Date: 4th September, 2020

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

Dear Sir,

Subject: Notice of 36th Annual General Meeting and Annual report for F.Y. 2019-2020

Please find herewith Copy of annual report for F.Y. 2019-2020 and notice of 36th Annual General Meeting of the Company scheduled to be held **Wednesday, 30th September, 2020 at 11.00 a.m.** through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") only as required under Regulation 34 (1) of SEBI (Listing obligation and disclosure requirement), 2015

Please take the same on record.

For VADILAL INDUSTRIES LIMITED

Ms. Rashmi Bhatt
Company Secretary & Compliance Officer

Vadilal Industries Ltd.

Annual Report 2019-2020

Vadilal®©
MORE THEN
7 TONES OF
LIQUID CHOCOLATE
USED PER DAY
Vadilal
Flingo
BELGIAN CHOCOLATE
Vadilal
Creative Visualisation only

CORPORATE INFORMATION

BOARD OF DIRECTORS:

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

Executive Directors
Rajesh R. Gandhi (Managing Director w.e.f. 25/03/2020)
Devanshu L. Gandhi (Managing Director w.e.f. 25/03/2020)

Non-Executive & Non- Independent Directors
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
Ms. Shaily Dedhia (Additional Director w.e.f. 29/08/2020)
Mr. Preet Shah (Additional Director w.e.f. 29/08/2020)

COMPANY SECRETARY : Rashmi Bhatt

AUDITORS : M/s. Arpit Patel & Associates
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

36th ANNUAL GENERAL MEETING	
DAY	: Wednesday
DATE	: 30th September, 2020
TIME	: 11.00 a.m.
Through	: Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")

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NOTICE

NOTICE is hereby given that the **36th ANNUAL GENERAL MEETING** of the members of **VADILAL INDUSTRIES LIMITED** will be held on **Wednesday, the 30th day of September, 2020 at 11.00 a.m.** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS:

1) To receive, consider and adopt:

   (a) The audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and

   (b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and the report of the Auditors thereon.

2) To appoint a Director in place of Mr. Rajesh R. Gandhi (DIN: 00009879) 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.

3) To appoint a director in place of Mrs. Deval D. Gandhi (DIN: 00988905) 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.

4) To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), M/s. Arpit Patel & Associates, Chartered Accountants, Ahmedabad (Registration No. 144032W), the retiring Auditors of the Company, be and are hereby appointed as Statutory Auditors of the Company for a term of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2025 at such remuneration as may be mutually agreed between the Board of Directors of the company and Statutory Auditors."

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 12.02.2020 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. 3,11,552.5/-per month to Salary of 3,42,707.75/- 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."

6) To appoint Ms. Shaily Dedhia (DIN: 0008853685) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Shaily Dedhia (DIN: 0008853685), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 29th August, 2020 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Ms. Shaily Dedhia (DIN: 0008853685) for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years consecutive years upto the conclusion of the 41st Annual General Meeting of the Company in the calendar year 2025."

7) To appoint Mr. Preet Shah (DIN: 05131516) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or

re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Preet Shah (DIN: 05131516), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 29th August, 2020 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Preet Shah (DIN: 05131516) for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years consecutive years upto the conclusion of the 41st Annual General Meeting of the Company in the calendar year 2025."

8) To Appoint Mr. Rajesh R. Gandhi (DIN: 00009879) as a Managing Director for a period of 5 years and payment of remuneration for a period of 3 years and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and also read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), approval of the members of the Company, be and is hereby accorded to the appointment of Mr. Rajesh R. Gandhi (DIN : 00009879) as the Managing Director of the Company for a further period of 5 (five) years with effect from 25th March, 2020 upto 24th March, 2025, upon terms and conditions including remuneration for a period of 3 (three) years with effect from 25th March, 2020 upto 24th March, 2023 as mentioned in the Explanatory Statement hereunder and more particularly set out in the draft agreement to be entered into by the Company with Mr. Rajesh R. Gandhi and as placed before this meeting, duly initialed by the Chairman for the purpose of identification and which draft is hereby specifically approved."

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the period of 3 (three) years with effect from 25th March, 2020 upto 24th March, 2023, the remuneration mentioned in the Explanatory Statement hereunder and in the above referred draft agreement shall be paid to Mr. Rajesh R. Gandhi as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be amended from time to time."

"RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution."

9) To Appoint Mr. Devanshu L. Gandhi (DIN: 00010146) as a Managing Director for a period of 5 years and payment of remuneration for a period of 3 years and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and also read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), approval of the members of the Company, be and is hereby accorded to the appointment of Mr. Devanshu L. Gandhi (DIN : 00010146) as the Managing Director of the Company for a further period of 5 (five) years with effect from 25th March, 2020 upto 24th March, 2025, upon terms and conditions including remuneration for a period of 3 (three) years with effect from 25th March, 2020 upto 24th March, 2023 as mentioned in the Explanatory Statement hereunder and more particularly set out in the draft agreement to be entered into by the Company with Mr. Devanshu L. Gandhi and as placed before this meeting, duly initialed by the Chairman for the purpose of identification and which draft is hereby specifically approved."

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the period of 3 (three) years with effect from 25th March, 2020 upto 24th March, 2023, the remuneration mentioned in the Explanatory Statement hereunder and in the above referred draft agreement shall be paid to Mr. Devanshu L. Gandhi as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be amended from time to time."

"RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution."

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 : 31st August, 2020

For **VADILAL INDUSTRIES LIMITED**

MR. RAJESH R. GANDHI
Managing Director
(DIN : 0009879)

NOTES:

1) Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2) Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA C3irculars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

3) Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

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) The Company has notified closure of Register of Members and Share Transfer Books from 21st September, 2020 to 30th September, 2020 (both days inclusive) for the purpose of Annual General Meeting.

6) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in the case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holding to dematerialize form. Members can contact Company or Share Transfer Agent- M/s. MCS Share Transfer Agent Limited in this regard.

7) **Dispatch of Annual Report through E-mail:**

   In accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2020, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. MCS Share Transfer Agent Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2020 shall also be available on the websites of the Company viz., www.vadilagroup.com and website of Stock Exchanges i.e. BSE , NSE and AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility i.e. www.evotingindia.com.

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 for that Members can contact Company or Share Transfer Agent- M/s. MCS Share Transfer Agent Limited**

9) Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

   Members are requested to note that the amount of dividend for the financial year ended on 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016, 31st March, 2017,31st March, 2018 and 31st March, 2019 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 26th October, 2020, 29th October, 2021, 1st November, 2022, 1st November, 2023, 6th November, 2024, 6th November, 2025 and 30th October, 2026 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

10) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at shareslogs@vadilalgroup.com

11) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2019-20 will also be available on the Company's website at www.vadilalgroup.com, on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.

12) The instructions for shareholders for remote e-voting, Instructions for members for attending the AGM through VC / OAVM and the instructions for shareholders voting on the day of the AGM on e-voting system are given at the end of the notice.

13) **The Following statement sets out all material facts relating to the Business mentioned in item No: 2, 3 & 4.**

   As required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 given below are the details of Mr. Rajesh Gandhi and Mrs. Deval Gandhi Directors who shall retire by rotation and being eligible, offer themselves for re-appointment:-

Item No: 2 & 3

Mr. Rajesh R. Gandhi

Mr. Rajesh R. Gandhi aged 62 years has been associated with the Company since its inception having experience on hands for Ice-cream & Processed Food Business. He looks after day-to-day affairs of the Company pertaining to the hereby-mentioned areas : Production, QA/QC, R & D, Logistics (Ice-cream Transportation), Cups & Cones, Purchase (Capital Goods & Deep Freeze Machines) of Ice-cream Division is taken care by him. He also looks after Sales & Marketing of Ice-cream Exports and Happinezz Parlors owned and/or managed by Group. For Processed Food Division, Mr. Rajesh R. Gandhi looks after exports and domestic sales, international freight, Government subsidies of entire division. For construction, he takes care of sales and marketing and legal. The total portfolio of Finance, Accounts, MIS, Taxation, Internal Audit, EDP, Secretarial, Legal, Insurance, Systems, all Taxes and DGFT, and Human Resource of all above mentioned departments and P & A of Head Office is taken care by him.

Mr. Rajesh R. Gandhi is a Member of Stakeholders' Relationship Committee of the Company. He is on the Board of following other Companies. He is also a Member of the following committees of other Companies. Mr. Rajesh R. Gandhi holds 2,27,721 shares in Vadilal Industries Limited in his individual capacity.

Directorship:

Directorship:	**Member of the Board Committees:**
➢ Vadilal Enterprises Limited ➢ Vadilal Chemicals Limited ➢ Vadilal International Private Limited ➢ Vadilal Gases Limited ➢ Vale Properties Private Limited ➢ Vadilal Marketing Private Limited ➢ Numen Technologies Private Limited ➢ Vadilal Delights Limited ➢ Varood Industries Limited ➢ Rystic Trading Private Limited	**Audit Committee:** ➢ Vadilal Enterprises Limited **Stakeholders' Relationship Committee:** ➢ Vadilal Enterprises Limited ➢ Vadilal Chemicals Limited

Relationship between the Directors :-

- Mr. Rajesh R. Gandhi is father of Mr. Kalpit R. Gandhi, Non-Executive Director and Chief Financial Officer (CFO) of the Company. None of the other directors are related to any other director on the Board.

The Board recommends this Resolution for your approval.

Mrs. Deval D. Gandhi

Mrs. Deval D. Gandhi, aged 49 years is a commerce graduate & a diploma in design. As an exclusive designer, with a keen eye for aesthetics and interesting interpretation of traditional Indian craftsmanship and clothes design heritage.

