2018	Effective Interest Rate	Terms of repayment
Term Loans				
From Banks				
Bank of Baroda	555.55	888.89	14.16%	72 monthly instalments of ₹ 27.78 lacs starting from December, 2014
State Bank of India	436.25	1060.25	15.04%	39 monthly instalments of ₹ 10 Lacs starting from January, 2014 and thereafter 33 monthly instalment of ₹ 52 lacs
IndusInd Bank (partially disbursed)	4278.39	4400.63	11.19%	72 monthly instalments of ₹ 61.11 lacs starting from February, 2019
From Financial Institutions				
Tata Capital Financial Services Ltd.	493.40	-	11.89%	78 monthly instalments of ₹ 6.33 lacs starting from October, 2019

Particulars	As at March 31, 2019	As at March 31, 2018	Effective Interest Rate	Terms of repayment
Vehicle Loans				
HDFC Bank Limited	141.26	238.90	8.30 % to 14.25%	From 13 to 68 monthly Instalments * of ₹ 0.07 lacs to ₹ 1.21 lacs
Total Loan (a)	**5904.85**	**6588.67**		
Fixed deposits (b)	2369.90	2442.58	9.50% to 11.00% based on period of deposit	12 months to 36 months
Grand Total (a)+(b)	**8274.75**	**9031.25**		

***Includes Interest portion**

A Term Loans from Banks BOB and SBI (including SBT now merged with SBI) - ₹ 991.80 Lacs (As at March 31, 2018 ₹ 1,949.14 Lacs) are secured by way of Mortgage on immovable properties and hypothecation on movable properties of the Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant) (1st charge)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (1st charge)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (1st charge).

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI) (2nd charge)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge)

(viii) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (1st charge)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P. (1st charge)

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 1st charge)

B Above term loans are also secured by mortgage and hypothecation on immovable and movable properties of the Company situated at Bareilly, Parsakhera Industrial Area, U.P. (New Land - F-12) (Leased Property)

C The Term Loan from IndusInd Bank - ₹ 4,278.39 Lacs (As at March 31, 2018 4,400.63) is secured by way of 1st charge over the following immovable fixed assets of the company, both present and future:

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant)

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(viii) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P.

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 1st charge)

(xii) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats)

D The Term Loan from Tata Capital Financial Services Ltd. - ₹ 493.40 Lacs (As at March 31, 2018 Nil) is secured by way of 1st charge over the following immovable fixed assets of the company, both present and future:

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant)

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(viii) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P.

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 1st charge)

(xii) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats)

E The above Term Loans are also secured by way of Hypothecation on entire current assets of the Company on 2nd pari-passu charge basis.

F Vehicle loans are secured by hypothecation of vehicles.

G The Term Loan are secured by Corporate Guarantee by Majestic Farm House Ltd., Padm Complex Ltd. and Volute Constructions Ltd. The Credit Facilities of IndusInd Bank are also secured by Corporate Guarantee by Majestic Farm House Ltd. and Vadilal Enterprises Ltd.

Collateral / Additional Securities by Group Companies

A Existing Term Loan from SBI of ₹ 21 crores, Corporate Loan of ₹ 20 crores from BOB, new Term Loan of ₹ 60 Crores availed/to be availed from IndusInd Bank and also new Term Loan of ₹ 21 Crores from Tata Capital Financial Services Ltd. are also secured/to be secured by way of Mortgage on immovable properties of Majestic Farm House Ltd. as Collateral / Additional Securities situated at the following place by way of 1st charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge)

Disclosure under Para 44A as set out in Ind As 7 on cash flow statements under Companies (Indian Accounting Standards Rules, 2015 (as amended)

Particulars of liabilities arising from financing activities	Note No.	As at March 31, 2018	Net cash flows	Non Cash Changes*	As at March 31, 2019
Borrowings:					
Long term borrowings	20	8,841.91	(756.50)	4.46	8,089.87
Short term borrowings	25	5,305.16	1,258.73	-	6,563.89
Interest accrued on borrowings	27	174.39	(174.39)	178.44	178.44
Total		**14,321.46**	**327.84**	**182.90**	**14,832.20**

*The same relates to amount charged in statement of profit and loss.

NOTE-21 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Financial Guarantee Liabilities (Refer Note-46)	55.53	48.49
Total	**55.53**	**48.49**

NOTE-22 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Provision for Employee Benefits		
Gratuity (Refer Note-47)	201.37	128.34
Total	**201.37**	**128.34**

NOTE-23 DEFERRED TAX LIABILITY (NET)

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities	2,839.07	2,631.12
Deferred Tax Assets	(615.77)	(539.38)
Total	**2,223.30**	**2,091.74**

Movement in Deferred Tax Liabilities and Assets

(₹ in Lacs)

Movement during the year ended March 31, 2018	As at April 1, 2017	Charge/(Credit) in statement of Profit and Loss	Charge/(Credit) in Other Comprehensive Income	MAT Utilization / Short / Excess Provision	As at March 31, 2018
Deferred Tax Liabilities / (Assets)					
Property, plant and equipments	2,398.64	38.25			2,436.89
Investments	7.55	(0.44)			7.11
Expenditure allowed in the year of payment	(116.06)	11.65			(104.41)
Provision for doubtful debts & advances	(20.33)	(0.76)			(21.09)
Government Grant under EPCG	(258.35)	26.74			(231.61)
Discounting of security deposit to present value and corresponding impact on other expenses	134.82	(13.22)			121.60
Discounting of security deposit to present value and corresponding impact on interest income	(153.72)	10.33			(143.39)
Increase in borrowing cost pursuant to application of EIR	5.25	60.27			65.52
Effect of measuring corporate guarantee liability	(11.14)	(11.45)			(22.59)
Acturial loss	-	9.81	(9.81)		-
MAT Credit Entitlements (Net)	(187.74)			171.45	(16.29)
Total	**1,798.92**	**131.18**	**(9.81)**	**171.45**	**2,091.74**

(₹ in Lacs)

Movement during the year ended March 31, 2019	As at April 1, 2018	Charge/(Credit) in statement of Profit and Loss	Charge/(Credit) in Other Comprehensive Income	MAT Utilization / Short / Excess Provision	As at March 31, 2019
Deferred Tax Liabilities / (Assets)					
Property, plant and equipments	2,436.89	172.84			2,609.73
Investments	7.11	0.15			7.26
Expenditure allowed in the year of payment	(104.41)	(42.94)			(147.35)
Provision for doubtful debts & advances	(21.09)	1.56			(19.53)
Government Grant under EPCG	(231.61)	(13.86)			(245.47)
Discounting of security deposit to present value and corresponding impact on other expenses	121.60	(10.83)			110.77
Discounting of security deposit to present value and corresponding impact on interest income	(143.39)	10.56			(132.83)
Increase in borrowing cost pursuant to application of EIR	65.52	4.69			70.21
Effect of measuring corporate guarantee liability	(22.59)	(6.90)			(29.49)
Acturial loss	-	15.53	(15.53)		-
MAT Credit Entitlements (Net)	(16.29)			16.29	-
Total	**2,091.74**	**130.80**	**(15.53)**	**16.29**	**2,223.30**

NOTE-24 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Deferred Govt. Grant	660.54	698.35
Total	**660.54**	**698.35**

NOTE-25 BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Secured-at amortised Cost		
Working Capital Loans from Banks	4,238.78	1,960.20
	4,238.78	**1,960.20**
Unsecured-at amortised Cost		
Working Capital Loans (Unsecured)	1,500.00	2,337.57
Public Fixed Deposits	180.60	295.05
Inter Corporate Deposits from others	615.00	674.00
Book Overdraft in current account with Banks	29.51	38.34
	2,325.11	**3,344.96**
Total	**6,563.89**	**5,305.16**

A Working Capital facilities from Consortium Banks, namely, BOB, SBI (including SBT now merged with SBI) and IDBI Bank aggregating to ₹ 67.92 crores (enhanced from ₹ 65.28 crores) is secured by way of Mortgage on immovable properties and hypothecation on movable properties of the Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant) (2nd charge)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (2nd charge)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (2nd charge)

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (2nd charge)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI) (1st charge)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge)

(viii) Movable Properties situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (2nd charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (2nd charge)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P. (2nd charge)

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 2nd charge)

(xii) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats) (1st charge)

B The Company has also created second Charge on the movable properties situated at the aforesaid locations, for availing Cash Credit Facilities to the extent of Rs. 10.00 Crores from Indusind Bank. However, till date, the Company has not availed any Cash Credit Facilities from Indusind Bank.

C The above Working Capital facilities are also secured by way of Hypothecation on entire current assets of the Company on 1st pari-passu charge basis.

D The above Working Capital facilities are also secured by Personal Guarantee of Mr. Rajesh R. Gandhi, Director and Mr. Devanshu L. Gandhi, Director of the Company. The Working Capital facilities of the Consortium Bank are also secured by Corporate Guarantee by Majestic Farm House Ltd., Padm Complex Ltd. and Volute Constructions Ltd. The Credit Facilities of Indusind Bank & Tata Capital Financial Services Ltd are also secured by Corporate Guarantee by Vadilal Enterprises Ltd.

E The cash credit loan is repayable on demand and carries interest @ 10.90 % to 12.25 %

F The Working Capital loan (Unsecured) is repayable on demand and carries interest @ 10.50 % to 11.85 %.

G Inter corporate deposits are repayable between 60 days to 200 days and carry Interest @ 12.25 % to 14.00 %

H Fixed deposits are repayable for less than 12 months and carry interest @ 8.00 % to 9.00 %.

Collateral / Additional Securities by Group Companies

A Working Capital facilities from Consortium Banks, namely, BOB, SBI and IDBI Bank and additional Working Capital Facilities from BOB are also secured by way of Mortgage on immovable properties of [* Majestic Farm House Ltd. by way of 2nd charge on pari-passu basis], [# Padm Complex Ltd. & Volute Constructions Ltd. by way of exclusive charge on pari-passu basis] and [@ Vadilal Cold Storage by way of 2nd charge on pari-passu basis] as Collateral / Additional Securities situated at the following places :-

***** Unit – II (D-22, D-23, F-11/14/15), Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge) (Leased Property)

Ground Floor, Office No. 2B, "Mahalaya" Opp. President Hotel, Swastik Char Rasta, Ahmedabad. (Exclusive charge) (Owned Property)

@ Gomtipur, Ahmedabad (1st charge) (Leased Property)

NOTE-26 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Due to Micro, Small and Medium Enterprises-Refer Note (A)	411.20	475.27
Due to Others (Refer Note-46)	6,134.10	7,157.25
Total	**6,545.30**	**7,632.52**

Note A) The amount outstanding to micro, small and medium enterprise is based on the information received and available with the company.

Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Lacs)

Particulars			As at March 31, 2019	As at March 31, 2018
A	i)	Principal amount remaining unpaid at the end of the accounting year	411.20	475.27
	ii)	Interest due on above	Nil	Nil
B		The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
C		The amount of interest accrued and remaining unpaid at the end of the financial year	Nil	Nil
D		The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
E		The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	Nil	Nil

NOTE-27 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Current maturities of long-term debt (Note-20)		
From Banks (Secured)	1,551.50	1,231.03
From Financial Institution (Secured)	37.95	-
Public Fixed Deposits	757.00	511.78
Interest Accrued	178.44	174.39
Unclaimed Dividends*	22.00	21.07
Unclaimed Deposits and Interest accrued thereon*	24.93	17.54
Financial Guarantee Liabilities	28.91	16.83
Payable for Capital Goods	583.24	356.13
Security Deposits from Customers	139.67	123.74
Others	9.68	1.18
Total	**3,333.32**	**2,453.69**

*Note: There are no amounts due for payment to the Investors Education and Protection fund as at the year end.

NOTE-28 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Provision for Employee Benefits		
Gratuity (Refer Note-47)	99.85	82.96
Compensated Absences	190.84	156.77
Total	**290.69**	**239.73**

NOTE-29 TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Income Tax Payable (Net of Advance Tax)	79.81	-
Total	**79.81**	**-**

NOTE-30 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Statutory Remittances	246.11	291.40
Advances Received from Customers	64.65	17.54
Other Liabilities	200.29	148.97
Deferred Govt. Grant	55.69	53.07
Total	**566.74**	**510.98**

NOTE-31 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of Products		
Finished goods (Refer Note-46)	50,235.78	51,557.82
Currency	365.10	377.01
Sale of Services		
Income from Money Changing Business	8.35	7.84
Other Operating Revenues		
Scrap Sales	96.53	71.31
Total	**50,705.76**	**52,013.98**
Reconciliation of revenue from operation with contract price		
Revenue from contract with customers as per the contract price	51,412.56	52,021.64
Adjustment made to contract price on account of:		
a) Discounts and Rebates	(706.80)	(500.90)
b) Excise duty on sale of goods	-	493.24
Revenue from Operations	**50,705.76**	**52,013.98**

NOTE-32 OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Income (Refer Note-46)	84.13	60.54
Export Licenses	506.43	290.49
Financial Guarantee Commission Income	25.46	15.87
Gain on Fair Value of Non Current Investment	0.54	-
Grant Income	55.68	86.15
Dividend income on long term Investment	0.01	-
Net gain on Foreign Currency translations and transactions	304.02	21.00
Share of Profit of Partnership Firm (Refer Note-46)	10.11	4.33
Profit on sale of investment	41.68	-
Excess Provision written back	23.77	99.91
Miscellaneous Income	4.65	29.10
Diminution written back of Non Current Investments (Refer Note-43)	-	135.04
Loans & Advances to wholly owned subsidiary written back (Refer Note-43)	196.93	-
Provision for Doubtful Debt written back	2.90	-
Provision for Doubtful Advance written back	2.15	1.10
Total	**1,258.46**	**743.53**

NOTE-33 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Inventory at the beginning of the year	6,203.47	7,137.43
Add : Purchases	29,444.27	27,883.37
Less: Inventory at the end of the year	7,232.81	6,203.47
Total	**28,414.93**	**28,817.33**

NOTE-34 PURCHASE OF TRADED GOODS

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Processed Food	34.86	104.76
Dairy Products	631.03	103.94
Others	25.83	3.86
Currency	372.86	373.78
Total	**1,064.58**	**586.34**

NOTE-35 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Inventories at beginning of the year		
Finished Goods	3,023.36	4,439.92
	3,023.36	**4,439.92**
Inventories at end of the year		
Finished Goods	4,005.52	3,023.36
	4,005.52	**3,023.36**
	(982.16)	**1,416.56**

NOTE-36 EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salary, Wages, Allowances and Bonus etc. (Refer Note-46)	3,519.97	2,801.02
Contribution to Provident and Other funds (Refer Note-47)	204.45	191.01
Staff Welfare Expenses	197.01	203.31
Total	**3,921.43**	**3,195.34**

NOTE-37 FINANCE COSTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Expense (Refer Note-46)	1,251.98	1,363.03
Other Borrowing Costs	140.15	159.16
Total	**1,392.13**	**1,522.19**

NOTE-38 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Job Charges	3,341.21	3,002.70
Power & Fuel	3,316.50	3,073.12
Stores and Spares Consumption	703.40	724.64
Repairs & Maintenance	692.88	678.34
Rent	437.22	664.60
Freight and forwarding charges	1,283.34	2,498.58
Sales Promotion Expense	257.25	620.14
Corporate Social Responsibility Expense	18.17	16.92
Payment to Auditors (Refer details below)	43.69	25.52
Provision for Doubtful Debts	-	3.29
Bad Debt written off	-	13.41
Loss on disposal of Property, Plant & Equipment	58.84	2.83
Loss on fair value of Current Investment	0.30	1.24
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery etc.) (Refer Note-46)	1,473.07	1,579.05
Total	**11,625.87**	**12,904.38**

NOTE-38 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Payment to Auditors		
As Auditor		
Audit Fees	38.00	20.00
Tax Audit Fees	-	1.50
Limited Review	4.20	3.90
In Other Capacity		
Certification Fees	0.90	-
Reimbursement of expenses	0.59	0.12
Total	**43.69**	**25.52**

NOTE-39 TAX EXPENSES

(₹ in Lacs)

	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
A.	**Income tax recognised in Statement of Profit and Loss:**		
	Current Tax:		
	In respect of the current year	1,588.43	608.05
	In respect of the prior years	-	-
	Total	**1,588.43**	**608.05**
	Deferred Tax:		
	In respect of the current year	130.80	131.17
	Total	**130.80**	**131.17**
B.	**Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below :**		
	Profit / (loss) before tax	4,867.61	2,223.75
	Income Tax Expense @ 34.944% (Last year @ 34.608%)	1,700.94	769.60
	Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :		
	Effect of expenses that are not deductible in determining taxable profit	8.39	6.82
	Effect of income that are not taxable	(3.53)	(48.24)
	Others	13.43	11.04
		1719.23	**739.22**
	Adjustments in respect of current income tax of previous year	-	-
	Total	**1,719.23**	**739.22**
	Tax effect on Items in Other Comprehensive Income	(15.52)	(9.81)
	Tax expense as per Statement of Profit and Loss	**1,703.71**	**729.41**

The company's weighted average tax rates for the year ended March 31, 2019 and March 31, 2018 are 35.32% and 33.24% respectively.

NOTE - 40 CONTINGENT LIABILITIES :

(₹ in Lacs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Guarantees given by the company against Borrowing given to companies in which Directors are interested is ₹ 3,927 Lacs (March 31, 2018 ₹ 5,936 Lacs)		
	Outstanding against this as at March 31	2,618.96	1,806.72
(b)	For Excise-related to matter decided in favour of the company, against which Excise Dept. has preferred an appeal	43.00	43.00
(c)	For Income Tax-which is disputed by the company and against which company has preferred appeal, based on the demand notices raised by Income Tax Dept. and received by the company.	70.94	31.01
(d)	For Income Tax-against which Income Tax dept. has preferred appeal	50.46	111.65
(e)	In respect of erstwhile Vadilal Financial Services Limited (VFSL) Income Tax Demand (including interest) for which the company has preferred an appeal.	1.93	1.93

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(f)	For Sales Tax-Disputed by the company and against which company has preferred an appeal	180.90	188.81
(g)	For Other Matters-cases against company by the Vendor and Authorities	130.80	10.46
(h)	Differential amount of custom / excise duty in respect of machinery purchased under EPCG Scheme	796.55	531.28
(i)	Outstanding letter of credits and bank guarantees issued by banks	650.76	450.16
	Total	**4,544.30**	**3,175.02**

Future Cash Outflow in respect of (b) to (g) above depends on ultimate settlement / conclusions with the relevant authorities/parties.

Future Cash Outflow in respect of (h) above depends if company is unable to fulfill export obligations between 2019-20 to 2023-24 of ₹ 5,334.87 (March 31, 2018 ₹ 3,545.44 Lacs) for import made between the year of 2007-08 to 2018-19. The fulfillment of export obligation is considered on the basis of license claimed at the time of export.

NOTE - 41

In FY 2017-18, a Company Petition was filed against the Company and some of its promoters, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013 pertaining to prevention of oppression and mismanagement of the Company. In the current financial year, no orders have been passed by the NCLT as the petitioners and all of the parties to the petition have submitted to the NCLT that they are seeking to arrive at an amicable resolution of matter.

NOTE - 42 Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for: (₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Property, Plant & Equipments	565.84	400.11
Total	**565.84**	**400.11**

NOTE - 43 Disclosure as per Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Amount outstanding: (₹ in Lacs)

Name of Party	Relationship	Purpose	As at March 31, 2019	As at March 31, 2018
Investments				
Vadilal Industries USA (Inc.)	Wholly owned subsidiary company	Business Purpose	136.41	136.41
Vadilal Cold Storage	Partnership firm where company has 98% Ownership Interest	Business Purpose	140.00	140.00
Gurantee Given				
Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence	To avail credit facility and corporate loan	3,927.00	5,936.00
Loans				
Vadilal Industries USA (Inc.)	Wholly owned subsidiary company	Business Purpose	446.93	250.00
Vadilal Cold Storage	Partnership firm where company has 98% Ownership Interest	Business Purpose	42.05	31.95

Maximum outstanding during the year: (₹ in Lacs)

Name of Party	Relationship	Purpose	As at March 31, 2019	As at March 31, 2018
Investments				
Vadilal Industries USA (Inc.)	Subsidiary Company	Business Purpose	136.41	136.41
Vadilal Cold Storage	Partnership Firm	Business Purpose	140.00	140.00
Gurantee Given				
Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence	To avail credit facility and corporate loan	5,936.00	5,936.00
Loans				
Vadilal Industries USA (Inc.)	Subsidiary Company	Business Purpose	446.93	250.00
Vadilal Cold Storage	Partnership Firm	Business Purpose	42.05	31.95

Company has made investment in equity of overseas subsidiary company for ₹ 136.41 lacs. During the year Subsidiary Company has made a profit of ₹ 448.83 lacs (₹ 265.30 lacs in the year 2017-18) and net accumulated profit as at March 31, 2019 is ₹ 600.57 lacs (₹ 151.74 lacs as at March 31, 2018). In view of long term involvement and improvement in financial performance of subsidiary, the company considers that the exposure and Trade Receivable from the subsidiary amounting to ₹ 1,615.96 lacs as at March 31, 2019 (₹ 1,540.42 lacs as at March 31, 2018) will be fully realisable.

NOTE - 44 FINANCIAL INSTRUMENTS

I Capital Management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to stakeholder. The Capital structure of the company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholder. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 20 and 25 off set by cash and bank balances) and total equity of the Company.

The company's risk management committee reviews the risk capital structure of the company on semi annual basis. As part of this review the company considers the cost of capital and the risk associated with each class of capital.

Gearing Ratio (₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt *	14,653.76	14,147.07
Less: Cash and cash Equivalents	81.95	106.05
Net Debt	**14,571.81**	**14,041.02**
Total Equity excluding Revaluation Reserve	**12,793.45**	**9,781.58**
Net Debt to equity ratio	**113.90%**	**143.55%**

*Debt is defined as long-term borrowings,short-term borrowings and current maturities of long term borrowings as described in notes 20 and 25

II Category-wise classification of financial instruments

Financial Assets & Financial Liabilities as at March 31, 2019 (₹ in Lacs)

Particulars	Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets			
Investments	15.14	276.69	291.83
Loans	-	511.54	511.54
Trade receivables	-	3,339.26	3339.26
Cash and Cash Equivalents	-	81.95	81.95
Bank balances other than cash and cash Equivalents	-	252.37	252.37
Other Financial Assets	-	872.79	872.79
Total	**15.14**	**5334.60**	**5349.74**

Particulars	Fair value Through Profit and loss	Amortised Cost	Total
Financial Liabilities			
Borrowings	-	12,307.31	12307.31
Trade Payable	-	6,545.30	6545.30
Other Financial Liabilities	-	3,388.85	3388.85
Total	**-**	**22241.46**	**22241.46**

Financial Assets & Financial Liabilities as at March 31, 2018 (₹ in Lacs)

Particulars	Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets			
Investments	14.90	276.69	291.59
Loans	-	297.59	297.59
Trade receivables	-	4,523.56	4523.56
Cash and Cash Equivalents	-	106.05	106.05
Bank balances other than cash and cash Equivalents	-	211.67	211.67
Other Financial Assets	-	693.25	693.25
Total	**14.90**	**6108.81**	**6123.71**
Financial Liabilities			
Borrowings	-	12,404.26	12404.26
Trade Payable	-	7,632.52	7632.52
Other Financial Liabilities	-	2,502.18	2502.18
Total	**-**	**22538.96**	**22538.96**

In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

(₹ in Lacs)

Particular	Fair value	Fair value hierarchy		
		Quoted Price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2019				
Investments at fair value through profit and loss	15.14	1.44	-	13.70
As at March 31, 2018				
Investments at fair value through profit and loss	14.90	1.73	-	13.17

III Financial risk management objective

The Company's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other financial assets.

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risks.

The company's senior management has the overall responsibility for establishing and governing the company's risk management framework. The company has constituted a Risk management committee, which is responsible for developing and monitoring the company's risk management policies. The company's risk management policies are established to identify and analyse the risks faced by the company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the company.

A. Management of Market Risk

The company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Foreign Currency risk
- Equity price risk
- Interest rate risk

The above risks may affect the company's income and expenses, or the value of its financial instruments. The company's exposure to and management of these risks are explained below:

(i) Currency risk management

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk :

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(a) Derivatives instruments (₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Forward contract to sell CAD		
No. of contracts	1	NIL
In CAD	90,100	-
In INR	47,07,660	-
Forward contract to sell GBP		
No. of contracts	1	NIL
In GBP	54,000	-
In INR	49,67,011	-
Forward contract to sell USD		
No. of contracts	4	NIL
In USD	36,49,411	-
In INR	25,56,78,883	-

(b) Particular of foreign currency exposures as at the reporting date.

Particulars	As at March 31, 2019	As at March 31, 2018
Liabilities (Foreign currency)		
In US Dollars (USD)	198,130.53	79,887.26
In Euro (EUR)	295.00	6,300.00
In Australian Dollars (AUD)	11,700.00	7,800.00
In Dirham (AED)	-	7,590.00
Assets (Foreign currency)		
In US Dollars (USD)	2,756,865.91	2,971,220.12
In Canadian Dollars (CAD)	-	55,763.80
In Great Britain Pound (GBP)	56,221.28	-

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Liabilities (INR)		
In US Dollars (USD)	137.05	51.96
In Euro (EUR)	0.23	5.08
In Australian Dollars (AUD)	5.75	3.90
In Dirham (AED)	-	1.34
Assets (INR)		
In US Dollars (USD)	1,906.92	1,932.48
In Canadian Dollars (CAD)	-	28.10
In Great Britain Pound (GBP)	50.86	-

Foreign currency sensitivity analysis

The following table details, Company's sensitivity to a 1% increase and decrease in the rupee against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly

attributable to the exposure outstanding not hedged on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rate.

A change of 1% in Foreign currency would have following Impact on profit before tax and total equity

(₹ in Lacs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	1% increase	1% decrease	1% increase	1% decrease
USD	17.70	(17.70)	18.81	(18.81)
CAD	-	-	0.28	(0.28)
GBP	0.51	(0.51)	-	-
EURO	-	-	(0.05)	0.05
AUD	(0.06)	0.06	(0.04)	0.04
AED	-	-	(0.01)	0.01
Increase / decrease in profit & loss	18.15	(18.15)	18.99	(18.99)

(ii) Price Risk (Equity Price Risk)

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity Analysis

The table below summarizes the impact of increases / decreases of the BSE index on the Company's equity and Gain / Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

A change of 5% in market index would have following Impact on profit before tax (₹ in Lacs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
BSE Index 100 - Increase by 5%	0.07	0.09
BSE Index 100 - Decrease by 5%	(0.07)	(0.09)

The above referred sensitivity pertains to quoted equity investments. Profit for the year would increase/decrease as a result of gains / losses on equity securities as at Fair Value through Profit and Loss (FVTPL).

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Interest rate sensitivity

A change of 100 bps in interest rates would have following Impact on profit before tax (₹ in Lacs)

Particulars	Increase / Decrease in basic points	Effect on PBT
As at March 31, 2019	100 bps	50.14
As at March 31, 2018	100 bps	59.05

B. Management of Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

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

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
0-3 months	3,229.25	4,219.45
3-6 months	27.40	234.69
6-12 months	37.31	18.58
More than 12 months	45.30	50.84
Total	**3,339.26**	**4,523.56**

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

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Allowances	**22.35**	**19.06**
Add: Additional Allowances made	4.79	3.29
Less: Reversal of provision due to recovery	7.69	-
Less: Actual Write off during the year (net of recovery)	-	-
Closing Allowances	**19.45**	**22.35**

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

Concentrations of Credit risk form part of Credit risk

Considering that the Company sells majority of its goods to Vadilal Enterprises Ltd. and Vadilal Industries (USA) Inc., the Company is significantly dependent on such customers. Out of total income, the Company earns 90.00% revenue (previous year 89.77 %) from such customers, and with one of these customers, the Company has long term contracts. As at March 31, 2019, receivables from such customer constitute 84.11% (previous year 88.05%) of total trade receivables. A loss of these customer could adversely affect the operating result or cash flow of the Company.

C. Management of Liquidity Risk

Liquidity risk is the risk that the company will face in meeting its obligation associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when they are due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long term funding

and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table shows the maturity analysis of the company's financial liabilities based on the contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

Exposure as at March 31, 2019 (₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	6,563.89	5,292.90	450.52	12,307.31
Trade Payable	6,545.30	-	-	6,545.30
Other Financial Liabilities	3,333.32	55.53	-	3,388.85
Total Financial Liabilities	**16,442.51**	**5,348.43**	**450.52**	**22,241.46**

Exposure as at March 31, 2018 (₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	5,305.16	7,099.10	-	12,404.26
Trade Payable	7,632.52	-	-	7,632.52
Other Financial Liabilities	2,453.69	48.49	-	2,502.18
Total Financial Liabilities	**15,391.37**	**7,147.59**	**-**	**22,538.96**

Financial Arrangements

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

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Expiring within one year (Bank overdraft and other facilities)	838.68	2,990.15
Expiring beyond one year (Bank loans)	3,205.97	1,599.37

NOTE - 45 EARNINGS PER SHARE (EPS) AS PER INDIAN ACCOUNTING STANDARD 33:

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Profit for the year attributable to owners of the Company (₹ in Lacs)	3,148.38	1,484.53
Weighted average number of Equity Shares (in Lacs)	71.88	71.88
Earning per Equity Share (Basic & Diluted)	43.80	20.65

NOTE - 46 RELATED PARTY TRANSACTIONS AS PER INDIAN ACCOUNTING STANDARD 24:

The disclosure in pursuance to Indian Accounting Standard-24 on "Related Party Disclosures" is as under:

(a) Name of Related Parties & Relationship

No.	Name	Description of Relationship
1	Vadilal Industries (USA) Inc.	Wholly owned subsidiary company
2	Vadilal Cold Storage	Partnership firm where company has 98% Ownership Interest (Subsidiary)
3	Rajesh R. Gandhi	Key Managerial Personnel
4	Devanshu L. Gandhi	Key Managerial Personnel
5	Kalpit R. Gandhi	Key Managerial Personnel
6	Ruchita Gurjar (Resigned w.e.f.November 15,2018)	Key Managerial Personnel
7	Rashmi Bhatt	Key Managerial Personnel
8	Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
9	Vadilal International Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
10	Veronica Construction Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence

No.	Name	Description of Relationship
11	Padm Complex Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
12	Majestic Farm House Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
13	Volute Construction Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
14	Byad Packaging Industries Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
15	Vadilal Marketing Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
16	Vadilal Chemicals Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
17	Mamta R. Gandhi	Relative of Key Managerial Personnel
18	Deval D. Gandhi	Relative of Key Managerial Personnel
19	Aakansha D. Gandhi	Relative of Key Managerial Personnel

(b) Transactions during the year with related parties mentioned in (a) above, in ordinary course of business & balances outstanding as at the year end:

(₹ in Lacs)

Transaction	Total	Subsidiary	Control Exists	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person or relatives of Key Managerial Personnel
(a) Sales						
Vadilal Enterprises Ltd.**	41,509.15					41,509.15
P.Y.	(44,327.07)					(44,327.07)
Vadilal Industries (USA) Inc.	4,128.41	4,128.41				
P.Y.	(2,367.44)	(2,367.44)				
Veronica Construction Pvt. Ltd.	-					-
P.Y.	(74.96)					(74.96)
(b) Purchases						
Veronica Construction Pvt. Ltd.	-					-
P.Y.	(142.70)					(142.70)
Vadilal Chemicals Ltd.	20.33					20.33
P.Y.	(14.73)					(14.73)
(c) Hire Charges / Rent Expense						
Vadilal Cold Storage	34.08		34.08			
P.Y.	(27.61)		(27.61)			
(d) Interest Paid						
Byad Packaging Industries Pvt. Ltd.	1.25					1.25
P.Y.	(5.38)					(5.38)
Vadilal Marketing Pvt. Ltd.	8.70					8.70
P.Y.	(27.71)					(27.71)
Devanshu L. Gandhi	-			-		
P.Y.	(1.82)			(1.82)		
Deval D. Gandhi	0.63				0.63	
P.Y.	(2.13)				(2.13)	
(e) i) Managerial Remuneration						
Rajesh R. Gandhi	177.98			177.98		
P.Y.	(117.67)			(117.67)		
Devanshu L. Gandhi	177.98			177.98		
P.Y.	(117.67)			(117.67)		

(₹ in Lacs)

Transaction	Total	Subsidiary	Control Exists	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person or relatives of Key Managerial Personnel
ii) Remuneration						
Kalpit R. Gandhi	29.91			29.91		
P.Y.	(29.91)			(29.91)		
Ruchita Gurjar	6.70			6.70		
P.Y.	(10.02)			(10.02)		
Rashmi Bhatt	2.75			2.75		
P.Y.	-			-		
Deval D. Gandhi	2.59				2.59	
P.Y.	-				-	
Mamta R. Gandhi	7.57				7.57	
P.Y.	(7.70)				(7.70)	
Aakansha D. Gandhi	0.76				0.76	
P.Y.	(1.20)				(1.20)	
(f) Interest Income						
Vadilal International Pvt. Ltd.	6.00					6.00
P.Y.	(6.00)					(6.00)
Vadilal Industries USA (Inc.)	20.00					20.00
P.Y.	(8.15)					(8.15)
(g) Share of Profit in partnership Firm						
Vadilal Cold Storage	10.11		10.11			
P.Y.	(4.33)		(4.33)			
(h) Royalty Expense						
Vadilal International Pvt. Ltd. (Refer Note-4)	34.09					34.09
P.Y.	(22.28)					(22.28)
(i) Loan or Deposits Received						
Vadilal Marketing Pvt. Ltd.	152.00					152.00
P.Y.	(106.00)					(106.00)
Byad Packaging Industries Pvt. Ltd.	68.00					68.00
P.Y.	(59.00)					(59.00)
Devanshu L. Gandhi	-			-		
P.Y.	(61.00)			(61.00)		
Deval D. Gandhi	50.00				50.00	
P.Y.	(50.00)				(50.00)	
(j) Loan or Deposits Repaid						
Byad Packaging Industries Pvt. Ltd.	68.00					68.00
P.Y.	(59.00)					(59.00)
Vadilal Marketing Pvt. Ltd.	152.00					152.00
P.Y.	(324.85)					(324.85)
Devanshu L. Gandhi	-			-		
P.Y.	(61.00)			(61.00)		
Deval D. Gandhi	50.00				50.00	
P.Y.	(50.00)				(50.00)	
(k) Loan Given						
Vadilal Industries USA (Inc.)	-	-				
P.Y.	(250.00)	(250.00)				

(₹ in Lacs)