Mrs. Deval D. Gandhi has evolved into a successful label – Timeless Weaves, catering to loyal local clientele, employing small core group of highly skilled craftsman in Ahmedabad, while leveraging highly qualified established resource-base from all over India.

Mrs. Deval D. Gandhi holds Directorship in the Company since 2015. Mrs. Deval D. Gandhi is not a Member of any committee. Mrs. Deval D. Gandhi holds 59,266 shares in Vadilal Industries Limited in her individual capacity. Mrs. Deval D. Gandhi is Director in the following other companies:

Directorship:

- ➢ Vadilal Chemicals Limited
- ➢ Vadilal International Private Limited
- ➢ Byad Packaging Industries Private Limited
- ➢ Esveegee Wires and Metals Private Limited
- ➢ Vadilal Delights Limited

Relationship between the Directors :-

- 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.

The Board recommends this Resolution for your approval.

Item No: 4

M/s. Arpit Patel & Associates, Chartered Accountants, Ahmedabad has been proposed by the Board of Directors as Statutory Auditors of the Company in the Board Meeting held on 13.12.2019 due to casual vacancy in the office of Statutory Auditors caused due to resignation of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants. M/s. Arpit Patel & Associates (FRN: 144032W) have been appointed on 4th February, 2020 vide a resolution passed by the Members through Postal Ballot to hold office untill the conclusion of this Annual General Meeting.

The Board of Directors, upon recommendation of audit committee in its meeting held on 13th August,2020 recommended to the Shareholders to appoint M/s. Arpit Patel & Associates, Chartered Accountants as Statutory Auditors of the Company for a period of five (5) years at this Annual General Meeting untill the conclusion of 41st Annual General Meeting at such remuneration as may be decided by the Board of Directors in consultation with Statutory Auditors.

M/s. Arpit Patel & Associates have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

None of the Directors and Key Managerial Personnel is interested in this resolution.

The Board recommends this Resolution for your approval.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act") :

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.311552.5 per month to Rs.3,42,707.75 per month in the Board meeting held on 12th February, 2020 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. 3,42,707.75 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 with approval of Board of Directors.

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.

Board recommends this Ordinary resolution for your approval.

Item No. 6

As Vadilal Industries Limited falls under top 1000 Listed Companies, It is statutory requirement for the Company to appoint Independent Woman Director on the Board of the Company, as per amendment of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. On the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Ms. Shaily Dedhia (DIN: 0008853685) as Additional Directors of the Company with effect from 29th August, 2020

In terms of the provisions of Section 161(1) of the Act, Ms. Shaily Dedhia (DIN: 0008853685) would hold office up to the date of the ensuing Annual General Meeting.

It is proposed to appoint Ms. Shaily Dedhia (DIN: 0008853685) as Independent Directors under Section 149 of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to hold office for a term of 5(Five) consecutive years upto the conclusion of the 41st Annual General Meeting of the Company in the calendar year 2025.

The Company has received notice in writing from members, alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Ms. Shaily Dedhia (DIN: 0008853685) for the office of Independent Directors of the Company.

In the opinion of the Board, Ms. Shaily Dedhia (DIN: 0008853685) fulfill the conditions for appointment as Independent Directors as specified in the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Ms. Shaily Dedhia (DIN: 0008853685) is independent of the management.

Ms. Shaily Dedhia (DIN: 0008853685) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director. They do not hold any equity shares in the Company in their individual capacity.

The Company has also received declarations from Ms. Shaily Dedhia (DIN: 0008853685) that she meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief resume of Ms. Shaily Dedhia (DIN: 0008853685) nature of her expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as follows.

Ms. Shaily Dedhia is a CS, LLB, M. Com having more than 10 years of professional experience. She is working as a Company Secretary with Sheth Creators Private Limited.

Ms. Shaily Dedhia (DIN: 0008853685) is interested in the resolution set out respectively at Item Nos. 6 of the Notice with regard to their respective appointment.

The relatives of Ms. Shaily Dedhia (DIN: 0008853685) may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item No: 7

Based on the recommendation of the Nomination and Remuneration Committee and Board in its meeting held on 29th August, 2020 now proposed in terms of the provisions of Sections 149, 152, and all other applicable provisions, if any, of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"); Mr. Preet Shah, being eligible for appointment as an Independent Director and offering himself for appointment, it is proposed to be appoint him as an Independent Director from conclusion of this annual general meeting to conclusion of the 41st annual general meeting in the calendar year 2025. in terms of the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as set out in the Resolution relating to his appointment.

The Committee and the Board are of the view that, given the knowledge, experience and performance of Mr. Preet Shah and his contribution to Board processes, his association would benefit the Company. Declaration has been received from Mr. Preet Shah that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015.

In the opinion of the Board, Mr. Preet Shah fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for appointment as Independent Director and that he is independent of the management of the Company.

Mr. Shah aged 36 years holds MBA from one of the global top twenty business schools. He is currently a CEO and Director of Molkem, a company specialized in export of Dyes, Pigments, Specialty Chemicals and Pharmaceutical products with presence in more than 30 countries and a customer base of 100+ clientele. Preet has significant experience in Business Development, Partnership Building, Leadership and Team Development.

Mr. Preet Shah does not hold any shares in Vadilal Enterprises Limited in his individual capacity. His position as Director in different companies and Membership/Chairmanship in different committees of different companies is as follows:

Directorship:	**Member of the Board Committees:**
➢ Supreme Orgochem Private Limited ➢ Molkem Chemicals Private Limited	**Audit Committee:** ➢ Vadilal Enterprises Limited* **Stakeholders' Relationship Committee:** ➢ Vadilal Enterprises Limited He is Chairman also in Audit Committee of Vadilal Enterprises Limited

Consent of the Members by way of Ordinary Resolution is required for appointment of Mr. Preet Shah in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Requisite Notices under Section 160 of the Act proposing the appointment of Mr. Preet Shah has been received by the Company, and consent has been filed by Mr. Preet Shah pursuant to Section 152 of the Act.

Mr. Preet Shah being appointee, is interested and concerned in the Resolution None of the other Directors or Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the said Resolution accompanying the Notice.

The Board recommends these Ordinary Resolution for your approval.

Item No: 8

The members of the Company had, vide their resolution passed at the 29th Annual General Meeting (AGM) of the Company held on 21st September, 2013 re-appointed Mr. Rajesh R. Gandhi as Managing Director of the Company for a period of 5 years with effect from April 1, 2014 upto March 31, 2019. After that Period, Mr. Rajesh R. Gandhi was working in the Company as a Non-Executive Director without remuneration. Nomination and Remuneration committee had recommended his appointment as managing director and the Board of Directors of the Company has passed the resolution in the Board Meeting held on 25th March, 2020 for his appointment as a Managing Director of the Company for the period of five (5) years w.e.f w.e.f. 25th March,2020, upto 24th March, 2025 and payment of remuneration, perquisites, allowances and commission as mentioned below, for a period of 3 years w.e.f. 25th March, 2020 upto 24th March, 2023 subject to approval by the shareholders in the General Meeting as per details mentioned below and more particularly mentioned in the draft Agreement to be entered into between the Company and Mr. Rajesh R. Gandhi.

Mr. Rajesh R. Gandhi has been associated with the Company since its inception and he is looking after day to day affairs of the Company. He has vast experience in Ice-cream and Processed Food business. Considering the above, your Directors are of the opinion that it is in the interest of the Company to re-appoint him as a Managing Director of the Company and payment of remuneration.

The terms and conditions and remuneration for his re-appointment as Managing Director set out in the draft Agreement, a copy whereof duly initialed by the Chairman is placed at the meeting for the purpose of identification and is subject to the approval of Members of the Company.

The main terms and conditions of re-appointment including remuneration of Mr. Rajesh R. Gandhi as the Managing Director as set out in the draft agreement, subject to the limits prescribed in Part II of Schedule V of the Companies Act, 2013, placed before the Meeting are as follows:

1. The Managing Director shall, subject to the supervision, direction and control of the Board of Directors of the Company, manage the business and affairs of the Company.
2. Period of Appointment : 5 (five) years with effect from 25th March, 2020.
3. Remuneration for a period of 3 years w.e.f. 25th March, 2020 to 24th March, 2023:

Salary, Perquisites and Allowances (Amount in Rs. per month):

Particulars	25-03-2020 to 24-03-2021	25-03-2021 to 24-03-2022	25-03-2022 to 24-03-2023
Basic	493450	526325	559250
HRA (in lieu of accommodation - furnished or otherwise)	197380	210530	223700
Re-imbursement of Medical Expenses (for Managing Director and his family)	0	0	0
Provident Fund @12% on Basic Salary	59214	63159	67110
Total	**750044**	**800014**	**850060**

Notes:

1) MD is entitled to other privileges, facilities and amenities as per the rules of the Company.

2) For the purpose of perquisites and allowances, family means the spouse, dependent children of the Managing Director.

Other Perquisites and Allowances

A) Provident Fund: The Company's contribution to Provident Fund as per Rules of the Company.

B) Gratuity: Payment of Gratuity in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.

C) Superannuation Fund: Superannuation Fund or Annuity Fund benefit in accordance with such Scheme of the Company.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act, 1961.

D) Encashment of leave as per Rules of the Company and will not be included in the ceiling on perquisites.

E) The Managing Director be paid expenses towards drivers expenses, security at his residence, membership fees of Young Presidents' Organization and other expenses for travelling, entertainment incurred by him for the business of the Company and on behalf of the Company.

Commission:

In addition to the Salary, Perquisites and other Allowances as mentioned above and in case of Company having adequate profit, the Managing Director shall also be entitled for to a Commission at the rate upto 5.00% on the net profits of the Company subject to the limits as per section 197 of the Companies Act, 2013 for each of the financial years covered during the period viz. for the financial years from 2019-20 to 2021-22

Minimum Remuneration : Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and other allowances as provided above or the maximum remuneration payable as per the limit set out in section II of part II of schedule V in of the Companies Act, 2013 as minimum remuneration and in excess of minimum remuneration, subject to the requisite approvals, if any.

1. The terms and conditions of payment of remuneration, perquisites, allowances and commission specified hereinabove may be enhanced, enlarged, widened, altered or varied from to time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/or the Rules made thereunder from time to time in future and/or such provisions as may be applicable from time to time.

2. The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

3. For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.

A Statement as per requirement of Schedule V is given to the Shareholders containing following information of the Company and Mr. Rajesh R. Gandhi :-

I. GENERAL INFORMATION :

(1) Nature of industry

The Company is engaged in the business of manufacturing Ice-cream, Frozen Dessert, Juicy and Candy and processing and exporting Processed Food products, such as Frozen Fruits and Vegetables, Canned Fruit Pulp, Ready-to-eat and Ready-to-serve products, etc.

Ice-cream Division of the Company has 2 manufacturing plant situated at 1) Village Pundhra, Taluka Mansa, Dist. Gandhinagar, Gujarat and 2) Bareilly, Uttar Pradesh.

The Company is processing Frozen Fruits, Vegetables and Processed Foods by latest freezing technology, namely, "Individually Quick Freezing" (IQF) at its factory situated at Dharampur, Dist. Valsad, Gujarat. The Processed Food Division commenced its operation in 1991. The Company is exporting nearly 60 products in USA, Canada, UK, Kuwait, UAE, Singapore, New Zealand, Australia. The Company is also selling Processed Food products in Domestic Market.

The Company is also having Forex Division dealing in Foreign Exchange Management and Money Changing business.

(2) Date of commencement of commercial production

The Company is in the business of Ice-cream since 1982. The Process Food division commenced its operation in 1991.

(3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus

The Company is in existence since 1982.

(4) Financial performance based on given indicators

Following is the financial performance of the Company since last 3 years :

(Rs. In lacs)

Financial Year	Revenue from Operations (Net)	Gross Profit before Depreciation and Financial Expenses	Net Profit after Tax
2017-2018	52304.47	5344.32	1484.53
2018-2019	50705.76	7919.57	3148.38
2019-2020	51662.97	6799.41	3214.77

(5) Export performance and net foreign exchange earnings

Following is the export performance of the Company since last 3 Years:-

(Rs. In lacs)

Financial Years	Export Sales (FOB Value)
2017-2018	5488.19
2018-2019	7166.36
2019-2020	7539.82

(6) Foreign investments or collaborators, if any.

The Company has an investment in share capital of its wholly-owned subsidiary company, namely, Vadilal Industries (USA) Inc. and Vadilal Industries Pty Ltd

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Name : Mr. Rajesh R. Gandhi
Designation : Managing Director
Age : 62 Years
Experience : 40 Years

Mr. Rajesh R. Gandhi is a Director of the Company since Incorporation of the Company and Managing Director of the Company since 1986. He has an experience of over 40 years in Ice-cream business and experience of over 30 years in Processed Food business.

(2) Past Remuneration:

The details of managerial remuneration paid to Mr. Rajesh R. Gandhi, Managing Director of the Company during the Financial Year 31st March, 2019 was as under:

Particulars	Amount (Rs. in lakhs per annum)
Salary	4920000
Perquisites/ Allowances	2289600
Contribution to PF	590400
Total	**7800000**

(3) Recognition or awards:

Vadilal has won 22 awards over 3 consecutive years : 2008 , 2009 & 2010 at 'The Great Indian Ice Cream Contest" organized by the Indian Dairy Association. 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). In the same contest held in 2013 , Vadilal won 5 awards. So the total tally of Awards won is now 27 in 4 years of contest.

Best in Class in Kids category – Joker Ice Trooper, Gold in Kids category – Joker Ice Trooper, Silver in Vanilla Frozen Dessert – Vanilla Frozen Dessert. Bronze in Vanilla Ice cream – Happinezz Vanilla Ice cream. Bronze in Premium – Pista Happinezz Ice cream garnished with Green Pista.

In 2013, we have been voted as the "Most Trusted Ice cream brand in India"as per the The Brand Trust Report-2013. Also, the Economic Times Survey ranked us among the "Top 20 Food" 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 the evident of 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 i.e. Pundhra in Gujarat & Barelly in UP are also certified for **ISO-22000:2005 and BRC: Issue 6** for Food Safety Management System is another feather in the cap of the Company.

(4) Job profile and his suitability

Mr. Rajesh R. Gandhi has been associated with the Company since its inception having experience on hands for Ice-cream & Processed Food business. He looks after day-to-day affairs of the Company pertaining to the hereby-mentioned areas : Production, QA/QC, R&D, Logistics (Ice-cream Transportation), Cups & Cones, Purchase (Capital Goods & Deep Freeze Machines) of Ice-cream Division is taken care by him. He also looks after Sales & Marketing of Ice-cream Exports and Happinezz Parlors owned and/or managed by Group. For Processed Food Division, Mr. Rajesh R. Gandhi looks after Exports and Domestic Sales, International Freight, Government Subsidies of entire division. For Construction, he takes care of Sales & Marketing & Legal. The total portfolio of Finance, Accounts, MIS, Taxation, Internal Audit, EDP, Secretarial, Legal, Insurance, Systems, all Taxes & DGFT and Human Resource of all above-mentioned departments and P&A of Head Office is taken care by him.

(5) Remuneration proposed

It is proposed to pay the remuneration to Mr. Rajesh R. Gandhi as above for a period of 3 years from 25-03-2020 to 24-03-2023 for which he is proposed to be re-appointed as Managing Director of the Company.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The proposed remuneration to be paid to Mr. Rajesh R. Gandhi is adequate and at par with the industry scale, size and profitability of the Company.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Apart from Mr. Rajesh R. Gandhi is a Managing Director of the Company and receiving managerial remuneration, he holds 2,27,721 Equity Shares of Rs. 10/- each of Vadilal Industries Limited in his individual capacity.

III. OTHER INFORMATION :

(1) Reasons of loss or inadequate profits

Due to competition in the Ice-cream business and increase in the prices of raw-materials, the profit of the Company during the financial years covered under the period of remuneration may be inadequate.

(2) Steps taken or proposed to be taken for improvement

The Company is planning to increase the profitability through various initiatives in product development, marketing, distribution and trade promotions.

(3) Expected increase in productivity and profits in measurable terms

Due to the aforesaid steps, the Company expects a significant in productivity and profits of the Company in next financial years.

IV. DISCLOSURES:

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc., of all the directors;

Apart from remuneration payable to Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi, Managing Directors of the company, the Company does not pay any remuneration including bonus, stock options, pension, etc. to the other directors of the Company. The Company only pays sitting fees to the Non-executive Directors of the Company for attending the meeting of Board of Directors and Committees thereof.

(ii) Details of fixed component and performance linked incentives along with the

performance criteria;

As mentioned in Para 3 above.

(iii) Service contracts, notice period, severance fees;

The Service Contracts, notice period, severance fees and other terms and conditions shall be as mentioned in aforesaid resolution and explanatory statement, the Agreement to be entered into with Mr. Rajesh R. Gandhi and as per the policy of the Company.

(iv) Stock option details, if any, and whether the same has been issued at a discount as

well as the period over which accrued and over which exercisable

The Company has not issued any stock options to any Directors of the Company.

Provided however that the overall remuneration including all the perquisites shall not exceed the limits laid down under provisions of Para A of Section II of Part II of Schedule V of the Companies Act of 2013, even if the same is in excess of limits under Regulation 17(6)(e) of the SEBI (LODR) Regulations, 2015.

The Board therefore recommends approval of the re-appointment of Mr. Rajesh R. Gandhi as a Managing Director of the Company and payment of remuneration and commission as mentioned above.

Your directors recommend passing of the resolution proposed at Item No. 8

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of re-appointment and payment of remuneration as mentioned in the draft Agreement proposed to be entered into between the Company and Mr. Rajesh R. Gandhi as per the Companies Act, 2013.

The draft Agreement to be entered into between the Company and Mr. Rajesh R. Gandhi and referred to in the Resolution contained in Item No. 8 of the Notice is available for inspection at the Share Department of the Company on all working days except Saturdays during business hours, upto the date of Annual General Meeting.

Mr. Rajesh R. Gandhi is interested in the resolution. Mr. Kalpit R. Gandhi, Director & CFO may also be treated as interested in this resolution as Mr. Rajesh R. Gandhi is his father. Save and except the above, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8

Item No: 9

The members of the Company had, vide their resolution passed at the 29th Annual General Meeting (AGM) of the Company held on 21st September, 2013 re-appointed Mr. Devanshu L. Gandhi as Managing Director of the Company for a period of 5 years with effect from April 1, 2014 upto March 31, 2019. After that Period, Mr. Devanshu L. Gandhi was working in the Company as a Non-Executive Director without remuneration. Nomination and Remuneration committee had recommended his appointment as managing director and the Board of Directors of the Company has passed the resolution in the Board Meeting held on 25th March, 2020 for his appointment as a Managing Director of the Company for the period of five (5) years w.e.f. March, 2020 to 24th March, 2025 and payment of remuneration, perquisites, allowances and commission as mentioned below, for a period of 3 years w.e.f. 25th March, 2020 upto 24th March, 2023 subject to approval by the shareholders in the General Meeting as per details mentioned below and more particularly mentioned in the draft Agreement to be entered into between the Company and Mr. Devanshu L. Gandhi.