Transaction	Total	Subsidiary	Control Exists	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person or relatives of Key Managerial Personnel
Balance outstanding at year end :						
Investments						
Vadilal Industries (USA) Inc.	136.41	136.41				
P.Y.	(136.41)	(136.41)				
Vadilal Cold Storage	140.00		140.00			
P.Y.	(140.00)		(140.00)			
Majestic Farm House Ltd.	3.95					3.95
P.Y.	(3.68)					(3.68)
Trade Receivable						
Vadilal Enterprises Ltd. *	1,192.53					1,192.53
P.Y.	(2,442.63)					(2,442.63)
Vadilal Industries (USA) Inc.	1,615.96	1,615.96				
P.Y.	(1,540.42)	(1,540.42)				
Interest Receivable						
Vadilal Industries (USA) Inc.	20.00	20.00				
P.Y.	(8.15)	(8.15)				
Vadilal International Pvt. Ltd.	5.40					5.40
P.Y.	(5.40)					(5.40)
Loans & Advances Given						
Vadilal Cold Storage	42.05		42.05			
P.Y.	(31.95)		(31.95)			
Majestic Farm House Pvt. Ltd.	4.73					4.73
P.Y.	(4.48)					(4.48)
Vadilal Industries (USA) Inc	446.93	446.93				
	(250.00)	(250.00)				
Security Deposits Given						
Vadilal International Pvt. Ltd.	600.00					600.00
P.Y.	(600.00)					(600.00)
Trade Payable						
Vadilal International Pvt. Ltd.	5.18					5.18
P.Y.	(4.87)					(4.87)
Vadilal Cold Storage	6.43		6.43			
P.Y.	(2.57)		(2.57)			
Vadilal Chemicals Ltd.	3.62					3.62
P.Y.	(1.28)					(1.28)
Corporate Guarantee Given						
Vadilal Enterprises Ltd.	3,927.00					3,927.00
P.Y.	(5,936.00)					(5,936.00)
Corporate Guarantee Taken						
Majestic Farm House Pvt. Ltd.	17,892.00					17,892.00
P.Y.	(25,503.00)					(25,503.00)
Vadilal Enterprises Ltd.	250.00					250.00
P.Y.	(1,050.00)					(1,050.00)
Personal Guarantee Taken						
Directors	9,161.00			9,161.00		
P.Y.	(10,489.00)			(10,489.00)		

Notes

1) Previous Year's transaction of Sales and Outstanding of Trade Receivables are inclusive of taxes.
2) * Outstanding balances are shown net of Acceptance.
3) Previous Year figures are shown in bracket.
4) The Company has entered into a "Trade Mark License Agreement with Vadilal International Private Limited ("VIPL") (which is the Proprietor and the beneficial owner of the Trade Mark "Vadilal") for the usage of the Trade Mark "Vadilal". The Company has also entered into an agreement with Vadilal Enterprises Limited, a related party, for sale of its products on a principal to principal basis. The Company has obtained a legal opinion, as per which, the sales / supplies of goods by the Company to VEL, do not fall with the scope of "Trade Mark License Agreement" between the Company and VIPL and accordingly, the Company is not contractually obliged to pay any royalty on sales made by it to VEL. Accordingly, the Company has made provision for royalty only on sales made to parties other than VEL which is consistent with the practice followed in the earlier years.
5) **On September 29 2016, an agreement was signed between the Company and Vadilal Enterprises Limited, a related party, for sale of ice-creams in the domestic market. The agreement was approved by the Board of Directors of the Company in their meeting held on August 8, 2016 and subsequently approved by the shareholders in their meeting held on September 27, 2016. As per the agreement, the pricing of the products sold shall be at the discretion of the Company. Two erstwhile independent directors of the Company, who had approved the contract in the meeting of the Board of Directors as referred above, in their resignation letters and a promoter shareholder have sighted their concerns on the terms and conditions of the contract. The pricing pattern has remained consistent over these past years. The Company's management has obtained an opinion from a retired Supreme Court Judge who has opined that the contract is valid under the Indian Contract Act, 2013 and that it was approved by the then Audit Committee, the then Board of Directors and the then shareholders in accordance with the requirements of the Companies Act, 2013 and the Listing Regulations. Based on this opinion, the Board of Directors have concluded that the transactions pursuant to the contract are in accordance with the applicable laws.

Compensation to Key Managerial Personnel of the Company: (₹ in Lacs)

Nature of Benefits	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Short Term Employee Benefits	224.10	392.91
Post Employment Gratuity Benefits*	36.96	36.10
Total	**261.06**	**429.01**

Note: * Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. Post-employment gratuity benefits of Key Managerial Personnel has not been included in (f) above.

NOTE - 47 EMPLOYEE BENEFITS

I Post Employment Benefit Plans as per Indian Accounting Standard 19:

Defined Contribution Plan:

The company makes provident fund (PF) contributions to defined contribution benefit plans for eligible employees. Under the scheme the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions specified under the law are paid to the government authorities (PF commissioner).

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note 36 ₹ 127.69 Lacs (Previous Year: ₹ 103.27 Lacs).

Defined Benefit Plan:

The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines. The details of these defined benefit plans recognised in the financial statements are as under:

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it

will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

a) Movement in present value of defined benefit obligation are as follows : (₹ in Lacs)

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Obligations at the beginning of the year	**483.79**	**399.02**
Current service cost	31.91	27.25
Past service cost	-	20.43
Interest cost	37.40	29.09
Actuarial (gain) / loss-due to changes in Demographic Assumptions	-	2.00
Actuarial (gain) / loss-due to changes in Financial Assumptions	(1.56)	(15.74)
Actuarial (gain) / loss-due to Experience Adjustments	41.24	40.32
Benefits paid	(26.48)	(18.58)
Present value of benefit obligation at the end of the year	**566.30**	**483.79**

b) Movement in the fair value of defined plan assets are as follows : (₹ in Lacs)

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Plan assets at the beginning of the year at fair value	**272.48**	**179.74**
Interest Income	21.06	13.10
Return on plan assets excluding interest income	(4.03)	(1.78)
Contributions from the employer	2.05	100.00
Benefits paid	(26.48)	(18.58)
Plan assets at the end of the year at fair value	**265.08**	**272.48**

c) The amount included in the balance sheet arising from the entities obligation in respect of defined benefit plan is as follows:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of benefit obligation at the end of the period	566.30	483.78
Fair value of plan assets at the end of the period	(265.08)	(272.48)
Net liability / (assets) arising from defined benefit obligation	**301.22**	**211.30**

d) Amount recognised in the Statement of Profit and Loss as Employee Benefit Expenses (₹ in Lacs)

Gratuity	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	31.91	27.25
Net Interest Cost	16.33	15.99
Past Service Cost	-	20.43
Net impact on the Profit / (Loss) before tax	**48.24**	**63.67**
Gain / (Expense) recognised in Other Comprehensive Income		
Return on plan assets excluding actuarial return on plan assets	4.03	1.78
Actuarial (gains) / losses arising from changes in Demographic Assumptions	-	2.00
Actuarial (gains) / losses arising from changes in Financial Assumption	(1.56)	(15.74)
Experience (gains) / losses arising on Experience Adjustments	41.24	40.32
Net expense recognised in the Other Comprehensive Income before tax	**43.71**	**28.36**

e) The defined benefit obligations shall mature after year end March 31, 2019 as follows: (₹ in Lacs)

Gratuity	As at March 31, 2019
1st Following Year	130.25
2nd Following Year	20.08
3rd Following Year	41.53
4th Following Year	33.15
5th Following Year	43.72
Sum of Years 6 to 10	250.86
Sum of Years 11 and above	640.52

f) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Projected Benefit Obligation on Current Assumptions	566.30	483.78
Delta Effect of +1% Change in Rate of Discounting	(36.30)	(32.32)
Delta Effect of -1% Change in Rate of Discounting	41.78	37.31
Delta Effect of +1% Change in Rate of Salary Increase	38.10	34.23
Delta Effect of -1% Change in Rate of Salary Increase	(34.13)	(30.53)
Delta Effect of +1% Change in Rate of Employee Turnover	3.08	2.60
Delta Effect of -1% Change in Rate of Employee Turnover	(3.44)	(2.91)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity analysis, the present value of projected defined benefit obligation has been calculated using Projected Unit Credit Method at the end of the reporting period. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

g) The principal assumptions used for the purpose of actuarial valuation were as follows :

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet date, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Gratuity	As at March 31, 2019	As at March 31, 2018
Financial Assumptions		
Discount rate	7.77%	7.73%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate		
For Service (4 years & below)	8.00%	8.00%
For Service (5 years & above)	2.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

h) Investment details of plan assets:

To fund the obligations under the gratuity plan, Contributions are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines.

II. Other Long Term Employee Benefits

Compensated Absences

The liability towards compensated absences (leave encashment) for the year ended March 31, 2019 based on actuarial valuation carried out by using Projected Unit Credit Method is ₹ 190.83 Lacs . (As at March 31, 2018 : ₹ 156.77 Lacs)

Compensated Absences	As at March 31, 2019	As at March 31, 2018
Financial Assumptions		
Discount rate	7.77%	7.73%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate		
For Service (4 years & below)	8.00%	8.00%
For Service (5 years & above)	2.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

NOTE - 48 SCHEDULE OF GOVERNMENT GRANT: (Refer Note 24 & 28)

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance of Grant	**751.42**	**764.43**
Grant Received during the Year	20.49	73.14
Amortised to the statement of Profit & Loss	(55.68)	(86.15)
Closing balance of Grant	**716.23**	**751.42**
Current	55.69	53.07
Non-Current	660.54	698.35
Total	**716.23**	**751.42**

NOTE - 49 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Gross amount required to be spent by the Company during the year	52.47	40.62
Amount spent during the year		
i) for providing Medical Aid to the villagers near Pundhra Factory of the company	14.97	16.92
ii) On purposes other than (i) above	3.20	-
Total	**18.17**	**16.92**

NOTE - 50

A) During the financial year 2018-19, two Promoter Directors of the Company have sent out numerous communications to the Board of Directors ("the Board") of the Company making various allegations and counter-allegations on each other primarily relating to the operations and management of the Company on a range of matters including potential personal expenses claimed as official expenses, funds management, dissemination of price sensitive information, demand for re-examination of books of account of past periods, legitimacy of salaries paid to relatives of the promoter directors, payments made to a vendor without services being received and independence of Independent Directors, amongst others. Subsequent to the year-end, on July 22, 2019, the Promoter Directors have jointly communicated to the Board that they withdraw all these allegations / counter-allegations on each other unconditionally and without any reservations except for the ones stated in Note (B) below. The Board of Directors in their meeting on July 22, 2019, evaluated the basis of withdrawal of the joint communications of the promoter directors – PD1 and PD2 and further as the allegations levied were without any corroborative evidence, decided no further action was required on any of the allegation except for the ones stated in Note (B) below.

B) One of the Promoter Director (PD 1) and the Chief Financial Officer (CFO) of the Company suspects that another Promoter Director (PD 2) (PD 1 and PD 2 collectively referred to as "Promoter Directors" hereinafter) of the Company has claimed potential personal expenses amounting to Rs. 25.33 lakhs as official business expenses during the financial year 2017-18 to 2018-19. The Board of Directors ("the Board") of the Company, in their meeting dated March 30, 2019 have appointed an independent external consultant to perform procedures to ascertain whether potential personal expenses have been claimed as business expenses. In the same meeting, the Board has also appointed an external legal firm to hand hold the Board through the said process including compliance

with applicable laws and regulations. As on the date of approval of these financial statements by the Board, the independent external consultants and the external legal firm are yet to provide their report to the Board to enable them to take further action in this matter. Similarly, PD 2 suspects that PD 1 and his family members have charged personal travel expenses of approximately ` 23.00 lacs as business expense during financial years 2014-15 to 2018-19. The Company is of the opinion that the outcome of findings will not have any material impact on the financial statements of the respective financial years.

C) As the statutory auditors have not accepted Company's representation on the notes no.(A) and (B) above and issued a disclaimer of opinion report, the promoter directors in the board meeting held on August 23, 2019 have voluntary offered to appoint an independent law firm to conduct an inquiry in all the matters as reported in the statutory audit report with an aim of value preservation and enhancement in the interest of all stakeholders.

NOTE - 51 Previous years' figures have been regrouped and rearranged wherever necessary to comply with requirement of Ind AS.

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Director
(DIN - 00009879)

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Rashmi Bhatt
Company Secretary

Place : Ahmedabad
Date : August 23, 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of Vadilal Industries Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the accompanying consolidated financial statements of Vadilal Industries Limited ("the Parent" or "the Company"), its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

We refer to the following.

1. Note 48(A) to the consolidated financial statements which describes disputes on various financial, operational and governance matters between the promoter directors of the Parent and the numerous allegations made against each other from August 2018 till July 2019 vide their respective communications to the Board of Directors of the Parent. Furthermore, two erstwhile Independent Directors have, in their resignation letters dated June 19, 2019, addressed to the Parent, have raised concerns in respect of the aforesaid disputes between the promoter directors and hostile environment in the meetings of the Board of Directors and its committees. We provided to the Audit Committee and Board of Directors our suggestions to have these allegations investigated by an independent external agency to determine whether any irregularities / non-compliances / illegalities have occurred in relation to the allegations. The promoter directors have communicated to Audit Committee and Board of Directors their withdrawal of all the above allegations on July 22, 2019, except for the matters referred in paragraphs 2 and 3 below.

   As per a resolution passed by the Board of Directors on 30th March, 2019, the promoter directors ceased to be Managing Directors of the Parent and it was resolved in the same meeting to appoint Professional Management as Director / Manager / CEO for the Parent and that in the interim period, the Promoter Directors would continue to manage the business affairs of the Parent without remuneration.
2. Note 48(B) to the consolidated financial statements pertaining to the allegation made by Promoter Director 1 and the Chief Financial Officer on August 11, 2018 with respect to potential personal expenses, amounting to ` 25.33 lakhs as official business expenses by Promoter Director 2 of the Parent. The Board of Directors of the Parent at their meeting held on March 30, 2019 has initiated an independent investigation by an external consultant along with an external legal firm, the scope of which, inter-alia covers, ascertainment of irregularities, if any, with respect to these potential personal expenses. As per the information and explanations given to us, the external consultant is currently conducting their investigations and they may make a determination on whether the payments were inappropriate / illegal and its consequential impact, if any, including on compliance of relevant laws / regulations.
3. Note 48(B) to the consolidated financial statements which refers to suspicion raised by Promoter Director 2 on July 22, 2019 with respect to personal travel expenses of approximately ` 23 lakhs suspected to have been claimed as business expense by Promoter Director 1.
4. Note 41 to the consolidated financial statements which refers to the status of on-going litigations filed against the Parent under Section 241 and 242 of the Companies Act, 2013 ("the Act") pertaining to prevention of oppression and mismanagement of the Company.
5. Due to the possible effects of the matters described in paragraphs 1 to 4 above, we are unable to state whether the remuneration of ` 355.96 lakhs paid by the Parent to its promoter directors during the year is in accordance with the provisions of section 197 of the Act and any consequential effect thereof on these consolidated financial statements.

The Audit Committee and the Board of Director in their meeting held on August 23, 2019 have resolved to initiate independent inquiries into the matters referred in paragraph 1 and 3 above.

Pending completion of the aforesaid inquiries / investigations and resolution of the above matters, we are unable to determine if any adjustments are necessary to the aforesaid consolidated financial statements on account of the aforesaid matters, any restatement of prior years' including any consequential effect thereof.

Emphasis of Matter

We draw attention to footnote 5 of Note 44 to the consolidated financial statements which describe the key terms of a contract entered into by the Parent with Vadilal Enterprises Limited, a related party, for sale of its goods.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with the Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis of Disclaimer of Opinion section above, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Matters

(a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ` 3,811.6 lakhs as at 31st March, 2019, total revenues of ` 10,220.5 lakhs and net cash inflows amounting to ` 526. 67 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is solely based on the reports of the other auditors.

The financial statements of these subsidiaries have not been prepared in accordance with the accounting principles generally accepted in India as applicable to the Parent. The Parent's management has converted the financial statements of these subsidiaries from those accounting principles to the accounting principles generally accepted in India, as applicable to the Parent.

(b) We did not audit the financial information of two subsidiaries whose financial statements reflect total assets of ` Nil as at 31st March, 2019, total revenues of ` Nil and net cash inflows/ (outflows) amounting to ` Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(1)(e), we report that in respect of the expenses stated in paragraphs 2 and 3 of the Basis of Disclaimer of Opinion section above, we are unable to comment on whether personal expenses have been charged to revenue account.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) As described in the Basis for Disclaimer of Opinion section above, we have sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) The matter described in the Basis for Disclaimer of Opinion section above, in our opinion, may have an adverse effect on the functioning of the Group.

f) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Parent, none of the directors of the Parent Company, being the only company in the Group to which requirements of Section 164(2) of the act are applicable, is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an adverse opinion on the Company's internal financial controls over financial reporting for the reasons stated therein.

i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the remuneration paid by the Parent to its promoter directors during the year is in accordance with the provisions of section 197 of the Act.

J) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.

   ii. The Group has made provision, required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent Company, except ` 0.15 lakhs which is held in abeyance pending resolution of legal dispute, being the only company in the Group to which such requirements of the Act are applicable.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)
UDIN: 19106189AAAAMZ2877

Date : August 23, 2019
Place : Ahmedabad

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Vadilal Industries Limited (hereinafter referred to as "the Company" / "the Parent") as of that date

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the internal financial controls system over financial reporting of the Parent.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Adverse opinion

With respect to the Parent, according to the information and explanations given to us and based on our audit, a material weakness has been identified as at March 31, 2019 relating to inadequate entity level controls with regards to assessment and closure of the various financial, operational and governance related matters emanating out of the numerous allegations made by promoter directors and two erstwhile independent directors against each other and their consequential impact, if any, on the consolidated financial statements of the Group.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Adverse Opinion

In our opinion, to the best of our information and according to the explanations given to us, because of the possible effects of the material weakness described in Basis for Adverse Opinion paragraph above on the achievement of the objectives of the control criteria, the Parent has not maintained adequate and effective internal financial controls over financial reporting as of March 31, 2019, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Parent for the year ended March 31, 2019, and the material weakness has affected our opinion on the said consolidated financial statements of the Parent and we have issued a disclaimer of opinion on the consolidated financial statements of the Parent.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)
UDIN: 19106189AAAAMZ2877

Date : August 23, 2019
Place : Ahmedabad

CONSOLIDATED BALANCE SHEET as at 31st March, 2019

(` in Lacs)

Particulars	Notes	As At March 31, 2019	As At March 31, 2018
I. ASSETS			
(1) Non-Current Assets			
(a) Property,Plant And Equipment	3 (a)	26,511.35	25,401.36
(b) Capital Work-In-Progress	3 (b)	1,319.63	728.89
(c) Investment Property	3 (c)	19.40	19.74
(d) Intangible Assets	3 (d)	200.38	250.23
(e) Financial Assets			
(i) Investments	4	57.60	57.07
(ii) Loans	5	9.44	1.65
(iii) Other Financial Assets	6	745.23	703.14
(f) Non Current Tax Assets (Net)	7	55.65	5.12
(g) Other Non-Current Assets	8	622.14	564.84
Total Non-Current Assets		**29,540.82**	**27,732.04**
(2) Current Assets			
(a) Inventories	9	12,704.07	10,216.36
(b) Financial Assets			
(i) Investments	10	1.44	1.73
(ii) Trade Receivables	11	3,103.14	4,199.01
(iii) Cash & Cash Equivalents	12	608.62	249.76
(iv) Other Balances with Banks	13	252.37	211.67
(v) Loans	14	15.83	16.94
(vi) Other Financial Assets	15	203.76	94.68
(c) Current Tax Assets (Net)	16	-	47.15
(d) Other Current Assets	17	1,179.03	1,175.07
Total Current Assets		**18,068.26**	**16,212.37**
Total Assets		**47,609.08**	**43,944.41**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	18	718.78	718.78
(b) Other Equity	19	20,016.70	16,809.19
Total Equity		**20,735.48**	**17,527.97**
Non Controlling Interest		**32.12**	**31.91**
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	5,798.98	7,099.10
(ii) Other Financial Liabilities	21	55.53	48.49
(b) Provisions	22	201.37	128.34
(c) Deferred Tax Liabilities (Net)	23	2,188.95	2,073.22
(d) Other Non Current Liabilities	24	660.54	698.35
Total Non-current Liabilities		**8,905.37**	**10,047.50**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	6,563.89	5,305.16
(ii) Trade Payables			
- Dues of micro enterprises and small enterprises	26	411.20	475.27
- Dues of creditors other than micro enterprises and small enterprises	26	6,455.53	7,322.45
(iii) Other Financial Liabilities	27	3,418.84	2,461.84
(b) Provisions	28	290.69	239.73
(c) Current Tax Liabilities (Net)	29	228.31	-
(d) Other Current Liabilities	30	567.65	532.58
Total Current Liabilities		**17,936.11**	**16,337.03**
Total Liabilities		**26,841.48**	**26,384.53**
Total Equity & Liabilities		**47,609.08**	**43,944.41**

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : August 23, 2019

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Director
(DIN - 00009879)

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date : August 23, 2019

Rashmi Bhatt
Company Secretary

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

(` in Lacs)

Particulars		Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
I	Revenue From Operations	31	56,711.44	55,235.45
II	Other Income	32	1,079.31	625.25
III	**Total Income (I+II)**		**57,790.75**	**55,860.70**
IV	**Expenses:**			
	Cost of Materials Consumed	33	28,414.93	28,817.33
	Purchase of Stock-in-trade	34	2,398.45	1,241.83
	Changes in Inventories of Finished Goods and Stock-in-trade	35	(1,313.92)	1,193.59
	Excise Duty on Sale of Goods		-	493.24
	Employee Benefits Expense	36	5,375.89	3,920.14
	Finance Costs	37	1,407.41	1,531.49
	Depreciation and Amortization Expenses	3	1,690.49	1,612.92
	Other Expenses	38	14,631.14	14,756.16
	Total Expense (IV)		**52,604.39**	**53,566.70**
V	**Profit Before Tax (III-IV)**		**5,186.36**	**2,294.00**
VI	**Tax Expenses**			
	(a) Current Tax	39	1,735.57	622.18
	(c) Deferred Tax	39	114.51	105.48
	Total Tax Expenses		**1,850.08**	**727.66**
VII	**Profit for the year (V-VI)**		**3,336.28**	**1,566.34**
VIII	**Profit / (Loss) Applicable to Non Controlling Interest**		**0.21**	**0.09**
IX	**Profit / (Loss) Attributable to Owner of Group (VII-VIII)**		**3,336.07**	**1,566.25**
X	**Other Comprehensive Income**			
	(i) Item that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans		(43.71)	(28.35)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		15.52	9.81
	Items that will be reclassified to statement of Profit or Loss			
	Exchange difference on translation on foreign operations		7.95	4.13
	Other Comprehensive Income for the Year		**(20.24)**	**(14.41)**
	Total Comprehensive Income for the Year (VII+X)		**3,316.04**	**1,551.93**
	Earning Per Share (Face Value of ₹ 10 each)			
	- Basic & Diluted	43	46.41	21.79

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : August 23, 2019

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Director
(DIN - 00009879)

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date : August 23, 2019

Rashmi Bhatt
Company Secretary

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

(` in Lacs)

	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**5,186.36**	**2,294.00**
	Adjustments for:		
	Depreciation and Amortisation Expense	1,690.49	1,612.92
	(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	58.84	2.83
	Profit on Sale of Investments	(41.68)	-
	Excess Provision Written Back	(23.92)	(99.91)
	(Gain) / Loss on Fair Value of Current Investment	0.30	1.24
	(Gain) / Loss on Fair Value of Non Current Investment	(0.54)	-
	Financial Guarantee Commission Income	(25.46)	(15.87)
	Grant Income	(55.68)	(86.15)
	Dividend Income	(0.01)	-
	Interest Income	(67.00)	(65.01)
	Finance Costs	1,407.41	1,531.49
	Provision for Doubtful Debts	52.25	47.21
	Provision for Doubtful Advances	(2.15)	(1.10)
	Bad Debts Written Off	19.42	27.53
	Exchange Rate Difference on Consolidation	7.95	4.13
		3,020.22	**2,959.31**
	Operating Profit before Working Capital changes	**8,206.58**	**5,253.31**
	Changes in Working Capital:		
	(Increase) / Decrease in Inventories	(2,487.71)	2,060.10
	(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	757.85	(3,934.46)
	Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	(383.90)	(1,196.19)
	Cash Generated from Operations	**(2,113.76)**	**(3,070.55)**
	Income Taxes Paid	(1,493.89)	(522.82)
	Net Cash Generated from / (Used in) Operating Activities (A)	**4,598.93**	**1,659.94**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Capital Expenditure on Property, Plant & Equipment	(3,420.61)	(2,492.32)
	Proceeds from Sale of Property, Plant & Equipment	20.74	24.73
	Payments for Current Investments	(8,080.00)	-
	Proceeds from Sale of Current Investment	8,121.68	-
	Interest Received	75.69	65.01
	Dividend Received	0.01	-
	Net Cash Generated from / (Used in) Investing Activities (B)	**(3,282.49)**	**(2,402.58)**

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

(` in Lacs)

Particulars		Year Ended March 31, 2019	Year Ended March 31, 2018
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from Non Current Borrowings	1,013.45	5,735.45
	Repayment of Non Current Borrowings	(1,709.93)	(2,329.25)
	Repayment of Current Borrowings (Net)	1,258.73	(1,155.31)
	Interest Paid	(1,411.51)	(1,531.49)
	Dividend Paid (Including Tax on Dividend)	(108.32)	(108.14)
	Net Cash Generated from / (Used in) Financing Activities (C)	**(957.58)**	**611.26**
	Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	**358.86**	**(131.38)**
	Cash and Cash Equivalents at the beginning of the year (Refer Note-12)	249.76	381.14
	Cash and Cash Equivalents at the end of the year (Refer Note-12)	608.62	249.76

Notes :

1. The above cash flow has been prepared under Indirect Method set out in Ind AS 7 Statement of Cash Flow.
2. Figures in bracket represent outflow.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : August 23, 2019

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Director
(DIN - 00009879)

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date : August 23, 2019

Rashmi Bhatt
Company Secretary

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

(` in Lacs)

Particulars	Equity share Capital	Other Equity							Total other equity	Total Equity
		Capital Reserve	Securities Premium Reserve	General Reserves	Retained Earning	Revaluation Surplus	Exchange difference on translating the financial statements of foreign operations	Items of other comprehensive income		
Balances as at April 1, 2017	**718.78**	**8.84**	**487.28**	**5,000.00**	**2,430.55**	**7,524.17**	**(55.60)**	**(29.75)**	**15,365.49**	**16,084.27**
Profit for the year					1,566.25				1,566.25	1,566.25
Current year transfer							4.13		4.13	4.13
Other Comprehensive income (Actuarial Loss net of income tax)								(18.54)	(18.54)	(18.54)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**1,566.25**	**-**	**4.13**	**(18.54)**	**1,551.84**	**1,551.84**
Payment of Dividend for the year including tax on dividend					(108.14)				(108.14)	(108.14)
Balances as at March 31, 2018	**718.78**	**8.84**	**487.28**	**5,000.00**	**3,888.66**	**7,524.17**	**(51.47)**	**(48.29)**	**16,809.19**	**17,527.97**
Profit for the year					3,336.07				3,336.07	3,336.07
Current year transfer							7.95		7.95	7.95
Other Comprehensive income (Actuarial Loss net of income tax)								(28.19)	(28.19)	(28.19)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**3,336.07**	**-**	**7.95**	**(28.19)**	**3,315.83**	**3,315.83**
Payment of Dividend for the year including tax on dividend					(108.32)				(108.32)	(108.32)
Balances as at March 31, 2019	**718.78**	**8.84**	**487.28**	**5,000.00**	**7,116.41**	**7,524.17**	**(43.52)**	**(76.48)**	**20,016.70**	**20,735.48**

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : August 23, 2019

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Director
(DIN - 00009879)

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Rashmi Bhatt
Company Secretary

Place : Ahmedabad
Date : August 23, 2019

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 GROUP INFORMATION:-

Vadilal Industries Limited is a Public Limited Company domiciled in India. Group has its registered office at Vadilal House, 53, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380009.

Group is engaged in the business of manufacturing Ice-cream, Flavored Milk, Frozen Dessert, Other Dairy Products and processing & exporting Processed Food Products such as Frozen Fruits, Vegetable, Pulp, Ready-to-eat and Ready-to-serve products etc.

Group is having two ice-cream production facilities – one in Gujarat and the other in Uttar Pradesh.

Group is processing Frozen Fruits, Vegetables and Processed Foods at factory situated at Dharampur, Dist.Valsad, Gujarat. Group is exporting to various Countries.

Group is having RBI license under AD.II category and engaged in Money changing business. Group's shares are listed on BSE and NSE.

The consolidated financial statements comprise the financial statements of the Parent Company Vadilal Industries Limited (VIL) and the following subsidiaries / partnership entity (together referred to as "Group"):

Entity	Country of Incorporation
Subsidiaries [having 100% proportion of ownership interest]	
Vadilal Industries (USA) Inc.	U.S.A.
Vadilal Industries Pty Ltd.	Australia
Vadilal Gulf (FZE)	U.A.E.
Partnership Firm [having 98% proportion of ownership interest]	
Vadilal Cold Storage	India

The Consolidated Financial Statements for the year ended 31st March, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 23, 2019.

2 SIGNIFICANT ACCOUNTING POLICIES:-

a) Statement of Compliance

These financial statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2019 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

b) Basis of Preparation of Financial Statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each financial year, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, Group takes into account the characteristics of the asset or liability if market participants would take those characteristic into account when pricing the asset or liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

1) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.

2) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

3) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

c) Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Parent Company. All the amounts are stated in the nearest rupee lacs.

d) Use of Estimates

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and

disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to the accounting estimates are recognized in the financial year in which the estimates are revised and in any future financial years affected.

e) Basis of Consolidation

Group consolidates all entities which it controls. Control is established when Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences and until the date control ceases.

Profit and loss and each component of other comprehensive income are attributed to the owners of Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

f) Inventories

Inventories are valued as under -

Finished Good:-At lower of cost or net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. Due provision for obsolescence is made.Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Raw Materials, Packing Materials & Stores and Spares:-Valued at lower of cost or net realisable value and for this purpose cost is determined on moving weighted average basis. Due provision for obsolescence is made.

g) Cash and Cash Equivalents

Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

h) Revenue Recognition

Effective April 1, 2018, the group has adopted Ind AS 115 – 'Revenue from contracts with customers', which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Sale of Goods

The Group earns revenue primarily from sale of manufactured ice-creams. It has applied the principles laid down in Ind AS 115 and determined that there is no change required in the existing revenue recognition methodology. In case of sale to domestic customers, most of the sale is made on ex-factory basis and revenue is recognised when the goods are dispatched from the factory gates. In case of export sales, revenue is recognised on shipment date, when performance obligation is met.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

i) Government Grant

Government grants are not recognized until there is reasonable assurance that Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit and loss on a systematic basis over the periods in which Group recognises as expenses the related costs for which the grants are intended to compensate.

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

j) Property, Plant and Equipment

Property, plant & equipments are stated at actual cost (including cost of acquisition and installation) less accumulated depreciation and net of impairment, if any.

All items of property, plant and equipments are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment are charged based on straight line method on estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II.

Particulars	Estimated Useful Life
Building	
1) Factory Building	28 Years
2) Others - RCC Structured	58 Years
Plant & Machinery	
1) Continuous Process	18 Years
2) Plastic Crates	5 Years
3) Others	20 Years

The estimated useful lives and residual values of the property, plant and equipment are reviewed at the end of each reporting financial year, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

k) Intangible Assets

Intangible Assets Acquired Separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of Intangible Assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the statement of profit and loss when the asset is derecognized.

Useful Lives of Intangible Assets

Intangible assets are amortized over their estimated useful life on a straight line basis over a period of 5 years.

l) Investment Property

Investment property comprise portion of office building that are held for long term yield and / or capital appreciation.

Investment property is initially recognized at cost. Subsequently investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated under the straight line method as per the rates and the useful life prescribed as per Schedule II of the Companies Act.Though Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on value as per local body on periodic basis.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss.

m) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as a Lessee

Rental expense from operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increase, such increases are recognized in the year in which such benefits accrue.

n) Foreign Currencies

In preparing the financial statements of Group, the transactions in currencies other than the entity's functional currency (INR) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting financial year, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date and differences are recognised in statement of profit and loss account. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on monetary items are recognized in the statement of profit and loss in the financial year in which they arise.

o) Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plan:

Group's contribution to Provident Fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the financial year in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Group recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

1) Service costs comprising current service costs, gains and losses on curtailments and settlements; and

2) Net interest expense or income

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term and Long-term Employee Benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related services rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of the related service.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by Group in respect of services provided by employees up to the reporting date.

p) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of profit and loss in the financial year in which they are incurred.

q) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Group did not have any potential to dilutive securities in any period presented.

r) Taxation

Tax expense represents the sum of the current tax and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Current tax is measured at the amount expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws. Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting financial year.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Group expects, at the end of the reporting financial year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) credit paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and Deferred Tax for the Year

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income.

s) Provisions, Contingent Liabilities and Contingent Assets and Commitments

Provisions are recognized when Group has a present obligation (legal or constructive) as a result of a past event, it is probable that Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting financial year, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present obligations of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

t) Financial Instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification:

Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or loss arising on re-measurement recognised in profit and loss.

Initial Recognition and Measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than Financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category generally applies to trade and other receivables.

Financial Asset at Fair Value Through profit and loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting financial year at fair value with all changes recognised in the statement of profit and loss.

Derecognition of Financial Assets

Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Group recognises its retained interest in the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit and loss if such gain or loss would have otherwise been recognized in profit and loss on disposal of that financial asset.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of issue costs.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit and loss.

Derecognition of Financial Liabilities

Group derecognises financial liabilities when, and only when, Group's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

Derivative Contracts

Group enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting financial year. The resulting gain or loss is recognized in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18

u) Impairment

Financial assets (other than at fair value)

Group assesses at each Balance sheet whether a financial asset or a group of financial assets is impaired.

Non-financial Assets

Property, Plant and Equipment and Intangible Assets

At the end of each reporting financial year, Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

v) Operating Cycle

Group presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after the reporting financial year, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting financial year

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting financial year, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting financial year

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Group has identified twelve months as its operating cycle.

w) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for annual reporting period commencing from April 01, 2018

Ind AS 115 Revenue from Contracts with Customers

The core principle of the standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition : Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The Group adopted Ind AS 115 using the modified retrospective method of adoption. The adoption of the standard did not have any material impact on the consolidated financial statements of the Group.

Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance

The amendment clarifies that where the government grant related to assets, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or deducting grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the assets. This amendment do not have any impact on the consolidated financial statements.

Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

The Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.If there are multiple payments or receipts in advance,then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which The entity first applies The Appendix.

The interpretation does not have any impact on the Group's consolidated financial statements.

Amendment to Ind AS 12, Income Taxes

The amendment clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore,the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate),without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the consolidated financial statement of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Amendment to Ind AS 40, Investment Property

The amendment clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable,reclassify property to reflect the conditions that exist at that date.Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.These amendments do not have any impact on the Group's consolidated financial statements.

Amendment to Ind AS 28, Investment in Associates and Joint Ventures

The amendment clarify that a venture capital organisation or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. Further, Ind AS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint venture (that are investment entities) when applying the equity method. Therefore, this choice is available, at initial recognition, for each investment entity associate or joint venture. These amendments do not have any impact on the Group's conolidated financial statements.

Ind AS 112, Disclosure of Interest in Other Entities

The amendment clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16,apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Group that is classified) as held for sale. These amendments do not have any impact on the Group's conolidated financial statements.

x) Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Group from April 1, 2019. The Group will be adopting the below stated new standards and applicable amendments from their respective effective date.

Ind AS 116 Lease Accounting:

Ind AS 116 will replace Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. In accordance with the standard, the Comapny will elect not to apply the requirements of Ind AS 116 to short-term leases less than 12 months and leases for which the underlying asset is of low value. The standard also contains enhanced disclosure requirements for the lessees. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Group has evaluated the impact of the adoption of Ind AS 116 and the same is not material.

Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Group needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on April 1, 2019. The Group has evaluated the impact of the adoption of Ind AS 116 and the same is not material.

Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group will apply this amendment for annual reporting periods beginning on or after April 1, 2019. The Group has evaluated the impact of the adoption of Ind AS 12 and the same is not material.

Amendment to Ind AS 23, Borrowing Costs:

The amendment clarifies that an entity shall consider specific borrowings as general borrowing while calculating capitalization rate, once substantial activities necessary to prepare a qualifying asset for which specific borrowing was obtained is completed for its intended use or sale. The Group will apply this amendment for annual reporting periods beginning on or after April 1, 2019.The Group has evaluated the impact of the adoption of Ind AS 23 and the same is not material.

y) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year that may have a significant risk of causing as material adjustment to the carrying amounts of assets and liabilities within next financial year.

i. Useful Lives of Property, Plant and Equipment

As described in Note 2(j), Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each financial year. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

ii. Allowances for Doubtful Debts

As described in Note 11, Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the financial year in which such estimate has been changed.

iii. Allowances for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

iv. Fair Value Measurement of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Information about the fair value of various assets and liabilities are disclosed in Note 42.

NOTE-3

(` in Lacs)

Particulars	Land (Refer Note 19 (c))	Building	Leasehold Building Improvements	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
3 (a) Property, Plant and Equipment								
As at April 1, 2017	**7,769.66**	**5,126.54**	**17.13**	**21,922.51**	**210.20**	**605.70**	**417.46**	**36,069.20**
Additions	-	315.48	-	1,606.42	20.86	121.89	120.36	2,185.01
Deductions	-	7.73	-	95.31	-	17.38	38.05	158.47
As at March 31, 2018	**7,769.66**	**5,434.29**	**17.13**	**23,433.62**	**231.06**	**710.21**	**499.77**	**38,095.74**
Additions	-	323.71	-	2,243.99	24.44	135.27	12.48	2,739.89
Deductions	-	-	-	235.71	2.63	4.15	49.24	291.73
As at March 31, 2019	**7,769.66**	**5,758.00**	**17.13**	**25,441.90**	**252.87**	**841.33**	**463.01**	**40,543.90**
Accumulated Depreciation and Impairment								
As at April 1, 2017	**-**	**1,482.51**	**7.26**	**9,003.65**	**157.42**	**460.54**	**233.30**	**11,344.68**
Depreciation charge for the year	-	195.11	-	1,142.76	18.32	82.25	42.17	1,480.61
Deductions	-	0.82	-	77.95	-	15.82	36.32	130.91
As at March 31, 2018	**-**	**1,676.80**	**7.26**	**10,068.46**	**175.74**	**526.97**	**239.15**	**12,694.38**
Depreciation charge for the year	-	205.79	1.81	1,205.97	13.82	74.27	48.66	1,550.32
Deductions	-	-	-	159.03	2.63	3.41	47.08	212.15
As at March 31, 2019	**-**	**1,882.59**	**9.07**	**11,115.40**	**186.93**	**597.83**	**240.73**	**14,032.55**
Net carrying value								
As at March 31, 2019	**7,769.66**	**3,875.41**	**8.06**	**14,326.50**	**65.94**	**243.50**	**222.28**	**26,511.35**
As at March 31, 2018	**7,769.66**	**3,757.49**	**9.87**	**13,365.16**	**55.32**	**183.24**	**260.62**	**25,401.36**

Note:

1) Land includes ₹ 586.82 lacs (as at March 31, 2018 ₹ 586.82 lacs) and building constructed thereon which is in process of being transferred in the name of the company.

2) Building includes House Building of which Gross Value is ₹ 13.39 lacs (as at March 31, 2018 ₹ 13.39 lacs) and Net Value is ₹ 8.64 lacs (as at March 31, 2018 ₹ 8.86 lacs) acquired against loan which is yet to be transferred in the name of the company.

3) Refer footnote to Note 20 & 25 for security/charges created on property,plant and equipment.

3 (b)	Capital Work In Progress	(₹ in Lacs)
	As at April 1, 2017	**452.23**
	Additions	597.81
	Deductions	321.15
	As at March 31, 2018	**728.89**
	Additions	1,059.77
	Deductions	469.03
	As at March 31, 2019	**1,319.63**

3 (c)	Investment Property *	(₹ in Lacs)
	Deemed cost	
	As at April 1, 2017	**20.69**
	Additions	-
	Deductions	-
	As at March 31, 2018	**20.69**
	Additions	-
	Deductions	-
	As at March 31, 2019	**20.69**
	Accumulated Depreciation	
	As at April 1, 2017	**0.61**
	Depreciation charge for the year	0.34
	Deductions	-
	As at March 31, 2018	**0.95**
	Depreciation charge for the year	0.34
	Deductions	-
	As at March 31, 2019	**1.29**
	Net Carrying Amount	
	As at March 31, 2019	**19.40**
	As at March 31, 2018	**19.74**
	Fair Value of Investment Property	
	As at March 31, 2019	**51.09**
	As at March 31, 2018	**51.09**

* The property is in process of transfer in the name of Group.

3 (d)	Intangible Assets (Software & Development Cost)	(₹ in Lacs)
	Cost or Deemed Cost	
	As at April 1, 2017	**696.37**
	Additions	30.65
	Deductions	-
	As at March 31, 2018	**727.02**
	Additions	89.98
	Deductions	-
	As at March 31, 2019	**817.00**
	Amortisation	
	As at April 1, 2017	**344.78**
	Depreciation charge for the year	132.01
	Deductions	-
	As at March 31, 2018	**476.79**
	Depreciation charge for the year	139.83
	Deductions	-
	As at March 31, 2019	**616.62**
	Net Carrying Amount	
	As at March 31, 2019	**200.38**
	As at March 31, 2018	**250.23**

NOTE-4 INVESTMENTS

Particulars	Face Value	As At March 31, 2019		As At March 31, 2018	
		Units	(` in Lacs)	Units	(` in Lacs)
Non Current					
Investment in Partnership Firm at cost :					
Vadilal Cold Storage			43.62		43.62
Investment in Government and Trust securities at amortized cost (Unquoted) :					
7 Year National Saving Certificates			0.28		0.28
(Lodged with Government Authorities)					
In Equity instruments of other companies at FVTPL (Unquoted fully paid up) :					
Vadilal Forex and Consultancy Services Ltd.	10	36,250	9.69	36,250	9.43
Majestic Farm House Ltd.	10	74,100	3.95	74,100	3.68
Padm Complex Ltd.	10	280	0.03	280	0.03
Volute Construction Ltd.	10	280	0.03	280	0.03
Total			**57.60**		**57.07**

NOTE- 5 LOANS

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Loan to employees	9.44	1.65
Total	**9.44**	**1.65**

NOTE-6 OTHER FINANCIAL ASSETS

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Margin Money Deposits with banks (Refer Note-13)	301.33	290.95
Security Deposits (Refer Note-44)	269.16	233.62
Other Deposits	174.74	178.57
Total	**745.23**	**703.14**

NOTE-7 TAX ASSETS

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Taxes Receivable	55.65	5.12
Total	**55.65**	**5.12**

NOTE-8 OTHER ASSETS

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Capital Advances	310.80	240.10
Prepaid Expenses	311.34	324.74
Total	**622.14**	**564.84**

NOTE-9 INVENTORIES

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(At lower of Cost or Net Realisable Value)		
Raw Materials	5,473.33	4,710.53
Packing Materials	1,759.48	1,492.94
Finished Goods	4,878.29	3,564.37
Stores, Spares and Consumables	592.97	448.52
Total	**12,704.07**	**10,216.36**

NOTE-10 INVESTMENTS

Particulars	Face Value	As At March 31, 2019		As At March 31, 2018	
		Units	(` in Lacs)	Units	(` in Lacs)
Current					
(Valued at fair value through Profit and Loss) Investments in Equity Instruments-Quoted					
Aminex Chemicals Ltd.	10	400	-	400	-
Century Enka Ltd.	10	15	0.04	15	0.05
Essar Steel Ltd.	10	60	0.01	60	0.01
Golden Agro Tech Industries Ltd.	10	200	-	200	-
Great Eastern Shipping Co. Ltd.	10	100	0.28	100	0.34
Great Offshore Ltd.	10	25	-	25	-
Interface Financial Services Ltd.	1	25,000	0.05	25,000	0.05
Radhe Developers Ltd.	10	4,900	0.59	4,900	0.81
Saket Projects Ltd.	10	2,500	0.02	2,500	0.02
Sanara Media Ltd.	1	9,00,000	0.45	9,00,000	0.45
Total			**1.44**		**1.73**

NOTE-11 TRADE RECEIVABLES

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured, Considered Good	106.41	90.52
Unsecured, Considered Good (Refer Note-44)	2,996.73	4,108.49
Unsecured, Considered Doubtful	137.04	84.79
	3,240.18	**4,283.80**
Less: Allowance for Doubtful Trade Receivables (expected credit loss allowance)	137.04	84.79
Total	**3,103.14**	**4,199.01**

Note: Refer Note-42 for information about credit risk and market risk of Trade receivables.

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Break-up of trade receivables		
Trade receivables from other than related parties	1,910.61	1,756.38
Receivables from related parties (Note-44)	1,192.53	2,442.63
Total	**3,103.14**	**4,199.01**

Notes

1. The credit period ranges from 0 days to 180 days.
2. Before accepting any new customer, Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. There are no customers who represent more than 5% of the total balance of trade receivable except, as at March 31, 2019 : ₹ 1,192.53 lacs are due from one customer (as at March 31, 2018 : ₹ 2,442.63 lacs are due from one customer).
3. In determining the allowances for doubtful trade receivables, Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on company policy and ageing of the receivables that are due.

4. Movement in Expected Credit Loss Allowance

(` in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	84.79	37.58
Add: Allowance for the year	59.94	47.21
Less : Reversal of provision due to recovery	7.69	-
Balance at the end of the year	**137.04**	**84.79**

NOTE-12 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks :		
In Current Accounts	582.06	219.87
Cash on hand	26.56	29.89
Total	**608.62**	**249.76**

Note: There are no restrictions with regards to Cash and Cash Equivalents

NOTE-13 OTHER BALANCES WITH BANKS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances in Fixed Deposits Account	200.59	175.59
Balances in Unclaimed Dividend Accounts	22.00	21.07
Deposits with original maturity for more than 3 months (Includes Security deposit with banks ₹ 96.00 Lacs (March 31, 2018 ₹ 115.40 lacs))	96.32	115.72
Margin Money Deposit (towards guarantee and LC issued by banks)	234.79	190.24
	553.70	**502.62**
Less :Deposits with original maturity of more than 12 months		
Amount disclosed under Non-Current Financial Assets (Refer Note-6)	301.33	290.95
Total	**252.37**	**211.67**

Note: Unclaimed Dividend Account balance can only be used for payment of Unclaimed Dividend.

NOTE-14 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Loan to Employees	15.83	16.94
Total	**15.83**	**16.94**

NOTE-15 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
(Unsecured, Considered Good)		
Interest accrued on loans and deposits from related parties (Refer Note-44)	5.40	13.55
Interest accrued on loans and deposits from others	0.28	0.82
Other Deposit	24.39	14.81
Subsidy Receivable	44.21	65.50
Others	129.48	-
Total	**203.76**	**94.68**

NOTE-16 TAX ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Taxes Receivable (Net of Provision)	-	47.15
Total	**-**	**47.15**

NOTE-17 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Prepaid Expenses	343.89	375.73
Balances with Govt.Authorities	304.13	161.23
Export Benefits Receivable	256.84	170.57
(A)	**904.86**	**707.53**
Advances for Goods & Expenses		
Considered Good	274.17	467.54
Considered Doubtful	206.44	208.08
Less: Allowances for Doubtful Advance	206.44	208.08
(B)	**274.17**	**467.54**
Total (A + B)	**1,179.03**	**1,175.07**

NOTE-18 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital:		
1,50,00,000 (as at March 31, 2018:1,50,00,000) Equity shares of ₹ 10/- each	1,500.00	1,500.00
	1,500.00	**1,500.00**
Issued, Subscribed and Fully paid-up Share Capital		
Issued and Subscribed Share Capital :		
71,88,230 (as at March 31, 2018:71,88,230) Equity shares of ₹ 10/- each	718.82	718.82
	718.82	**718.82**
Paid up Share Capital:		
71,87,830 (as at March 31, 2018:71,87,830) Equity shares of ₹ 10/- each	718.78	718.78
	718.78	**718.78**

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

Particulars	As At March 31, 2019		As At March 31, 2018	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Shares outstanding at the beginning of the period	71,87,830	718.78	71,87,830	718.78
Add / Less: Issued shares / buy back during the year	-	-	-	-
Shares outstanding at the end of the period	**71,87,830**	**718.78**	**71,87,830**	**718.78**

b) Rights, preferences and restrictions attached to equity shares:

Group has issued only one class of equity share having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share and are entitled to dividend as and when declared. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c) Details of shareholders holding more than 5% shares in the group (Equity shares of ₹ 10 each fully paid)

Particulars	As At March 31, 2019		As At March 31, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
Vadilal International Pvt. Ltd.	28,09,704	39.09%	28,09,704	39.09%
Ashish Kacholia	-	-	5,18,432	7.21%

As per records of the group, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

NOTE-19 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve		
Balance at beginning of the year	8.84	8.84
Balance at the end of the year	**8.84**	**8.84**
Securities Premium		
Balance at beginning of the year	487.28	487.28
Balance at the end of the year	**487.28**	**487.28**
Revaluation Reserve		
Balance at beginning of the year	7,524.17	7,524.17
Balance at the end of the year	**7,524.17**	**7,524.17**
General Reserve		
Balance at beginning of the year	5,000.00	5,000.00
Balance at the end of the year	**5,000.00**	**5,000.00**
Foreign Currency Translation Reserve		
Balance as per last Financial Statements	(51.47)	(55.60)
Add : Transfer for the current year	7.95	4.13
Closing Balance	**(43.52)**	**(51.47)**
Retained Earnings		
Balance at beginning of the year	3,888.66	2,430.55
Add : Profit for the year	3,336.07	1,566.25
Less : Appropriations		
Dividend for the year including tax on dividend (Dividend per share ₹ 1.25 (P.Y. amount per share ₹ 1.25))	108.32	108.14
Total Appropriations	**108.32**	**108.14**
Balance at the end of the year	**7,116.41**	**3,888.66**
Other Comprehensive Income		
Balance at beginning of the year	(48.29)	(29.75)
Add : Remeasurement of Employee Benefit	(28.19)	(18.54)
Balance at the end of the year	**(76.48)**	**(48.29)**
	20,016.70	**16,809.19**

a) On October 6, 2017 & October 3, 2018 a dividend of ₹ 1.25 per share (total dividend ₹ 108.14 lacs and ₹ 108.32 lacs respectively) was paid to holders of fully paid equity shares. The total dividend includes dividend distribution tax at applicable rates.

b) The Board of Directors, in its meeting held on May 29, 2019, have proposed a final dividend of ₹ 1.25 per share for the financial year ended March 31, 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held in the month of September, 2019 and if approved would result in a cash outflow of approximately ₹ 108.32 lacs including dividend distribution tax.

c) **Nature and Purpose of Reserve**

Capital Reserve : Group has created capital reserve out of investment utilization reserve written back and forfeited shares.

Securities Premium Reserve : The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is available for utilization in accordance with the provisions of the Companies Act, 2013. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

Revaluation Reserve : Group has created revaluation reserve out of revaluation of land carried out as at April 1, 2016.