Mr. Devanshu L. Gandhi has been associated with the Company since its inception and he is looking after day to day affairs of the Company. He has vast experience in Ice-cream and Processed Food business. Considering the above, your Directors are of the opinion that it is in the interest of the Company to re-appoint him as a Managing Director of the Company and payment of remuneration.

The terms and conditions and remuneration for his re-appointment as Managing Director set out in the draft Agreement, a copy whereof duly initialed by the Chairman is placed at the meeting for the purpose of identification and is subject to the approval of Members of the Company.

The main terms and conditions of re-appointment including remuneration of Mr. Devanshu L. Gandhi as the Managing Director as set out in the draft agreement, subject to the limits prescribed in Part II of Schedule V of the Companies Act, 2013, placed before the Meeting are as follows:

1. The Managing Director shall, subject to the supervision, direction and control of the Board of Directors of the Company, manage the business and affairs of the Company.
2. Period of Appointment : 5 (five) years with effect from 25th March, 2020.
3. Remuneration for a period of 3 years w.e.f. 25th March, 2020 to 24th March, 2023:

Salary, Perquisites and Allowances (Amount in Rs. per month):

Particulars	25-03-2020 to 24-03-2021	25-03-2021 to 24-03-2022	25-03-2022 to 24-03-2023
Basic	493450	526325	559250
HRA (in lieu of accommodation - furnished or otherwise)	197380	210530	223700
Re-imbursement of Medical Expenses (for Managing Director and his family)	0	0	0
Provident Fund @12% on Basic Salary	59214	63159	67110
Total	**750044**	**800014**	**850060**

Notes:

1) MD is entitled to other privileges, facilities and amenities as per the rules of the Company.
2) For the purpose of perquisites and allowances, family means the spouse, dependent children of the Managing Director.

Other Perquisites and Allowances

A) Provident Fund: The Company's contribution to Provident Fund as per Rules of the Company.

B) Gratuity: Payment of Gratuity in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.

C) Superannuation Fund: Superannuation Fund or Annuity Fund benefit in accordance with such Scheme of the Company.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act, 1961.

D) Encashment of leave as per Rules of the Company and will not be included in the ceiling on perquisites.

E) The Managing Director be paid expenses towards drivers expenses, security at his residence, membership fees of Young Presidents' Organization and other expenses for travelling, entertainment incurred by him for the business of the Company and on behalf of the Company.

Commission: In addition to the Salary, Perquisites and other Allowances as mentioned above and in case of Company having adequate profit, the Managing Director shall also be entitled for to a Commission at the rate upto 5.00% on the net profits of the Company subject to the limits as per section 197 of the Companies Act, 2013 for each of the financial years covered during the period viz. for the financial years from 2019-20 to 2021-22

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and other allowances as provided above or the maximum remuneration payable as per the limit set out in section II of part II of schedule V in of the Companies Act, 2013 as minimum remuneration and in excess of minimum remuneration, subject to the requisite approvals, if any.

4. The terms and conditions of payment of remuneration, perquisites, allowances and commission specified hereinabove may be enhanced, enlarged, widened, altered or varied from to time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/or the Rules made thereunder from time to time in future and/or such provisions as may be applicable from time to time.

5. The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

6. For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.

A Statement as per requirement of Schedule V is given to the Shareholders containing following information of the Company and Mr. Devanshu L. Gandhi :-

I. GENERAL INFORMATION :

(1) Nature of industry

The Company is engaged in the business of manufacturing Ice-cream, Frozen Dessert, Juicy and Candy and processing and exporting Processed Food products, such as Frozen Fruits and Vegetables, Canned Fruit Pulp, Ready-to-eat and Ready-to-serve products, etc.

Ice-cream Division of the Company has 2 manufacturing plant situated at 1) Village Pundhra, Taluka Mansa, Dist. Gandhinagar, Gujarat and 2) Bareilly, Uttar Pradesh.

The Company is processing Frozen Fruits, Vegetables and Processed Foods by latest freezing technology, namely, "Individually Quick Freezing" (IQF) at its factory situated at Dharampur, Dist. Valsad, Gujarat. The Processed Food Division commenced its operation in 1991. The Company is exporting nearly 60 products in USA, Canada, UK, Kuwait, UAE, Singapore, New Zealand, Australia. The Company is also selling Processed Food products in Domestic Market.

The Company is also having Forex Division dealing in Foreign Exchange Management and Money Changing business.

(2) Date of commencement of commercial production

The Company is in the business of Ice-cream since 1982. The Process Food division commenced its operation in 1991.

(3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus

The Company is in existence since 1982.

(4) Financial performance based on given indicators

Following is the financial performance of the Company since last 3 years :

(Rs. In lacs)

Financial Year	Revenue from Operations (Net)	Gross Profit before Depreciation and Financial Expenses	Net Profit after Tax
2017-2018	52304.47	5344.32	1484.53
2018-2019	50705.76	7919.57	3148.38
2019-2020	51662.97	6799.41	3214.77

(5) Export performance and net foreign exchange earnings

Following is the export performance of the Company since last 3 Years:-

(Rs. In lacs)

Financial Years	Export Sales (FOB Value)
2017-2018	5488.19
2018-2019	7166.36
2019-2020	7539.82

(6) Foreign investments or collaborators, if any.

The Company has an investment in share capital of its wholly-owned subsidiary company, namely, Vadilal Industries (USA) Inc. and Vadilal Industries Pty Ltd

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Name : Mr. Devanshu L. Gandhi
Designation : Managing Director
Age : 52 Years
Experience : 30 Years

Mr. Devanshu R. Gandhi is a Director of the Company since Incorporation of the Company and Managing Director of the Company since 1986. He has an experience of over 30 years in Ice-cream and Processed Food Business.

(3) Past Remuneration:

The details of managerial remuneration paid to Mr. Rajesh R. Gandhi, Managing Director of the Company during the Financial Year 31st March, 2019 was as under:

Particulars	Amount (Rs. in lakhs per annum)
Salary	4920000
Perquisites/ Allowances	2289600
Contribution to PF	590400
Total	**7800000**

(4) Recognition or awards:

Vadilal has won 22 awards over 3 consecutive years : 2008 , 2009 & 2010 at 'The Great Indian Ice Cream Contest" organized by the Indian Dairy Association. 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). In the same contest held in 2013 , Vadilal won 5 awards. So the total tally of Awards won is now 27 in 4 years of contest.

Best in Class in Kids category – Joker Ice Trooper, Gold in Kids category – Joker Ice Trooper, Silver in Vanilla Frozen Dessert – Vanilla Frozen Dessert. Bronze in Vanilla Ice cream – Happinezz Vanilla Ice cream. Bronze in Premium – Pista Happinezz Ice cream garnished with Green Pista.

In 2013, we have been voted as the "Most Trusted Ice cream brand in India"as per the The Brand Trust Report-2013. Also, the Economic Times Survey ranked us among the "Top 20 Food" 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 the evident of 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 i.e. Pundhra in Gujarat & Barelly in UP are also certified for **ISO-22000:2005** and **BRC : Issue 6** for Food Safety Management System is another feather in the cap of the Company.

(4) Job profile and his suitability

Mr. Devanshu L. Gandhi has been associated with the Company since its inception having experience on hands for Ice-cream & 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 Department. 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.

(5) Remuneration proposed

It is proposed to pay the remuneration to Mr. Devanshu L. Gandhi as above for a period of 3 years from 25-03-2020 to 24-03-2023 for which he is proposed to be re-appointed as Managing Director of the Company.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The proposed remuneration to be paid to Mr. Devanshu L. Gandhi is adequate and at par with the industry scale, size and profitability of the Company.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Apart from Mr. Devanshu L. Gandhi is a Managing Director of the Company and receiving managerial remuneration, he holds 345691 Equity Shares of Rs. 10/- each of Vadilal Industries Limited in his individual capacity.

III. OTHER INFORMATION :

(1) Reasons of loss or inadequate profits

Due to competition in the Ice-cream business and increase in the prices of raw-materials, the profit of the Company during the financial years covered under the period of remuneration may be inadequate.

(2) Steps taken or proposed to be taken for improvement

The Company is planning to increase the profitability through various initiatives in product development, marketing, distribution and trade promotions.

(3) Expected increase in productivity and profits in measurable terms

Due to the aforesaid steps, the Company expects a significant in productivity and profits of the Company in next financial years.

IV. DISCLOSURES:

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc., of all the directors;

Apart from remuneration payable to Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi, Managing Directors of the company, the Company does not pay any remuneration including bonus, stock options, pension, etc. to the other directors of the Company. The Company only pays sitting fees to the Non-executive Directors of the Company for attending the meeting of Board of Directors and Committees thereof.

(ii) Details of fixed component and performance linked incentives along with the performance criteria;

As mentioned in Para 3 above.

(iii) Service contracts, notice period, severance fees;

The Service Contracts, notice period, severance fees and other terms and conditions shall be as mentioned in aforesaid resolution and explanatory statement, the Agreement to be entered into with Mr. Rajesh R. Gandhi and as per the policy of the Company.

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable

The Company has not issued any stock options to any Directors of the Company.