General Reserve : General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

Retained Earnings : Retained earnings are the profits that Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

NOTE-20 BORROWING

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Secured-at amortised Cost		
Term Loans from Banks	5,090.24	6,160.43
Less: Current maturity of long term loans (Refer Note-27)	1,503.03	1,124.00
	3,587.21	**5,036.43**
Vehicle Loans	141.26	238.90
Less: Current maturity of vehicle loans (Refer Note-27)	48.47	107.03
	92.79	**131.87**
Term Loans from Financial Institution	600.14	-
Less: Current maturity of long term loans (Refer Note-27)	94.06	-
	506.08	**-**
	4,186.08	**5,168.30**
Unsecured-at amortised Cost		
Public Fixed Deposits	2,369.90	2,442.58
Less: Current maturity of public fixed deposits (Refer Note-27)	757.00	511.78
	1,612.90	**1,930.80**
	1,612.90	**1,930.80**
Total	**5,798.98**	**7,099.10**

Note

1 Refer Note-42 for information about Liquidity Risk.

2 Amount stated in current maturity is disclosed under the head of " Other Current Financial Liabilities " (Note-27).

Repayment Schedule of Loans

Particulars	As at March 31, 2019	As at March 31, 2018	Effective Interest Rate	Terms of repayment
Term Loans				
From Banks				
Bank of Baroda	555.55	888.89	14.16%	72 monthly instalments of ₹ 27.78 lacs starting from December, 2014
State Bank of India	436.25	1060.25	15.04%	39 monthly instalments of ₹ 10 Lacs starting from January, 2014 and 33 monthly instalment of ₹ 52 lacs
IndusInd Bank (partially disbursed)	4278.39	4400.63	11.19%	72 monthly instalments of ₹ 61.11 lacs starting from February, 2019
From Financial Institutions				
Tata Capital Financial Services Ltd.	493.40	-	11.89%	78 monthly instalments of ₹ 6.33 lacs starting from October, 2019
HYG Financial Services Inc.	18.39	-	4.65%	36 monthly instalments* of $ 1117.69 starting from May, 2018
HYG Financial Services Inc.	7.96	-	4.62%	36 monthly instalments* of $ 524.07 starting from April, 2018
HYG Financial Services Inc.	8.29	-	4.89%	36 monthly instalments* of $ 469.72 starting from July, 2018
American Green Air Corp.	53.78	-	12.64%	36 monthly instalments* of $ 3888.22 starting from April, 2018
CIT Fin DCC	23.25	-	7.32%	24 monthly instalments* of $ 1775.79 starting from March, 2019
Vehicle Loans				
HDFC Bank Limited	141.26	238.90	8.30 % to 14.25%	From 13 to 68 monthly Instalments* of ₹ 0.07 lacs to ₹ 1.21 lacs
Total Loan (a)	**6016.52**	**6588.67**		
Fixed deposits (b)	2369.90	2442.58	9.50% to 11.00% based on period of deposit	12 months to 36 months
Grand Total (a)+(b)	**8386.42**	**9031.25**		

***Includes Interest portion**

A Term Loans from Banks BOB and SBI (including SBT now merged with SBI) - ₹ 991.80 Lacs (As at March 31, 2018 ₹ 1,949.14 Lacs) are secured by way of Mortgage on immovable properties and hypothecation on movable properties of the Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant) (1st charge)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (1st charge)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (1st charge).

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI) (2nd charge)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge)

(viii) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (1st charge)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P. (1st charge)

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 1st charge)

B Above term loans are also secured by mortgage and hypothecation on immovable and movable properties of the Company situated at Bareilly, Parsakhera Industrial Area, U.P. (New Land - F-12) (Leased Property)

C The Term Loan from IndusInd Bank - ₹ 4,278.39 Lacs (As at March 31, 2018 4,400.63) is secured by way of 1st charge over the following immovable fixed assets of the company, both present and future:

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant)

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(viii) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P.

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 1st charge)

(xii) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats)

D The Term Loan from Tata Capital Financial Services Ltd. - ₹ 493.40 Lacs (As at March 31, 2018 Nil) is secured by way of 1st charge over the following immovable fixed assets of the company, both present and future:

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant)

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(viii) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P.

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 1st charge)

(xii) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats)

E The above Term Loans are also secured by way of Hypothecation on entire current assets of the Company on 2nd pari-passu charge basis.

F Term loans from HYG Financial Services inc, American Green Air Corp and CIT Fin DCC are secured by way of First charge on Equipments located at United States of America.

G Vehicle loans are secured by hypothecation of vehicles.

H The Term Loan are secured by Corporate Guarantee by Majestic Farm House Ltd., Padm Complex Ltd. and Volute Constructions Ltd. The Credit Facilities of IndusInd Bank are also secured by Corporate Guarantee by Majestic Farm House Ltd. and Vadilal Enterprises Ltd.

Collateral / Additional Securities by Group Companies

A Existing Term Loan from SBI of ₹ 21 crores, Corporate Loan of ₹ 20 crores from BOB, new Term Loan of ₹ 60 Crores availed/to be availed from IndusInd Bank and also new Term Loan of ₹ 21 Crores from Tata Capital Financial Services Ltd. are also secured/to be secured by way of Mortgage on immovable properties of Majestic Farm House Ltd. as Collateral / Additional Securities situated at the following place by way of 1st charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge)

Disclosure under Para 44A as set out in Ind As 7 on cash flow statements under Companies (Indian Accounting Standards Rules, 2015 (as amended)

Particulars of liabilities arising from financing activities	Note No.	As at March 31, 2018	Net cash flows	Non Cash Changes*	As at March 31, 2019
Borrowings:					
Long term borrowings	20	8,841.91	(644.83)	4.46	8,201.54
Short term borrowings	25	5,305.16	1,258.73	-	6,563.89
Interest accrued on borrowings	27	182.54	(182.54)	178.44	178.44
Total		**14,329.61**	**431.36**	**182.90**	**14,943.87**

*The same relates to amount charged in statement of profit and loss.

NOTE-21 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Financial Guarantee Liabilities (Refer Note-44)	55.53	48.49
Total	**55.53**	**48.49**

NOTE-22 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Provision for Employee Benefits		
Gratuity (Refer Note-45)	201.37	128.34
Total	**201.37**	**128.34**

NOTE-23 DEFERRED TAX LIABILITY (NET)

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities	2,864.38	2,638.29
Deferred Tax Assets	(675.43)	(565.07)
Total	**2,188.95**	**2,073.22**

Movement in Deferred Tax Liabilities and Assets

(₹ in Lacs)

Movement during the year ended March 31, 2018	As at April 1, 2017	Charge/(Credit) in statement of Profit and Loss	Charge/(Credit) in Other Comprehensive Income	MAT Utilization / Short / Excess Provision	As at March 31, 2018
Deferred Tax Liabilities / (Assets)					
Property, plant and equipment	2,398.64	38.25			2,436.89
Investments	7.55	(0.44)			7.11
Expenditure allowed in the year of payment	(116.06)	11.65			(104.41)
Provision for doubtful debts & advances	(20.33)	(0.76)			(21.09)
Government Grant under EPCG	(258.35)	26.74			(231.61)
Discounting of security deposit to present value and corresponding impact on other expenses	134.82	(13.22)			121.60
Discounting of security deposit to present value and corresponding impact on interest income	(153.72)	10.33			(143.39)
Increase in borrowing cost pursuant to application of EIR	5.25	60.27			65.52
Effect of measuring corporate guarantee liability	(11.14)	(11.45)			(22.59)
Acturial loss	-	9.81	(9.81)		-
Impact on Unrealised Profit of Inventory	-	(25.69)			(25.69)
Impact of USA Tax	-	7.17			7.17
MAT Credit Entitlements (Net)	(187.74)			171.45	(16.29)
Total	**1,798.92**	**112.66**	**(9.81)**	**171.45**	**2,073.22**

(₹ in Lacs)

Movement during the year ended March 31, 2019	As at April 1, 2018	Charge/(Credit) in statement of Profit and Loss	Charge/(Credit) in Other Comprehensive Income	MAT Utilization / Short / Excess Provision	As at March 31, 2019
Deferred Tax Liabilities / (Assets)					
Property, plant and equipment	2,436.89	172.84			2,609.73
Investments	7.11	0.15			7.26
Expenditure allowed in the year of payment	(104.41)	(42.94)			(147.35)
Provision for doubtful debts & advances	(21.09)	1.56			(19.53)
Government Grant under EPCG	(231.61)	(13.86)			(245.47)
Discounting of security deposit to present value and corresponding impact on other expenses	121.60	(10.83)			110.77
Discounting of security deposit to present value and corresponding impact on interest income	(143.39)	10.56			(132.83)
Increase in borrowing cost pursuant to application of EIR	65.52	4.69			70.21
Effect of measuring corporate guarantee liability	(22.59)	(6.90)			(29.49)
Acturial loss	-	15.53	(15.53)		-
Impact on Unrealised Profit of Inventory	(25.69)	(33.97)			(59.66)
Impact of USA Tax	7.17	18.14			25.31
MAT Credit Entitlements (Net)	(16.29)			16.29	-
Total	**2,073.22**	**114.97**	**(15.53)**	**16.29**	**2,188.95**

NOTE-24 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Deferred Govt. Grant	660.54	698.35
Total	**660.54**	**698.35**

NOTE-25 BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Secured-at amortised Cost		
Working Capital Loans from Banks	4,238.78	1,960.20
	4,238.78	**1,960.20**
Unsecured-at amortised Cost		
Working Capital Loans (Unsecured)	1,500.00	2,337.57
Public Fixed Deposits	180.60	295.05
Inter Corporate Deposits from others	615.00	674.00
Book Overdraft in current account with Banks	29.51	38.34
	2,325.11	**3,344.96**
Total	**6,563.89**	**5,305.16**

A Working Capital facilities from Consortium Banks, namely, BOB, SBI (including SBT now merged with SBI) and IDBI Bank aggregating to ₹ 67.92 crores (enhanced from ₹ 65.28 crores) is secured by way of Mortgage on immovable properties and hypothecation on movable properties of the Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant) (2nd charge)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (2nd charge)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (2nd charge)

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (2nd charge)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI) (1st charge)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge)

(viii) Movable Properties situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (2nd charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (2nd charge)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P. (2nd charge)

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 2nd charge)

(xii) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats) (1st charge)

B The Company has also created second Charge on the movable properties situated at the aforesaid locations, for availing Cash Credit Facilities to the extent of ` 10.00 Crores from Indusind Bank. However, till date, the Company has not availed any Cash Credit Facilities from Indusind Bank.

C The above Working Capital facilities are also secured by way of Hypothecation on entire current assets of the Company on 1st pari-passu charge basis.

D The above Working Capital facilities are also secured by Personal Guarantee of Mr. Rajesh R. Gandhi, Director and Mr. Devanshu L. Gandhi, Director of the Company. The Working Capital facilities of the Consortium Bank are also secured by Corporate Guarantee by Majestic Farm House Ltd., Padm Complex Ltd. and Volute Constructions Ltd. C. The Credit Facilities of Indusind Bank & Tata Capital Financial Services Ltd are also secured by Corporate Guarantee by Vadilal Enterprises Ltd.

E The cash credit loan is repayable on demand and carries interest @ 10.90 % to 12.25 %

F The Working Capital loan (Unsecured) is repayable on demand and carries interest @ 10.50 % to 11.85 %.

G Inter corporate deposits are repayable between 60 days to 200 days and carry Interest @ 12.25 % to 14.00 %

H Fixed deposits are repayable for less than 12 months and carry interest @ 8.00 % to 9.00 %.

Collateral / Additional Securities by Group Companies

A Working Capital facilities from Consortium Banks, namely, BOB, SBI and IDBI Bank and additional Working Capital Facilities from BOB are also secured by way of Mortgage on immovable properties of [* Majestic Farm House Ltd. by way of 2nd charge on pari-passu basis], [# Padm Complex Ltd. & Volute Constructions Ltd. by way of exclusive charge on pari-passu basis] and [@ Vadilal Cold Storage by way of 2nd charge on pari-passu basis] as Collateral / Additional Securities situated at the following places :-

***** Unit – II (D-22, D-23, F-11/14/15), Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge) (Leased Property)

Ground Floor, Office No. 2B, "Mahalaya" Opp. President Hotel, Swastik Char Rasta, Ahmedabad. (Exclusive charge) (Owned Property)

@ Gomtipur, Ahmedabad (1st charge) (Leased Property)

NOTE-26 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Due to Micro, Small and Medium Enterprises-Refer Note (A)	411.20	475.27
Due to Others	6,455.53	7,322.45
Total	**6,866.73**	**7,797.72**

Note A) The amount outstanding to micro, small and medium enterprise is based on the information received and available with Group.

Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018
A	i) Principal amount remaining unpaid at the end of the accounting year	411.20	475.27
	ii) Interest due on above	Nil	Nil
B	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
C	The amount of interest accrued and remaining unpaid at the end of the financial year	Nil	Nil
D	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
E	The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	Nil	Nil

NOTE-27 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Current maturities of long-term debt (Refer Note-20)		
From Banks (Secured)	1,551.50	1,231.03
From Financial Institution (Secured)	37.95	-
From Financial Institution (Unsecured)	56.11	-
Public Fixed Deposits	757.00	511.78
Interest Accrued	178.44	182.54
Unclaimed Dividends*	22.00	21.07
Unclaimed Deposits and Interest accrued thereon*	24.93	17.54
Financial Guarantee Liabilities	28.91	16.83
Payable for Capital Goods	583.24	356.13
Security Deposits from Customers	169.08	123.74
Others	9.68	1.18
Total	**3,418.84**	**2,461.84**

*Note: There are no amounts due for payment to the Investors Education and Protection fund as at the year end.

NOTE-28 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Provision for Employee Benefits		
Gratuity (Refer Note-45)	99.85	82.96
Compensated Absences	190.84	156.77
Total	**290.69**	**239.73**

NOTE-29 TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Income Tax Payable (Net of Advance Tax)	228.31	-
Total	**228.31**	**-**

NOTE-30 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Statutory Remittances	246.90	293.22
Advances Received from Customers	64.77	17.55
Other Liabilities	200.29	168.74
Deferred Govt. Grant	55.69	53.07
Total	**567.65**	**532.58**

NOTE-31 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of Products		
Finished goods (Refer Note-44)	56,142.31	54,704.02
Currency	365.10	377.01
Sale of Services		
Income from Money Changing Business	8.35	7.84
Other Operating Revenues		
Scrap Sales	100.05	71.31
Cold Storage Rent Income	95.63	75.27
Total	**56,711.44**	**55,235.45**
Reconciliation of revenue from operation with contract price		
Revenue from contract with customers as per the contract price	57,449.03	55,248.69
Adjustment made to contract price on account of:		
a) Discounts and Rebates	(737.59)	(506.48)
b) Excise duty on sale of goods	-	493.24
Revenue from Operations	**56,711.44**	**55,235.45**

NOTE-32 OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Income	67.00	65.01
Export Licenses	506.43	290.49
Financial Guarantee Commission Income	25.46	15.87
Gain on Fair Value of Non Current Investment	0.54	-
Grant Income	55.68	86.15
Dividend income on long term Investment	0.01	-
Net gain on Foreign Currency translations and transactions	303.35	21.00
Profit on sale of investment	41.68	-
Excess Provision written back	23.92	99.91
Miscellaneous Income	53.09	45.72
Provision for Doubtful Advance written back	2.15	1.10
Total	**1,079.31**	**625.25**

NOTE-33 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Inventory at the beginning of the year	6,203.47	7,137.43
Add : Purchases	29,444.27	27,883.37
Less: Inventory at the end of the year	7,232.81	6,203.47
Total	**28,414.93**	**28,817.33**

NOTE-34 PURCHASE OF TRADED GOODS

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Processed Food	1,368.73	760.25
Dairy Products	631.03	103.94
Others	25.83	3.86
Currency	372.86	373.78
Total	**2,398.45**	**1,241.83**

NOTE-35 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Inventories at beginning of the year		
Finished Goods	3,564.37	4,757.96
	3,564.37	**4,757.96**
Inventories at end of the year		
Finished Goods	4,878.29	3,564.37
	4,878.29	**3,564.37**
	(1,313.92)	**1,193.59**

NOTE-36 EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salary, Wages, Allowances and Bonus etc. (Refer Note-44)	4,972.51	3,524.22
Contribution to Provident and Other funds (Refer Note-45)	206.10	192.52
Staff Welfare Expenses	197.28	203.40
Total	**5,375.89**	**3,920.14**

NOTE-37 FINANCE COSTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Expense (Refer Note-44)	1,267.05	1,372.22
Other Borrowing Costs	140.36	159.27
Total	**1,407.41**	**1,531.49**

NOTE-38 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Job Charges	3,341.21	3,002.70
Power & Fuel	3,445.20	3,205.28
Stores and Spares Consumption	703.40	724.64
Repairs & Maintenance	860.53	751.06
Rent	1,082.98	1,070.07
Freight and forwarding charges	2,107.57	3,206.56
Sales Promotion Expense	477.63	631.96
Corporate Social Responsibility Expense	18.17	16.92

NOTE-38 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Payment to Auditors	43.69	25.52
Provision for Doubtful Debts	52.25	47.21
Bad Debt written off	19.42	27.53
Loss on Sale of Property, Plant & Equipment (Net)	58.84	2.83
Loss on fair value of Current Investment	0.30	1.24
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery etc.) (Refer Note-44)	2,419.95	2,042.64
Total	**14,631.14**	**14,756.16**
Payment to Auditors		
As Auditor		
Audit Fees	38.00	20.00
Tax Audit Fees	-	1.50
Limited Review	4.20	3.90
In Other Capacity		
Certification Fees	0.90	-
Reimbursement of expenses	0.59	0.12
Total	**43.69**	**25.52**

NOTE-39 TAX EXPENSES

(₹ in Lacs)

	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
A.	**Income tax recognised in Statement of Profit and Loss:**		
	Current Tax:		
	In respect of the current year	1,737.69	622.18
	In respect of the prior years	(2.12)	-
	Total	**1,735.57**	**622.18**
	Deferred Tax:		
	In respect of the current year	114.51	105.48
	Total	**114.51**	**105.48**
B.	**Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below :**		
	Profit / (loss) before tax	5,186.36	2,294.00
	Income Tax Expense @ 34.944% (Last year @ 34.608%)	1,812.32	793.91
	Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :		
	Effect of expenses that are not deductible in determining taxable profit	8.39	6.82
	Effect of income that are taxable	68.82	-
	Others	(7.47)	11.85
	Effect of different tax rate in India & foreign jurisdictions	(29.86)	(84.92)
		1,852.20	**727.66**
	Adjustments in respect of current income tax of previous year	(2.12)	-
	Total	**1,850.08**	**727.66**
	Tax effect on Items in Other Comprehensive Income	(15.52)	(13.94)
	Tax expense as per Statement of Profit and Loss	**1,834.56**	**713.72**

Group's weighted average tax rates for the year ended March 31, 2019 and March 31, 2018 are 35.67 % and 31.72 % respectively.