Provided however that the overall remuneration including all the perquisites shall not exceed the limits laid down under provisions of Para A of Section II of Part II of Schedule V of the Companies Act of 2013, even if the same is in excess of limits under Regulation 17(6)(e) of the SEBI (LODR) Regulations, 2015.

The Board therefore recommends approval of the re-appointment of Mr. Devanshu L. Gandhi as a Managing Director of the Company and payment of remuneration and commission as mentioned above.

Your directors recommend passing of the resolution proposed at Item No. 9

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of re-appointment and payment of remuneration as mentioned in the draft Agreement proposed to be entered into between the Company and Mr. Rajesh R. Gandhi as per the Companies Act, 2013.

The draft Agreement to be entered into between the Company and Mr. Devanshu L. Gandhi and referred to in the Resolution contained in Item No. 9 of the Notice is available for inspection at the Share Department of the Company on all working days except Saturdays during business hours, upto the date of Annual General Meeting.

Mr. Devanshu L. Gandhi is interested in the resolution. Mrs. Deval D. Gandhi, Director is also interested in the resolution being relative of Mr. Devanshu L. Gandhi. Save and except the above, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

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 : 31st August, 2020

For **VADILAL INDUSTRIES LIMITED**

MR. RAJESH R. GANDHI
Managing Director
(DIN : 0009879)

Process and manner for availing remote e-voting facility

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.vadilalgroup.com The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. 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.
9. The members who have casted there vote by remote e-voting may also attend meeting but shall not entitled to cast their vote again.

10. 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.

11. 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 cut-off date i.e. 23rd September, 2020

12. 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, 2020 may obtain the User ID and Password in manner mentioned bellow:

    - If e-mail address or mobile number of members 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 call CDSL toll free number 18002005533.
    - 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.

13. The Scrutinizer after Scrutinizing the votes cast will not later than three days of conclusion of the Meeting, make a scrutinizer's report and submit the same to the chairman. The results declared shall be placed on the website of the Company www.vadilalgroup.com and on the website of CDSL viz. http://www.evotingindia.com. The results shall simultaneously be communicated to the stock exchange.

    The instructions for shareholders voting electronically are as under:

    (i) The voting period begins on Sunday, 27th September, 2020 (9.00 a.m.) and ends on Tuesday, 29th September, 2020 (5.00 p.m.) E-Voting facility will be available at the time of meeting also. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

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

    (iv) Click on Shareholders.

    (v) 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.

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

    (vii) 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.

    (viii) 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 first two letters of their name and the last 8 digits of the Client ID /Folio number in the PAN field • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records in order to login. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Client id/Folio number in the dividend Bank details field.

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

(x) 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.

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

(xii) Click on the EVSN for the relevant Company Name <Vadilal Industries Limited> on which you choose to vote.

(xiii) 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.

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

(xv) 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.

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

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

(xviii) 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.

(xix) 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).

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA.

2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA.

3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at shareslogs@vadilalgroup.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at shareslogs@vadilalgroup.com. These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; shareslogs@vadilalgroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xx) If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, 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 or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

DIRECTORS' REPORT

To,
The Members
VADILAL INDUSTRIES LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith the 36th Annual Report together with the Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS:

(Rs. in lakhs)

	Particulars	Year ended on 31-03-2020		Year ended on 31-03-2019	
(a)	Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		6799.41		7919.57
(b)	Finance Cost	1472.53		1392.13	
(c)	Depreciation and amortization expenses	1887.89		1659.83	
			3360.42		**3051.96**
(d)	Profit before Tax		3438.99		4867.61
(e)	Tax Expenses				
	(a) Current Tax	860.43		1588.43	
	(b) Deferred Tax	(636.21)		130.80	
	Total Tax Expenses		224.22		1719.23
(f)	**Profit for the year**		**3214.77**		**3148.38**
(g)	**Other Comprehensive income:**				
	Remeasurement of defined benefit plans (net of tax)		(38.12)		(28.19)
(h)	**Total Comprehensive income for the year :**		**3176.65**		**3120.19**

STATE OF COMPANY'S AFFAIRS:

The Company has earned Revenue from Operations of Rs. 51662.97 lacs during the year ended on 31st March, 2020 as against Rs. 50705.76 lacs during the previous year ended on 31st March, 2019 an increase of 1.86% compared to previous year.

After adding thereto, the other income of Rs. 842.08 lakhs, the Company has earned total income of Rs. 52505.05 lakhs during the year under review. It has incurred total expenses of Rs. 49066.66 lakhs including Finance cost of Rs. 1472.53 lakhs and Depreciation and Amortization expenses of Rs. 1887.89 lakhs, during the year under review.

The Company has earned profit before Tax of Rs. 3438.99 lacs during the year under review as compared to Profit of Rs. 4867.61 lacs during the previous year ended on 31st March, 2019. The Company has earned profit of Rs. 3214.77 lacs during the year ended on 31st March, 2020 after deducting Current Tax of Rs. 860.43 lacs and Deferred Tax of Rs. (636.21) lacs as compared to Profit of Rs. 3148.38 lacs during the previous year ended on 31st March, 2019.

IMPACT OF COVID-19 ON THE COMPANY:

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has significantly impacted business operations of the Company from the last fortnight of March, 2020, by way of interruption in production, supply chain disruption, etc. till the lockdown period. March to June is usually considered to be the peak period of sales, the Company's business being seasonal in nature. Partial resumption of production and dispatch has commenced from second half of May, 2020.

DIVIDEND:

To conserve resources of the company, considering the situation arising due to COVID-19 pandemic, your Directors do not recommend any dividend for the year under review.

TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserves 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.

Recently in 2019 Vadilal ice cream has been voted as "Super Brand' a very proud moment.

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 Short Term Borrowing from State Bank of India for Rs. 25 Crore, Indusind Bank for Rs. 20 Crore (Against Pledge of Stock) & from The Kalupur Commercial Co-operative Bank Ltd. for Rs. 30 Cr. (Against Pledge of Stock). The said short term borrowing is with personal guarantee of promoters. The said borrowing is for procurement of raw material 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. Rating Agency i.e. India Ratings & Research has rated Long Term Borrowings as BBB+ and short term borrowing as A2+. CARE Ratings has rated Long term borrowing as BBB and Short Term borrowing as A3+ as on 31.03.2020.

During the year company has executed the documents in favour of security Trustee M/s. PNB Investment Services Pvt. Ltd. to hold all the Title Deeds and Legal Documents of the company. It will smooth business with banker and the company.

IMPACT OF COVID-19 ON THE COMPANY'S FINANCE:

Due to globally shutdown and Corona virus, Bank of Baroda & State Bank of India has sanctioned COVID-19 Loan in April 2020 amounting to Rs. 2.26 Crore & Rs. 1.80 Crore respectively, to be payable in two years.

Company has also availed moratorium from all member banks for payment of Principal & Interest thereon till August 2020.

INVESTOR EDUCATION AND PROTECTION FUND:

During the financial year – 2019-2020, the Company has deposited unclaimed/ unpaid fixed deposit amount of Rs. 113541/- to Investor Education and Protection Fund - IEPF.

During the Financial year – 2019-2020, the Company has also transferred Rs. 313995/- being amount of unpaid dividend for the year – 2011-2012 to Investor Education and Protection Fund.

During the financial year – 2019-2020, the Company has transferred 84316 Shares to Investor Education and Protection Fund - IEPF as divided on those shares were remained unclaimed for continues 7 years.

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, 2019	:	2550.50
(b)	Amount of deposits accepted or renewed during the year		
	(i) Secured deposits	:	0
	(ii) Unsecured deposits	:	956.15
Total (b) :		**:**	**956.15**
(c)	Amount of deposits repaid during the year	:	978.90
(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, 2019	:	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, 2020, 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:

At the beginning of the year Company was having 3 wholly-owned subsidiary companies outside India namely Vadilal Industries (USA) Inc., USA, VADILAL GULF (FZE) and Vadilal Industries Pty Ltd;

However, the Company has not made any investment in the securities of the VADILAL GULF (FZE) and it has closed its operations w.e.f. 9th October, 2019.

Further, during the year company has invested Rs. 5000 in its Australian wholly-owned subsidiary Vadilal Industries Pty Ltd.

During the year under review, the company has also incorporated two wholly owned subsidiary companies in India viz; Vadilal Delights Limited and Varood Industries Limited.

Vadilal Industries (USA) Inc.; wholly own subsidiary of the Company became a material subsidiary of the Company w.e.f. 1st April, 2020. As required under Regulation 24(1) of SEBI(LODR) Regulations,2015 Mr. Vijay Shah Independent Director of the company shall be appointed as a Director on the Board of Vadilal Industries (USA) Inc.

A report on the financial position of the subsidiaries 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, 2020 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, 2020 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, 2020 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 Obligations and Disclosure Requirements) Regulations, 2015 is obtained by the Company and annexed to the Corporate Governance Report.

BUSINESS RESPONSIBILITY REPORT:

As required under Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement), 2015, the Business Responsibility Report is annexed herewith as a part of this Annual Report viz **Annexure- E**.

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 – F** in the prescribed Form – AOC-2 and the same forms part of this report. All related party transactions are placed before the Audit Committee and the Board of the Company for review and approval. Omnibus approval is obtained for transactions which are foreseen and repetitive in nature

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 – 45** to the financial statement which sets out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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 a deep appreciation for the Contribution during their tenure.

Mr. Rajesh R Gandhi resigned from the position of Chairman of the Board of directors of the company with effect from 22nd July,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.

Board of Directors had in its meeting held on 13th December, 2019 appointed Mr. Yogesh Bhatt and Mr. Anil Patil as Interim Chief Executive Officer of the Company. They resigned w.e.f. 26.06.2020

The term of Mr. Rajesh Gandhi and Mr. Devanshu Gandhi as Managing Directors of the Company ended on 31st March, 2019. They had continued to work with the same portfolios as Directors of the Company without remuneration till 24th March, 2020. Upon the Recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, at its Meeting held on 25th March, 2020 approved the appointment of Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi as a Managing Directors of the Company w.e.f. 25th March, 2020 till 24th March, 2025 subject to approval of the Members at the ensuing Annual General Meeting.

Further Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Rajesh R. Gandhi, Director (DIN: 00009879) 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, Mrs. Deval D. Gandhi (DIN: 00988905) of the Company shall retire by rotation at this Annual General Meeting and being eligible, offers herself 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.

As Vadilal Industries Limited falls under top 1000 Listed Companies, It is statutory requirement for the Company to appoint Independent Woman Director on the Board of the Company, as per amendment of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 therefor pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and based on the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Ms. Shaily Dedhia (DIN: 0008853685) as Additional Directors of the Company with effect from 29th August, 2020. Further It is proposed to appoint Ms. Shaily Dedhia (DIN: 0008853685) as Independent Directors under Section 149 of the Act and to hold office for a term of 5(Five) consecutive years upto the conclusion of the 41st Annual General Meeting of the Company in the calendar year 2025; for which necessary resolution has been incorporated in the notice of the meeting.

Pursuant to provisions of Section 149 of the Companies Act, 2013 and Rules made thereunder, appointment of Mr. Preet Shah, Independent Director (DIN: 05131516) made in the Board as an additional director w.e.f. 29th August, 2020 who will hold office of director till ensuing annual general meeting in the company; Based on the recommendation of Nomination and remuneration committee, the Board of Directors recommend his appointment as Independent Director of the Company for a period of 5 years, for which necessary resolution has been incorporated in the notice of the meeting.

Pursuant to provisions of Section 149 of the Companies Act, 2013 and Rules made thereunder, term of Mr. Chetan M. Tamboli, Independent Director (DIN: 00028421) ends at the time of conclusion of this annual general meeting. Further he does not wish to be appointed for a second term as an independent director. Board of Directors hereby expresses its gratitude to Mr. Chetan Tamboli for his service and contribution to the Company during his tenure.

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 Obligations and Disclosure Requirements) Regulations, 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.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

COMMITTEES OF DIRECTORS:

The details of various committees of Directors constituted under provisions of Companies Act, 2013 and Rules made thereunder, their constitution, terms of reference and other details are provided in the Corporate Governance Report annexed with the Directors' Report.

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 Obligations and Disclosure Requirements) Regulations, 2015 are available on the website of the Company viz : www.vadilalgroup.com.

NUMBER OF BOARD MEETINGS:

During the year under review, 6 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 – G** 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 Obligations and Disclosure Requirements) Regulations, 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 - H**.

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 financial reporting in their Report with regard 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 The Management does not expect any material impact on the financial statements of the Company considering the fact that the matters pertains to earlier financial years and amount as already been expensed in the relevant financial years. The Management is also voluntarily initiating inquiries by an external agency to substantiate its conclusion.

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. However, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors resigned from the position of Statutory Auditors of the Company on 15th November, 2019.

The Board of Directors of the Company, in its Meeting held on 13th December, 2019 approved the appointment of M/s. Arpit Patel & Associates as Statutory Auditors of the Company subject to approval by the Shareholders. The Board of Directors of the Company in the said Meeting approved Notice of Postal Ballot incorporating the resolution for appointment of M/s. Arpit Patel & Associates as Statutory Auditors of the Company till conclusion of forthcoming annual general meeting. Postal Ballot Resolution for appointment of Statutory Auditors was approved by the Shareholders. The Company declared Voting results of Postal Ballot to the Stock Exchange on 4th February, 2020.

Further, Board of Directors in its meeting held on 13th August, 2020 approved and recommended appointment of M/s. Arpit Patel & Associates as Statutory Auditors of the Company for a period of 5 years i.e. till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2025 subject to approval of shareholders in this annual general meeting.

AUDITORS' REPORT OF THE COMPANY:

The Independent Auditors' Report dated 26th June, 2020 for the Financial Results of the Company (Standalone and Consolidated) for the year ended on 31st March, 2020 contains Disclaimer of Opinion together with the basis for the same made by the Auditors.

The Management does not expect any material impact on the financial statements of the Company considering the fact that the amount as already been expensed in the relevant financial years. The Management is also voluntarily initiating inquiries by an external agency to substantiate its conclusion.

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 – 2019-2020. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as **Annexure – I** to this Report.

The Secretarial Auditors' Report of the Company for the year ended 31st March, 2020 contains certain Comments/ observations. The explanation on observations therein is as under:-

1. The casual vacancy of whole-time KMP (CEO) under section 203 of the Act was filled-up by the Board with a delay of 73 days: The process of identifying a suitable person took time.

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 31-03-2019, 30-06-2019 and 30-09-2019: The Company has replied to the Stock Exchanges and Company has paid penalty to the Stock Exchanges.

4. Unspent amount in CSR Expenditure: As explained in Annexure- H of Directors Report.

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 –2020-2021.

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 - J**.

MATERIAL INFORMATION:

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 some of 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 29th July, 2020 and adjourned to 7th September, 2020

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, 2020 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.
- 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 : 31st August,2020	Managing Director	Managing 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 31.03.2020
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	88.71%

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.	Wholly Owned Subsidiary	100%	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
4	Varood Industries Limited 53, SHRIMALI SOCIETY, NARAYAN-NIDHI ROAD, MITHAKHALI SIX ROADS, NAVRANGPURA, AHMEDABAD, Gujarat, 380009*	U15201GJ2020PLC112826	Wholly Owned Subsidiary	100%	2(87)(ii)
5	Vadilal Delights Limited 53, SHRIMALI SOCIETY, NARAYAN-NIDHI ROAD, MITHAKHALI SIX ROADS, NAVRANGPURA, AHMEDABAD, Gujarat, 380009*	U15100GJ2020PLC112444	Wholly Owned Subsidiary	100%	2(87)(ii)

 # Subsidiary company namely Vadilal Gulf (FZE) at U.A.E. closed its operations w.e.f. 9th October, 2019.

The Company has incorporated a subsidiary company namely, Vadilal Industries Pty Ltd at Australia on 16-04-2018; During the year Company made an investment in the shares of vadilal Vadilal Industries Pty Ltd of Rs.5000

** Company has incorporated two wholly owned subsidiaries in India during the year namely, Vadilal Delights Limited and Varood Industries Limited on 31-01-2020 and 19-02-2020 respectively with investment of Rs. 5 Lacs each.*

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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% 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	182110	0	182110	2.53	-0.06
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	3382615	30560	3413175	47.49	3392945	20230	3413175	47.49	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
Directors & their Relatives	1050622	2208	1052830	14.65	1054663	2208	1056871	14.70	0.05
Sub Total(A)(1)	**4619588**	**32768**	**4652356**	**64.73**	**4629718**	**22438**	**4652156**	**64.72**	**-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)	**4619588**	**32768**	**4652356**	**64.73**	**4447608**	**22438**	**4652156**	**64.72**	**-0.01**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	938	3850	4788	0.06	23628	600	24228	0.34	0.28
b) Banks / FI	3093	1650	4743	0.06	0	0	0	0	-0.06

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Govt (IEPF)	0	0	0	0.00	84316	0	84316	1.51	1.51
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	48000	500	48500	0.67	0	0	0	0.00	-0.67
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):-	**52031**	**6000**	**58031**	**0.79**	**107944**	**600**	**108544**	**1.85**	**1.06**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	555324	6646	561970	7.82	823080	4245	827325	11.51	3.69
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1136309	260559	1396868	19.44	1003606	171019	1174625	16.34	-3.10
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	382207	0	382207	5.32	296961	0	296961	4.13	-1.19
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non-Resident Indians	56919	0	56919	0.79	50689	0	50689	0.70	-0.09
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	750	0	750	0.01	0.01
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Hindu Undivided Families (HUF)	79470	9	79479	1.11	76773	7	76780	1.06	-0.05
Sub-total (B)(2):-	**2210229**	**267214**	**2477443**	**34.48**	**2251859**	**175271**	**2427130**	**33.76**	**-0.72**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2262260**	**273214**	**2535474**	**35.27**	**2359803**	**175871**	**2535674**	**35.28**	**-0.01**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**6881848**	**305982**	**7187830**	**100**	**6989521**	**198309**	**7187830**	**100**	**0**

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2019)			Shareholding at the end of the year (31-3-2020)			% 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	Axilord Private Limited (Formaly known as Vortex Ice-cream Pvt. Ltd.	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	345691	4.81	0	0.06
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	Navinchandra Chimanlal Modi**	7504	0.11	0	7304	0.10	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	0	0	0	-0.06
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	**4652356**	**64.73**	**0**	**4652156**	**64.72**	**0**	**-0.01**

** Due to dissolution of Laxman R. Gandhi HUF the shares held by Laxman R. Gandhi HUF i.e. 4241 shares are transmitted to Mr. Devanshu Laxmanbhai Gandhi. Pursuantly, his holding has increased to 345691 shares.*

*** Due to death of promoter Ushaben Navinchandra Modi,her entire shareholding was transmitted in the name of her husband Mr. Navinchandra Chimanlal Modi*