NOTE - 40 CONTINGENCIES LIABILITIES NOT PROVIDED FOR AND COMMITMENTS:

(₹ in Lacs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Contingent Liabilities		
(a)	Guarantees given by the Group against Borrowing given to the companies in which Directors are interested is ₹ 3,927 Lacs (March 31, 2018 ₹ 5,936 Lacs)		
	Outstanding against this as at March 31	2,618.96	1806.72
(b)	For Excise-related to matter decided in favour of Group, against which Excise Dept. has preferred an appeal	43.00	43.00
(c)	For Income Tax-which is disputed by Group and against which group has preferred appeal, based on the demand notices raised by Income Tax Dept. and received by Group.	70.94	31.01
(d)	For Income Tax-against which Income Tax Dept. has preferred appeal	50.46	111.65
(e)	In respect of erstwhile Vadilal Financial Services Limited (VFSL) Income Tax Demand (including interest) for which Group has preferred an appeal.	1.93	1.93
(f)	For Sales Tax-Disputed by Group and against which group has preferred an appeal	180.90	188.81
(g)	For Other Matters-cases against Group by the Vendor and Authorities	130.80	10.46
(h)	Differential amount of custom / excise duty in respect of machinery purchased under EPCG Scheme	796.55	531.28
(i)	Letter of credits and bank guarantees issued by banks and outstanding as at	650.76	450.16
	Commitments		
(j)	Estimated amount of contracts remaining to be executed on capital account and not provided for	565.84	400.11
	Total	**5,110.14**	**3,575.13**

Future Cash Outflow in respect of (b) to (g) above depends on ultimate settlement / conclusions with the relevant authorities/parties.

Future Cash Outflow in respect of (h) above depends if company is unable to fulfill export obligations between 2019-20 to 2023-24 of ₹ 5,334.87 (March 31, 2018 ₹ 3,545.44 Lacs) for import made between the year of 2007-08 to 2018-19. The fulfillment of export obligation is considered on the basis of license claimed at the time of export.

NOTE - 41

In FY 2017-18, a Company Petition was filed against the holding Company and some of its promoters, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013 pertaining to prevention of oppression and mismanagement of the holding Company. In the current financial year, no orders have been passed by the NCLT as the petitioners and all of the parties to the petition have submitted to the NCLT that they are seeking to arrive at an amicable resolution of matter.

NOTE - 42 FINANCIAL INSTRUMENTS

I Capital Management

Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to stakeholders. The Capital structure of Group is based on management's judgment of its strategic and day-to-day needs with a focus on total equity to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The capital structure of Group consists of net debt (borrowings as detailed in notes 20 and 25 off set by cash and bank balances) and total equity of Group.

Group's risk management committee reviews the risk capital structure of Group on semi annual basis. As part of this review Group considers the cost of capital and the risk associated with each class of capital.

Gearing Ratio

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt *	14,765.43	14,147.07
Less: Cash and cash Equivalents	608.62	249.76
Net Debt	**14,156.81**	**13,897.31**
Total Equity excluding Revaluation Reserve	**13,211.31**	**10,003.80**
Net Debt to equity ratio	**107.16%**	**138.92%**

*Debt is defined as long-term borrowings,short-term borrowings and current maturities of long term borrowings as described in notes 20 and 25

II Category-wise classification of financial instruments

Financial Assets & Financial Liabilities as at March 31, 2019 (₹ in Lacs)

Particulars	Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets			
Investments	15.14	43.90	59.04
Loans	-	25.27	25.27
Trade receivables	-	3,103.14	3,103.14
Cash and Cash Equivalents	-	608.62	608.62
Bank balances other than cash and cash Equivalents	-	252.37	252.37
Other Financial Assets	-	948.99	948.99
Total	**15.14**	**4982.29**	**4,997.43**
Financial Liabilities			
Borrowings	-	12,362.87	12,362.87
Trade Payable	-	6,866.73	6,866.73
Other Financial Liabilities	-	3,474.37	3,474.37
Total	**-**	**22703.97**	**22,703.97**

Financial Assets & Financial Liabilities as at March 31, 2018 (₹ in Lacs)

Particulars	Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets			
Investments	14.90	43.90	58.80
Loans	-	18.59	18.59
Trade receivables	-	4,199.01	4,199.01
Cash and Cash Equivalents	-	249.76	249.76
Bank balances other than cash and cash Equivalents	-	211.67	211.67
Other Financial Assets	-	797.82	797.82
Total	**14.90**	**5520.75**	**5,535.65**
Financial Liabilities			
Borrowings	-	12,404.26	12,404.26
Trade Payable	-	7,797.72	7,797.72
Other Financial Liabilities	-	2,510.33	2,510.33
Total	**-**	**22712.31**	**22,712.31**

In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

(₹ in Lacs)

Particular	Fair value	Fair value hierarchy		
		Quoted Price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2019				
Investments at fair value through profit and loss	15.14	1.44	-	13.70
As at March 31, 2018				
Investments at fair value through profit and loss	14.90	1.73	-	13.17

III Financial risk management objective

Group's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other financial assets.

Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risks.

Group's senior management has the overall responsibility for establishing and governing Group's risk management framework. Group has constituted a Risk management committee, which is responsible for developing and monitoring Group's risk

management policies. Group's risk management policies are established to identify and analyse the risks faced by Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of Group.

A. Management of Market Risk

Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Foreign Currency risk
- Equity price risk
- Interest rate risk

The above risks may affect Group's income and expenses, or the value of its financial instruments. Group's exposure to and management of these risks are explained below:

(i) Currency risk management

Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk :

The carrying amounts of Group's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(a) Derivatives instruments (₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Forward contract to sell CAD		
No. of contracts	1	NIL
In CAD	90,100	-
In INR	47,07,660	-
Forward contract to sell GBP		
No. of contracts	1	NIL
In GBP	54,000	-
In INR	49,67,011	-
Forward contract to sell USD		
No. of contracts	4	NIL
In USD	36,49,411	-
In INR	25,56,78,883	-

(b) Particular of foreign currency exposures as at the reporting date.

Particulars	As at March 31, 2019	As at March 31, 2018
Liabilities (Foreign currency)		
In US Dollars (USD)	198,130.53	79,887.26
In Euro (EUR)	295.00	6,300.00
In Australian Dollars (AUD)	11,700.00	7,800.00
In Dirham (AED)	-	7,590.00
Assets (Foreign currency)		
In US Dollars (USD)	420,655.88	602,792.90
In Canadian Dollars (CAD)	-	55,763.80
In Great Britain Pound (GBP)	56,221.28	-

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Liabilities (INR)		
In US Dollars (USD)	137.05	51.96
In Euro (EUR)	0.23	5.08
In Australian Dollars (AUD)	5.75	3.90
In Dirham (AED)	-	1.34
Assets (INR)		
In US Dollars (USD)	290.97	392.06
In Canadian Dollars (CAD)	-	28.10
In Great Britain Pound (GBP)	50.86	-

Foreign currency sensitivity analysis

The following table details, Company's sensitivity to a 1% increase and decrease in the rupee against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding not hedged on receivables and payables in Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rate.

A change of 1% in Foreign currency would have following Impact on profit before tax and total equity

(₹ in Lacs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	1% increase	1% decrease	1% increase	1% decrease
USD	1.54	(1.54)	3.40	(3.40)
CAD	-	-	0.28	(0.28)
GBP	0.51	(0.51)	-	-
EURO	-	-	(0.05)	0.05
AUD	(0.06)	0.06	(0.04)	0.04
AED	-	-	(0.01)	0.01
Increase / decrease in profit & loss	1.99	(1.99)	3.58	(3.58)

(ii) Price Risk (Equity Price Risk)

Group's exposure to equity securities price risk arises from investments held by Group and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by Group.

Sensitivity Analysis

The table below summarizes the impact of increases / decreases of the BSE index on Group's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all Group's equity instruments moved in line with the index.

A change of 5% in market index would have following Impact on profit before tax (₹ in Lacs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
BSE Index 100 - Increase by 5%	0.07	0.09
BSE Index 100 - Decrease by 5%	(0.07)	(0.09)

The above referred sensitivity pertains to quoted equity investments. Profit for the year would increase / decrease as a result of gains / losses on equity securities as at Fair Value through profit and loss (FVTPL).

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to Group interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Interest rate sensitivity

A change of 100 bps in interest rates would have following Impact on profit before tax (₹ in Lacs)

Particulars	Increase / Decrease in basic points	Effect on PBT
As at March 31, 2019	100 bps	50.14
As at March 31, 2018	100 bps	59.05

B. Management of Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, Group periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk, Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

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

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
0-3 months	2,861.44	4,036.57
3-6 months	150.77	81.89
6-12 months	38.03	19.25
More than 12 months	52.90	61.30
Total	**3,103.14**	**4,199.01**

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

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Allowances	**84.79**	**37.58**
Add: Additional Allowances made	59.94	47.21
Less: Reversal of provision due to recovery	7.69	-
Closing Allowances	**137.04**	**84.79**

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

Concentrations of Credit risk form part of Credit risk

Considering that the Group sells majority of its goods to Vadilal Enterprises Ltd., the Group is significantly dependent this customer. Out of total income, the Group earns 73.19 % revenue (previous year 80.25 %) from this customer, and with this customer, the Group has long term contracts. As at March 31, 2019, receivables from this customer constitute 38.43 % (previous year 58.17 %) of total trade receivables. A loss of this customer could adversely affect the operating result or cash flow of the Group.

C. Management of Liquidity Risk

Liquidity risk is the risk that Group will face in meeting its obligation associated with its financial liabilities. Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when they are due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table shows the maturity analysis of Group's financial liabilities based on the contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

Exposure as at March 31, 2019 (₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	6,563.89	5,348.46	450.52	12,362.87
Trade Payable	6,866.73	-	-	6,866.73
Other Financial Liabilities	3,418.84	55.53	-	3,474.37
Total Financial Liabilities	**16,849.46**	**5,403.99**	**450.52**	**22,703.97**

Exposure as at March 31, 2018 (₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	5,305.16	7,099.10	-	12,404.26
Trade Payable	7,797.72	-	-	7,797.72
Other Financial Liabilities	2,461.84	48.49	-	2,510.33
Total Financial Liabilities	**15,564.72**	**7,147.59**	**-**	**22,712.31**

Financial Arrangements

Group has access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Expiring within one year (Bank overdraft and other facilities)	838.68	2,990.15
Expiring beyond one year (Bank loans)	3,205.97	1,599.37

NOTE - 43 EARNINGS PER SHARE (EPS) AS PER INDIAN ACCOUNTING STANDARD 33:

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Profit for the year attributable to owners of the Group (₹ in Lacs)	3,336.07	1,566.25
Weighted average number of Equity Shares (in Lacs)	71.88	71.88
Earning per Equity Share (Basic & Diluted)	46.41	21.79

NOTE - 44 RELATED PARTY TRANSACTIONS AS PER INDIAN ACCOUNTING STANDARD 24:

The disclosure in pursuance to Indian Accounting Standard-24 on "Related Party Disclosures" is as under:

(a) Name of Related Parties & Relationship

No.	Name	Description of Relationship
1	Rajesh R. Gandhi	Key Managerial Personnel
2	Devanshu L. Gandhi	Key Managerial Personnel
3	Kalpit R. Gandhi	Key Managerial Personnel
4	Ruchita Gurjar (Resigned w.e.f.November 15,2018)	Key Managerial Personnel
5	Rashmi Bhatt	Key Managerial Personnel
6	Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
7	Vadilal International Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
8	Veronica Construction Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
9	Padm Complex Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
10	Majestic Farm House Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
11	Volute Construction Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
12	Byad Packaging Industries Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
13	Vadilal Marketing Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
14	Vadilal Chemicals Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
15	Mamta R. Gandhi	Relative of Key Managerial Personnel
16	Deval D. Gandhi	Relative of Key Managerial Personnel
17	Aakansha D. Gandhi	Relative of Key Managerial Personnel

(b) Transactions during the year with related parties mentioned in (a) above, in ordinary course of business & balances outstanding as at the year end:

(₹ in Lacs)

Transaction		Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person or relatives of Key Managerial Personnel
(a)	**Sales**				
	Vadilal Enterprises Ltd.**	41,509.15			41,509.15
	P.Y.	(44,327.07)			(44,327.07)
	Veronica Construction Pvt. Ltd.	-			-
	P.Y.	(74.96)			(74.96)
(b)	**Purchases**				
	Veronica Construction Pvt. Ltd	-			-
	P.Y.	(142.70)			(142.70)
	Vadilal Chemicals Ltd.	20.33			20.33
	P.Y.	(14.73)			(14.73)

(₹ in Lacs)

Transaction		Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person or relatives of Key Managerial Personnel
(c)	**Interest Paid**				
	Byad Packaging Industries Pvt. Ltd.	1.25			1.25
	P.Y.	(5.38)			(5.38)
	Vadilal Marketing Pvt. Ltd.	8.70			8.70
	P.Y.	(27.71)			(27.71)
	Devanshu L. Gandhi	-	-		
	P.Y.	(1.82)	(1.82)		
	Deval D. Gandhi	0.63		0.63	
	P.Y.	(2.13)		(2.13)	
(d)	**i) Managerial Remuneration**				
	Rajesh R. Gandhi	177.98	177.98		
	P.Y.	(117.67)	(117.67)		
	Devanshu L. Gandhi	177.98	177.98		
	P.Y.	(117.67)	(117.67)		
	ii) Remuneration				
	Kalpit R. Gandhi	29.91	29.91		
	P.Y.	(29.91)	(29.91)		
	Ruchita Gurjar	6.70	6.70		
	P.Y.	(10.02)	(10.02)		
	Rashmi Bhatt	2.75	2.75		
	P.Y.	-	-		
	Deval D. Gandhi	2.59		2.59	
	P.Y.	-		-	
	Mamta R. Gandhi	7.57		7.57	
	P.Y.	(7.70)		(7.70)	
	Aakansha D. Gandhi	0.76		0.76	
	P.Y.	(1.20)		(1.20)	
(e)	**Interest Income**				
	Vadilal International Pvt. Ltd.	6.00			6.00
	P.Y.	(6.00)			(6.00)
(f)	**Royalty Expense**				
	Vadilal International Pvt. Ltd.(Refer Note-4)	34.09			34.09
	P.Y.	(22.28)			(22.28)
(g)	**Loan or Deposits Received**				
	Vadilal Marketing Pvt. Ltd.	152.00			152.00
	P.Y.	(106.00)			(106.00)
	Byad Packaging Industries Pvt. Ltd.	68.00			68.00
	P.Y.	(59.00)			(59.00)
	Devanshu L. Gandhi	-	-		
	P.Y.	(61.00)	(61.00)		
	Deval D. Gandhi	50.00		50.00	
	P.Y.	(50.00)		(50.00)	
(h)	**Loan or Deposits Repaid**				
	Byad Packaging Industries Pvt. Ltd.	68.00			68.00
	P.Y.	(59.00)			(59.00)
	Vadilal Marketing Pvt. Ltd.	152.00			152.00
	P.Y.	(324.85)			(324.85)

(₹ in Lacs)

Transaction		Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person or relatives of Key Managerial Personnel
Devanshu L. Gandhi		-	-		
	P.Y.	(61.00)	(61.00)		
Deval D. Gandhi		50.00		50.00	
	P.Y.	(50.00)		(50.00)	
Balance outstanding at year end :					
Investments					
Majestic Farm House Ltd.		3.95			3.95
	P.Y.	(3.68)			(3.68)
Trade Receivable					
Vadilal Enterprises Ltd. *		1,192.53			1,192.53
	P.Y.	(2,442.63)			(2,442.63)
Interest Receivable					
Vadilal International Pvt. Ltd		5.40			5.40
	P.Y.	(5.40)			(5.40)
Loans & Advances Given					
Majestic Farm House Pvt. Ltd.		4.73			4.73
	P.Y.	(4.48)			(4.48)
Security Deposits Given					
Vadilal International Pvt. Ltd.		600.00			600.00
	P.Y.	(600.00)			(600.00)
Trade Payable					
Vadilal International Pvt. Ltd.		5.18			5.18
	P.Y.	(4.87)			(4.87)
Vadilal Chemicals Ltd.		3.62			3.62
	P.Y.	(1.28)			(1.28)
Corporate Guarantee Given					
Vadilal Enterprises Ltd.		3,927.00			3,927.00
	P.Y.	(5,936.00)			(5,936.00)
Corporate Guarantee Taken					
Majestic Farm House Pvt. Ltd.		17,892.00			17,892.00
	P.Y.	(25,503.00)			(25,503.00)
Vadilal Enterprises Ltd.		250.00			250.00
	P.Y.	(1,050.00)			(1,050.00)
Personal Guarantee Taken					
Directors		9,161.00	9,161.00		
	P.Y.	(10,489.00)	(10,489.00)		

Notes

1) Previous Year's transaction of Sales and Outstanding of Trade Receivables are inclusive of taxes.