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

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 1-4-2018)		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: Navinchandra Chimanlal Modi				
	At the beginning of the year	7504	0.11	7504	0.11
	Decrease in Promoters Shareholding during the year due to Transfer	-200	-0.01	7304	0.10
	At the end of the year	7304	0.10	7304	0.10

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):

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 1-4-2019)		Increase/decrease in the shareholding during the year		Cumulative Shareholding during the year (from 1-4-2019 to 31-3-2020)	
		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	Rajasthan Global Securities Private Limited	79566	1.106	74853	1.03	154419	2.14
2	KIFS International LLP	110769	1.53	8900	0.13	119669	1.66
3	SPS SHARE BROKERS PVT.LTD.	0	0	89000	1.23	89000	1.23
4	KIFS TRADE CAPITAL PRIVATE LIMITED	35039	0.49	27788	0.38	62827	0.87
5	GANESH SRINIVASAN	48000	0.6677	0	0	48000	0.6677
6	EMKAY GLOBAL FINANCIAL SERVICE LTD A/C F&O EXCHANGE COLLATERAL ACCOUNT	0	0	32195	0.44	32195	0.44
7	Sanjiv Dhireshbhai Shah	171455	2.38	-142438	-1.98	29017	0.40
8	TARUN JAIN RAJNI JAIN	0	0	28221	0.39	28221	0.39
9	KHANDWALA TRADING LLP	0	0	28156	0.39	28156	0.39
10	ICICI BANK LIMITED	938	0.01	22690	0.31	23628	0.32

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 1-4-2019)		Cumulative Shareholding during the year (from 1-4-2019 to 31-3-2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Mr. Rajesh R. Gandhi, Managing Director (w.e.f. 25.03.2020)**				
	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 (w.e.f. 25.03.2020)**				
	At the beginning of the year	341450	4.75	341450	4.75
	Increase / Decrease in Promoters Shareholding during the year due to transmission	4241	0.06	345691	4.81
	At the end of the year	345691	4.81	345691	4.81
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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 1-4-2019)		Cumulative Shareholding during the year (from 1-4-2019 to 31-3-2020)	
		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
6	**Ms. Rashmi Bhatt, Company Secretary**				
	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
7	**Mr. Yogesh Bhatt (Interim Chief Executive Officer) (w.e.f. 13.12.2019)**				
	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
8	**Mr. Anil Patil (Interim Chief Executive Officer) (w.e.f. 13.12.2019)**				
	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	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**
2	**Change in Indebtedness during the financial year**				
A	**+ Addition**				
	i) Principal Amount	8,532.93	789.40	956.15	10,278.48
	ii) Interest due but not paid	84.80	5.72	-	90.52
	iii) Interest accrued but not due	2.44	-	127.94	130.38

Rs. In Lacs

Sr. No.		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
B	**- Reduction**				
	i) Principal Amount	(5,625.49)	(1,187.00)	(978.90)	(7,791.39)
	ii) Interest due but not paid	(20.14)	(10.75)	-	(30.89)
	iii) Interest accrued but not due	(2.78)	-	(144.76)	(147.54)
	Net Change	**2,971.75**	**(402.63)**	**(39.57)**	**2,529.55**
	Indebtedness at the end of the financial year				
	i) Principal Amount	14,366.19	246.91	2,527.90	17,141.00
	ii) Interest due but not paid	84.80	5.72	-	90.52
	iii) Interest accrued but not due	2.44	-	127.94	130.38
	Total (i+ii+iii)	**14,453.43**	**252.63**	**2,655.84**	**17,361.90**

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 – 2019-2020)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Rajesh R. Gandhi, Managing Director (w.e.f. 25.3.2020)	Mr. Devanshu L. Gandhi, Managing Director (w.e.f. 25.3.2020)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	111424	111424	222848
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	44568	44568	89136
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify…	0	0	0
5	Others, please specify: - Contribution to Provident Fund	13371	13371	26742
	Total (A)	**169363**	**169363**	**338726**
	Ceiling as per the Act	10% of net profit		

B. REMUNERATION TO OTHER DIRECTORS

Sr. No.	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	232500	0	0	232500	465000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	**232500**	**0**	**0**	**232500**	**465000**
2	**Other Non-Executive Directors**	**Mr. Rajesh R. Gandhi**	**Mr. Devanshu L. Gandhi**			
	Fee for attending board & committee meetings	0	0			0
	Commission	0	0			0
	Others, please specify	0	0			0
	Total (2)	**0**	**0**			**0**
	Total Remuneration (1+2)					**465000**

The term as Managing Directors of Mr. Rajesh R. Gandhi & Mr. Devanshu L. Gandhi ended on 31st March, 2019. They were working as Non-Executive and Non-Independent Directors from 1st April, 2019 till 24th March, 2020

During the year Mr. Jignesh Shah & Mr. Malay Mahadevia Independent Directors of the company resigned from the directorship w.e.f. 18.06.2019 .

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

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		Mr. Kalpit R. Gandhi, Chief Financial Officer	**Ms. Rashmi Bhatt, Company Secretary**	**Mr. Yogesh Bhatt, Interim Chief Executive Officer w.e.f. 13.12.2019**	**Mr. Anil Patil, Interim Chief Executive Officer w.e.f. 13.12.2019**	**Total**
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1203000	1274198	553829	648625	3679652
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2015000	263544	202954	169510	2651008
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	- as % of profit	0	0	0	0	0
	others, specify…	0	0	0	0	0
5	Others (Provident Fund)	144000	NA	43199	39177	226376
-	**Total**	**3362000**	**1537742**	**799982**	**857312**	**6557036**

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					

By order of the Board of Directors

Mr. Rajesh R. Gandhi
Managing Director
DIN: 00009879

Mr. Devanshu L. Gandhi
Managing Director
DIN: 00010146

Date : 31st August, 2020
Place : Ahmedabad

ANNEXURE – B TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS (2019-2020)

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 forecasted 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. Though overall organized & unorganized ice market are estimated near about Rs.10,000 crore with National, Regional & Local players presence. Compared to western countries, per capita Ice cream consumption in India is low. So considering the fact that still In India there is huge scope of ice cream market expansion and penetration with innovative product mix to attract India with all class & mass of Consumers.

The ever-growing urbanization, rise in disposable income, 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 Ice cream industry has evolved, resulting in many developments, right from consumer perception to products and services being offered. Ice creams have seen a shift in the category, from being considered as an indulgent desert to a snacking essential. This, in turn has resulted in innovation within the category. Adapting to the changing trends Vadilal has become the brand with the widest range of ice cream variants. Ice cream as a product has seen a huge transformation and this has created ample of investment and growth opportunities for investors. Vadilal Ice Cream division has shown a sustainable annual growth and aims at maintaining it further in the years to come.

Since inception, Vadilal has been committed towards delivering best quality products at affordable prices to customers from diverse cultures. Improving products in terms of its nutritional value as well as quality is a constant at Vadilal.

Developments

Growth in Quality and Quantity

In the past few years, India has seen an inflow of huge number of international ice cream brands, which has offered a plethora of products in the category for the consumers. To curb with the competition and challenges in the market, Vadilal reinvented its strategy to consolidate its leadership. Being brave, like it has always been, Vadilal revamped its look with aggressive marketing approach and the menu to give the brand the lift it required to combat its international counterparts. In a bold step, the company revamped the entire brand identity by introducing a refreshed brand logo, new template and packaging. With all due efforts and now the with same aggressive marketing approach Vadilal products with brand identity with packaging is established in the market and trade with consumers are identifying the Vadilal products with their unique brand color code and visual uniqueness with clutter free brand presence in Trade & Consumer top of mind recall. This was welcomed in the market and worked in the brands flavor in setting a fresher and younger brand perception in the consumer's mind.

Apart from aesthetical revamping, the brand also paid special attention towards upgrading the production technology. This has made it easier for Vadilal to offer premium and delectable products.

With International brands crowding the market, consumer awareness and the size of the premium ice cream segment has increased in India. Following these developments, Vadilal introduced many variants in the premium segment like ice cream bars, ice cream sandwiches, Artisan ice cream cakes and ice cream pastries and many more unique product launches with different format, taste & innovation.

Taking forward the tradition of introducing novelty in products at regular intervals, in the year 2019 Vadilal has made numerous additions. The brand had three new delicious additions in its offerings, ice creams in the 1+1 party pack form in every 6 months. Also on regular intervals Vadilal is launching new flavors in 1+1 party packs & other innovative products based on extensive R&D as well market with consumers feedback. With such initiatives we have created the unique space in trade & consumer mind.

The brand's existing variants like Gourmet, Badabite, Flingo Jumbo Cups and Ice trooper continue to show substantial movement in the market. Besides this, Vadilal has also introduced new delicious products like coffee Orange, Mava badam, Afghaan nuts etc.

While the grown up consumer strata had a remarkable range of products to their delight, Vadilal's 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.

Growth country wide

Vadilal is growing, the brand spread its wings wide in South India, and enjoyed a widespread acceptance. Vadilal ice creams and frozen desserts were introduced for the first time in Tamil Nadu, receiving an overwhelming response from the consumers. This positive response has got the brand already working on the future endeavors down South.

Growth in Infrastructure and Production

After enjoying a wide spread popularity amongst the mass since decades, the brand is now in constant efforts of upgrading. In the wake of ramping up consumer targeting and brand positioning, it has started exclusive parlors in three formats: Scoop Shop, Hangout & Express. These parlors offer a delicious range of Premium Ice Creams, Scoops and Concoctions in a very enjoyable ambience. These parlors are an exercise to give the brand a youth appeal and also to shift the focus from Mass to Mass Premium.