2) * Outstanding balances are shown net of Acceptance.

3) Previous Year figures are shown in bracket.

4) The holding company has entered into a "Trade Mark License Agreement with Vadilal International Private Limited ("VIPL") (which is the Proprietor and the beneficial owner of the Trade Mark "Vadilal") for the usage of the Trade Mark "Vadilal". The holding company has also entered into an agreement with Vadilal Enterprises Limited, a related party, for sale of its products on a principal to principal basis. The holding company has obtained a legal opinion, as per which, the sales / supplies of goods by the holding company to VEL, do not fall with the scope of "Trade Mark License Agreement" between the holding company and VIPL and accordingly, the holding company is not contractually obliged to pay any royalty on sales made by it to VEL. Accordingly, the holding company has made provision for royalty only on sales made to parties other than VEL which is consistent with the practice followed in the earlier years.

5) **On September 29 2016, an agreement was signed between the holding Company and Vadilal Enterprises Limited, a related party, for sale of ice-creams in the domestic market. The agreement was approved by the Board of Directors of the holding Company in their meeting held on August 8, 2016 and subsequently approved by the shareholders in their meeting held on September 27, 2016. As per the agreement, the pricing of the products sold shall be at the discretion of the holding Company. Two erstwhile independent directors of the holding Company, who had approved the contract in the meeting of the Board of Directors as referred above, in their resignation letters and a promoter shareholder have sighted their concerns on the terms and conditions of the contract. The pricing pattern has remained consistent over these past years. The holding Company's management has obtained an opinion from a retired Supreme Court Judge who has opined that the contract is valid under the Indian Contract Act, 2013 and that it was approved by the then Audit Committee, the then Board of Directors and the then shareholders in accordance with the requirements of the Companies Act, 2013 and the Listing Regulations. Based on this opinion, the Board of Directors have concluded that the transactions pursuant to the contract are in accordance with the applicable laws.

Compensation to Key Managerial Personnel of the Group: (₹ in Lacs)

Nature of Benefits	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Short Term Employee Benefits	224.10	392.91
Post Employment Gratuity Benefits*	36.96	36.10
Total	**261.06**	**429.01**

Note: * Key Managerial Personnel and Relatives of Promoters who are under the employment of Group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. Post-employment gratuity benefits of Key Managerial Personnel has not been included in (e) above.

Disclosure as per Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Amount outstanding:

Name of Party	Relationship	Purpose	As at March 31, 2019	As at March 31, 2018
Gurantee Given				
Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence	To avail credit facility and corporate loan	3,927.00	5,936.00

NOTE - 45 EMPLOYEE BENEFITS

I Post Employment Benefit Plans as per Indian Accounting Standard 19:

Defined Contribution Plan:

Group makes provident fund (PF) contributions to defined contribution benefit plans for eligible employees. Under the scheme Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions specified under the law are paid to the government authorities (PF commissioner).

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note 36 ₹ 127.69 Lacs (Previous Year: ₹ 103.27 Lacs).

Defined Benefit Plan:

Group has defined benefit plans for gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines. The details of these defined benefit plans recognised in the financial statements are as under:

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

a) Movement in present value of defined benefit obligation are as follows : (₹ in Lacs)

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Obligations at the beginning of the year	**483.79**	**399.02**
Current service cost	31.91	27.25
Past service cost	-	20.43
Interest cost	37.40	29.09
Actuarial (gain) / loss-due to changes in Demographic Assumptions	-	2.00
Actuarial (gain) / loss-due to changes in Financial Assumptions	(1.56)	(15.74)
Actuarial (gain) / loss-due to Experience Adjustments	41.24	40.32
Benefits paid	(26.48)	(18.58)
Present value of benefit obligation at the end of the year	**566.30**	**483.79**

b) Movement in the fair value of defined plan assets are as follows : (₹ in Lacs)

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Plan assets at the beginning of the year at fair value	**272.48**	**179.74**
Interest Income	21.06	13.10
Return on plan assets excluding interest income	(4.03)	(1.78)
Contributions from the employer	2.05	100.00
Benefits paid	(26.48)	(18.58)
Plan assets at the end of the year at fair value	**265.08**	**272.48**

c) The amount included in the balance sheet arising from the entities obligation in respect of defined benefit plan is as follows:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of benefit obligation at the end of the period	566.30	483.78
Fair value of plan assets at the end of the period	(265.08)	(272.48)
Net liability / (assets) arising from defined benefit obligation	**301.22**	**211.30**

d) Amount recognised in the Statement of Profit and Loss as Employee Benefit Expenses (₹ in Lacs)

Gratuity	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	31.91	27.25
Net Interest Cost	16.33	15.99
Past Service Cost	-	20.43
Net impact on the Profit / (Loss) before tax	**48.24**	**63.67**
Gain / (Expense) recognised in Other Comprehensive Income		
Return on plan assets excluding actuarial return on plan assets	4.03	1.78
Actuarial (gains) / losses arising from changes in Demographic Assumptions	-	2.00
Actuarial (gains) / losses arising from changes in Financial Assumption	(1.56)	(15.74)
Experience (gains) / losses arising on Experience Adjustments	41.24	40.32
Net expense recognised in the Other Comprehensive Income before tax	**43.71**	**28.36**

e) The defined benefit obligations shall mature after year end March 31, 2019 as follows: (₹ in Lacs)

Gratuity	For the year ended March 31, 2019
1st Following Year	130.25
2nd Following Year	20.08
3rd Following Year	41.53
4th Following Year	33.15
5th Following Year	43.72
Sum of Years 6 to 10	250.86
Sum of Years 11 and above	640.52

f) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Projected Benefit Obligation on Current Assumptions	566.30	483.78
Delta Effect of +1% Change in Rate of Discounting	(36.30)	(32.32)
Delta Effect of -1% Change in Rate of Discounting	41.78	37.31
Delta Effect of +1% Change in Rate of Salary Increase	38.10	34.23
Delta Effect of -1% Change in Rate of Salary Increase	(34.13)	(30.53)
Delta Effect of +1% Change in Rate of Employee Turnover	3.08	2.60
Delta Effect of -1% Change in Rate of Employee Turnover	(3.44)	(2.91)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity analysis, the present value of projected defined benefit obligation has been calculated using Projected Unit Credit Method at the end of the reporting period. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

g) The principal assumptions used for the purpose of actuarial valuation were as follows :

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet date, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Gratuity	As at March 31, 2019	As at March 31, 2018
Financial Assumptions		
Discount rate	7.77%	7.73%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate		
For Service (4 years & below)	8.00%	8.00%
For Service (5 years & above)	2.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

h) Investment details of plan assets:

To fund the obligations under the gratuity plan, Contributions are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines.

II. Other Long Term Employee Benefits

Compensated Absences

The liability towards compensated absences (leave encashment) for the year ended March 31, 2019 based on actuarial valuation carried out by using Projected Unit Credit Method is ₹ 190.83 Lacs . (As at March 31, 2018 : ₹ 156.77 Lacs)

Compensated Absences	As at March 31, 2019	As at March 31, 2018
Financial Assumptions		
Discount rate	7.77%	7.73%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate		
For Service (4 years & below)	8.00%	8.00%
For Service (5 years & above)	2.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

NOTE - 46 SCHEDULE OF GOVERNMENT GRANT: (Refer Note 24 & 28)

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance of Grant	**751.42**	**764.43**
Grant Received during the Year	20.49	73.14
Amortised to the statement of Profit & Loss	(55.68)	(86.15)
Closing balance of Grant	**716.23**	**751.42**
Current	55.69	53.07
Non-Current	660.54	698.35
Total	**716.23**	**751.42**

NOTE - 47 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Gross amount required to be spent by the Company during the year	52.47	40.62
Amount spent during the year		
i) for providing Medical Aid to the villagers near Pundhra Factory of the group	14.97	16.92
ii) On purposes other than (i) above	3.20	-
Total	**18.17**	**16.92**

NOTE - 48

A) During the financial year 2018-19, two Promoter Directors of the holding Company have sent out numerous communications to the Board of Directors ("the Board") of the holding Company making various allegations and counter-allegations on each other primarily relating to the operations and management of the holding Company on a range of matters including potential personal expenses claimed as official expenses, funds management, dissemination of price sensitive information, demand for re-examination of books of account of past periods, legitimacy of salaries paid to relatives of the promoter directors, payments made to a vendor without services being received and independence of Independent Directors, amongst others. Subsequent to the year-end, on July 22, 2019, the Promoter Directors have jointly communicated to the Board that they withdraw all these allegations / counter-allegations on each other unconditionally and without any reservations except for the ones stated in (B) below. The Board of Directors in their meeting on July 22, 2019, evaluated the basis of withdrawal of the joint communications of the promoter directors – PD1 and PD2 and further as the allegations levied were without any corroborative evidence, decided no further action was required on any of the allegation except for the ones stated in (B) below.

B) One of the Promoter Director (PD 1) and the Chief Financial Officer (CFO) of the holding Company suspects that another Promoter Director (PD 2) (PD 1 and PD 2 collectively refer red to as "Promoter Directors" hereinafter) of the holding Company has claimed potential personal expenses amounting to ` 25.33 lakhs as official business expenses during the financial year 2017-18 to 2018-19. The Board of Directors ("the Board") of the holding Company, in their meeting dated March 30, 2019 have appointed an independent external consultant to perform procedures to ascertain whether potential personal expenses have been claimed as

business expenses. In the same meeting, the Board has also appointed an external legal firm to hand hold the Board through the said process including compliance with applicable laws and regulations. As on the date of approval of these financial statements by the Board, the independent external consultants and the external legal firm are yet to provide their report to the Board to enable them to take further action in this matter. Similarly, PD 2 suspects that PD 1 and his family members have charged personal travel expenses of approximately ` 23.00 lacs as business expense during financial years 2014-15 to 2018-19. The holding Company is of the opinion that the outcome of findings will not have any material impact on the financial statements of the respective financial years.

C) As the statutory auditors have not accepted holding Company's representation on (A) and (B) above and issued a disclaimer of opinion report, the promoter directors in the board meeting held on August 23, 2019 have voluntary offered to appoint an independent law firm to conduct an inquiry in all the matters as reported in the statutory audit report with an aim of value preservation and enhancement in the interest of all stakeholders.

NOTE - 49 Previous years' figures have been regrouped and rearranged wherever necessary to comply with requirement of Ind AS.

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Director
(DIN - 00009879)

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Rashmi Bhatt
Company Secretary

Place : Ahmedabad
Date : August 23, 2019s

VADILAL INDUSTRIES LIMITED

Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169 Email : shareslogs@vadilalgroup.com Website : www.vadilalgroup.com, Tel: +91 079 4808 1200.

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder,Companies can serve Annual Reports and other communi-cations through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository or with Share Transfer Agent.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extentand allow shareholders to contribute towards a greener environment. This is a golden opportunity forevery shareholder of Vadilal Industries Limited to contribute to the cause of Green Initiative.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode.

Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.

Best Regards,

Rashmi Bhatt
Company Secretary

E-COMMUNICATION REGISTRATION FORM

Folio No. / DP ID and Client ID : _____

Name of the 1st Registered Holder : _____

Name of the Joint Holder[s] : _____

Registered Address : _____

E-mail ID (to be registered) : _____

I / We Shareholder(s) of Vadilal Industries Limited agree to receive communication from the Company in electronic mode. Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date: _____ Signature _____

Note: Shareholder(s) are requested to keep the Company informed as and when there is anychange in the e-mail address.

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VADILAL INDUSTRIES LIMITED

Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169 Email : shareslogs@vadilalgroup.com Website : www.vadilalgroup.com, Tel: +91 079 4808 1200.

ATTENDANCE SLIP

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	Regd Folio No. *DP ID No. and Client ID No.	No. of Shares held
Shareholder _____ _____ Proxy _____		

I hereby record my presence at the **35th Annual General Meeting** of the members of the Company on Monday, the **30th September, 2019, at 11.00 a.m.,** at **HT Parekh Convention Center**, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015.

* Applicable for investors holding shares in electronic form.

_____
Signature of Shareholder(s)/Proxy

VADILAL INDUSTRIES LIMITED

Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169 Email : shareslogs@vadilalgroup.com Website : www.vadilalgroup.com, Tel: +91 079 4808 1200.

Form No. Mgt-11

Form of Proxy

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) _____

Registered Address : _____

_____

E-mail ID _____ Folio No. / DP ID and Client ID _____

I/We, being the Member(s) of _____ Equity Shares of the above named Company, hereby appoint

1. Name : _____ E-mail ID : _____

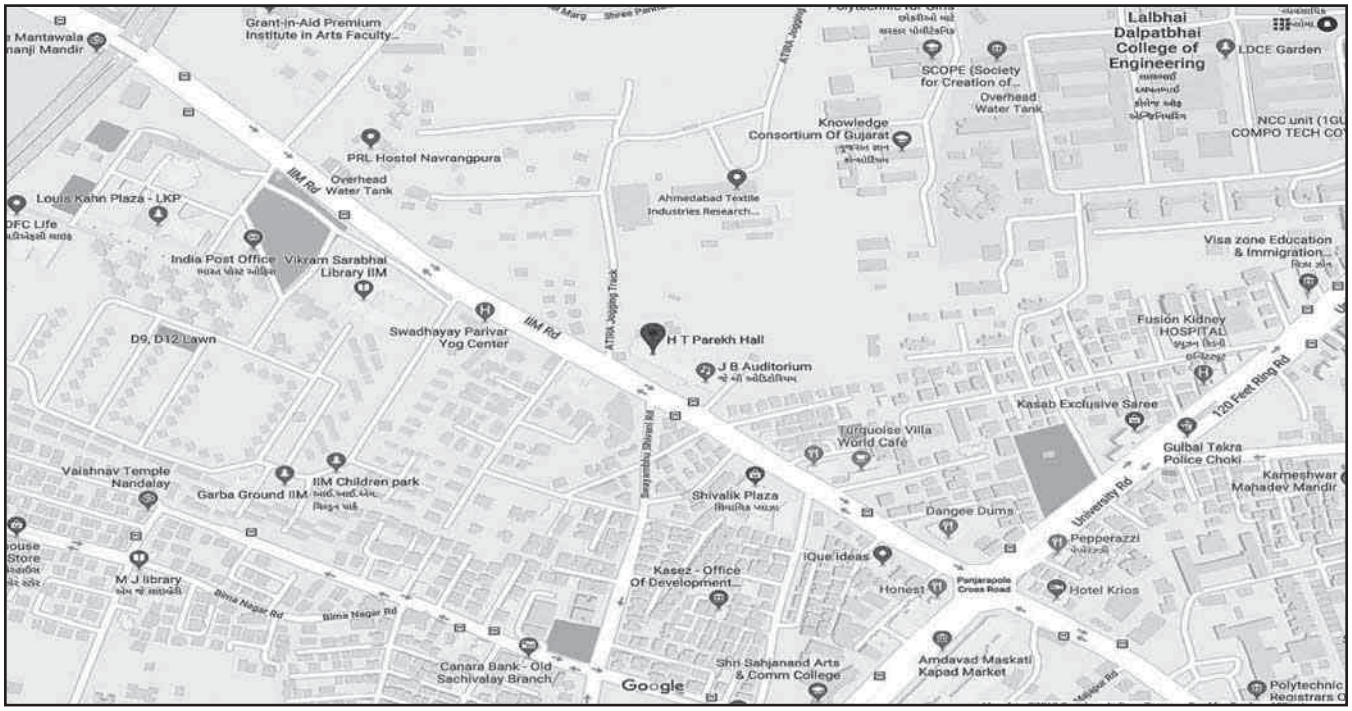
   Address : _____ Signature : _____ or failing him/her

2. Name : _____ E-mail ID : _____

   Address : _____ Signature : _____ or failing him/her

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the **35th Annual General Meeting** of the Company, to be held on Monday, the **30th September, 2019, at 11.00 a.m.** at **HT Parekh Convention Center**, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015 and at any adjournment thereof in respect ofsuch resolutions as are indicated below:

ROUTE MAP FOR THE AGM VENUE



Resolution No.	Resolution	For	Against
1.	To consider and adopt:		
	(a) The Audited financial statement of the Company for the year ended on March 31, 2019, the reports of the Board of Directors and Auditors thereon; and		
	(b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2019.		
2.	To declare Dividend on Equity Shares for the financial year ended on March 31, 2019.		
3.	To appoint a Director in place of Mr. Devanshu L. Gandhi (DIN:00010146) who retires by rotation at this Annual General Meeting in terms of Section 152 (6) of the Companies Act, 2013.		
4.	To appoint a Director in place of Mr. Kalpit R. Gandhi (DIN: 02843308) who retires by rotation at this Annual General Meeting in terms of Section 152 (6) of the Companies Act, 2013.		
5.	Approval for Increase in remuneration of Mr. Kalpit R. Gandhi, Director and Chief Financial officer of the company and holding office or place of Profit in the Company.		

Affix Revenue Stamp

Signature .....

Notes:

1. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalfof not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more thanten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.

2. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009, not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

Notes :

Notes :

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