Introduction of new mega brands, installation of state-of-the-art machines and significant expansion in production facilities is what the brand is focusing on to be an even stronger force to reckon with in the domestic ice cream market. Vadilal's strategic approach towards the controlled usage of resources and raw materials has boosted its growth in the market by many folds.

Vadilal proudly possesses the label of having, India's fastest cone-making machine, with the production capacity of 3.5 lakh cones per day. The brand is known to be the first and the only ice cream producer in India to have a machine with such a huge capacity. This has made Vadilal the largest player in Cones, Cups and Candy categories.

Currently the brand's ice cream production facilities are located at Pundhra in Gandhinagar district, Gujarat and the other at Bareilly in Uttar Pradesh. To increase the production capacity and to have better automation, an expansion-cum-modernization project of the factories was undertaken, 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 is available in flavors like "Kesar", "Elaichi", "Coffee" and "Rose" packaged uniquely for the brand to stand out in the crowd. The research and development team is working towards introducing more flavors in the category specifically to match the palate of the youth.

Quality first

Like every other industry, the ice cream industry has a vast unorganized market that works at low costs and margins. These unorganized players pose the biggest challenge and are a competition to the big players. While there are hurdles in the journey of growth, Vadilal has always seen these unorganized, small yet tough competitors as an opportunity to excel.

Being the 2nd largest ice cream brand in India, Vadilal has always focused on maintaining product quality, and constantly improving the same.

Progress in Niche Market

International brands venturing into Indian ice cream market has provided an impetus for Vadilal to evolve. Vadilal has once again proven its mettle in launching international ice cream experiences in India.

Vadilal's MELT IN parlor offers a range of high-end Artisanal Gelato ice cream that has gained a lot of popularity in the past few years.

The brand is making a steady progress in launching new products in the premium segment. The latest introduction in seasonal party packs category with premium quality and unique mix of flavors is quickly catching hold over niche market.

Recently conducted market research through Nielsen India, are most inspiring. With Brand Vadilal, it is most trusted and favored brand amongst India with all classes & masses especially in Youth consumers. Within the research Consumers relate the Vadilal brand with Heritage and legacy producing unique products, Health, Hygiene & Happy feeling .

b) Processed Food Division

Overview:

The global frozen food market is fragmented into ready to eat, ready to cook and ready to drink frozen foods. The popularity of ready to eat meals has witnessed a rapid rise. The market is primarily driven by rising disposable income, the introduction of longer shelf life products, increasing impulse purchasing, and huge demand for frozen food products, due to the lack of time. The market evolved from selling raw foods, such as frozen vegetables, and fruits to prepared foods and frozen vegetable mixes (with bread, rice, pasta and curry), frozen desserts, and bakery products. Ice creams emerged as the leading product category in the market.

Consumers globally have recognized frozen food as one of the healthier options in the ambit of packaged products available. Today frozen foods have become more accessible owing to the increase in number of large format retail stores. Major factors driving the industry constitute to be the customer craving, rising awareness and acceptance, increase in selling points, deeper penetration by organized players and surging availability of freezer space at the retail domain. Advances in freezing technologies, innovative refrigerator displays in supermarkets, better and faster supply chain solutions have been owing to the increasing consumption and therefore growing demand of frozen foods. Frozen foods have now become a regular part of daily diet worldwide. The increased demand for frozen desserts in the developed countries is supporting the sale of ice-creams in those regions.

The year 2020 has witnessed a breakdown of Coronavirus (COVID-19) across the world. The lockdown and panic situation around the globe has propelled the demand for the frozen food products owing to their higher shelf life. In addition, it helped the customers to reduce their number of visits to the market places for shopping of frozen food products. These world market trends are anticipated to fuel the market for frozen food in the year 2020.

GLOBAL MARKET VIEW:

The global frozen food market is expected to grow from $161.1 billion in 2019 to $164.2 billion in 2020 at a compound annual growth rate (CAGR) of 2%. The low growth is mainly due to economic slowdown across countries owing to the COVID-19 outbreak and the measures to contain it. The market is then expected to recover and grow at a CAGR of 6% from 2021 and reach $196.5 billion in 2023.

The global ice cream and frozen dessert market is expected to grow from $94.6 billion in 2019 to $97.5 billion in 2020 at a compound annual growth rate (CAGR) of 3.1%. The slower growth is due to the COVID-19 situation. But the market is then expected to recover and grow at a CAGR of 8% from 2021 and reach $120.7 billion in 2023.

Europe was the largest market for frozen food, with a share of more than 35% in 2019. The region is severely and largely hit by the COVID-19 pandemic. This has propelled huge demand for frozen food in Europe amid coronavirus breakdown.

Emerging countries - India, Australia, Japan, and South Africa are growing with highest CAGR and are lucrative markets for frozen food, growing at a CAGR of 8.5%, 8.2%, 7.8% and 9.2%, respectively.

Asia-Pacific is expected to generate revenue of US$ 81.74 billion by 2026. Ready to eat segment has registered high growth in demand in this region over the past five years owing to the changing lifestyle and increasing working women population in the region and is projected to register exponential growth over the forecast period. Based on products, the frozen vegetable segment accounted for a major share in market demand.

Increase in use of frozen food products by giants such as KFC, McDonald's, Pizza Hut, Subway, acts as a key driver of the global frozen food market. Moreover, the utilization of these products as a substitute to fresh ingredients by numerous end users such as full-service restaurants, hotels & resorts, and quick service restaurants is expected to drive the growth of this market, as they require less time to cook and reduce customer-waiting time.

At the global retail front, Frozen food companies are investing in innovative packaging to offer better quality frozen food product and more convenient packaging to carry and use frozen food. Some of the innovative features in packaging include microwavable bags/trays, reusable zip closures and eye-catching graphic designs, thus making frozen food more convenient to use and appealing to consumers. Vadilal has been a frontrunner in this by offering unique packaging for frozen food, which lets consumers quickly and safely cook frozen food in a microwave, reusable zip closures in every IQF packaging along with appealing and easy-to-read graphic design.

Future Strategy:

Vadilal operates across 45 countries including the countries in North and South America, Europe including the UK, the Middle East, South East Asia and Australia. These international territories have worked as the most remarkable growth contributors to Vadilal's business and hence the company is looking forward to expand the product portfolios in every territory basis the market needs and proper research.

Over the years, the International Business has diversified its consumer base from not just serving the Indian diaspora but customizing its product portfolio according to the needs and preferences of local consumers, including Indians residing abroad. Hence, we now are completely equipped and have started to promote our products to the mainstream giants and looking forward to making a strong foothold in these markets in the near future. We have identified strong business avenues and have partnered with them, apart from retail that has led to bulk increase in sales. We look forward to further strengthen and scout for more such avenues.

Our product line has been increasing remarkably looking at the business opportunities in various international territories. All these have been done by optimizing our resources, be it human and production capacities. Product portfolio will also be optimized looking at the most beneficial products to the business; pushing the ones that are in demand, discontinuing the ones that are not and introducing newer ones that can fuel our growth.

The post-COVID scenario will also be in our favour as the Govt. of India has been pushing for products that are 'Made in India' but 'Made for the World'. This will be beneficial to our export business.

c) Forex Division

RBI AUTHORISED AD.II CATEGORY LICENCE HOLDER.

VADILALFOREX provides value-based consultancy services to Importers, Exporters and Traders in Foreign Exchange, since April 1996.

With the update in website - www.vadilalmarkets.com early April 2019 as also introduction of "Mobile Application" VADILALFOREX remain on top whole of Gujarat and even on all India basis ranking 5th with number of service subscribers.

With problem of Trade War between US and China, international trade has come down. Still VADILALFOREX is able to keep hold on subscribers.

LME Base Metal and Bullion services, are also part of FOREX services.

Metal and Precious metals globally facing more problem. High of the Inventory of most of the Base metal globally, trading activities gradually coming down which reflects to our services as well. Still number of subscribers that we had last year and with some additions the section is performing well.

FFMC - Money Changing Activities part of Vadilal Industries Limited.

VADILAL is the 2nd in private sector with AD. II license granted by RBI providing value-based Money Changing activities and remittances connected with Current Account activities with selected transactions. The activities involved by the division is selling / buying foreign exchange from tourists, internal banking and other money changers. After having ADII category license VADILALFOREX remain in forefront for doing remittances abroad on behalf of Indians within directives covered in Current Accounts free remittances under FEMA. This Division ONLY operates from Ahmedabad.

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

Distribution and Logistics

Distribution plays a key role in the success of a business. We plan 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, a heavy investment has been done in various BTL marketing activities to enhance consumer experience. We are also committed towards deeper penetration in trade sector. Innovative cross promotional activities and digital media activities have been our point of focus to increase consumer engagement.

b) Processed Food Division

The fear of COVID19 has come as an opportunity for frozen food and ready-to-eat products as most people have been working from home and restricting their frequent visits to the shop. Stocking up of frozen, ready-to-eat and ice-creams has been the key practice that has been seen and it is most likely to stay for nearly a year. This practice can also lead to becoming habituated to frozen and ready-to-eat food as they taste better than home cooked food as they have been prepared by food connoisseurs.

With the sales garnering up in this segment vis-à-vis fresh food supplies like the restaurants and the likes, a marginal rise in new players entering the market has also been witnessed. Apart from rise in competition, the inclusion of new players will also lead to further expansion of the frozen food and ready-to-eat segment.

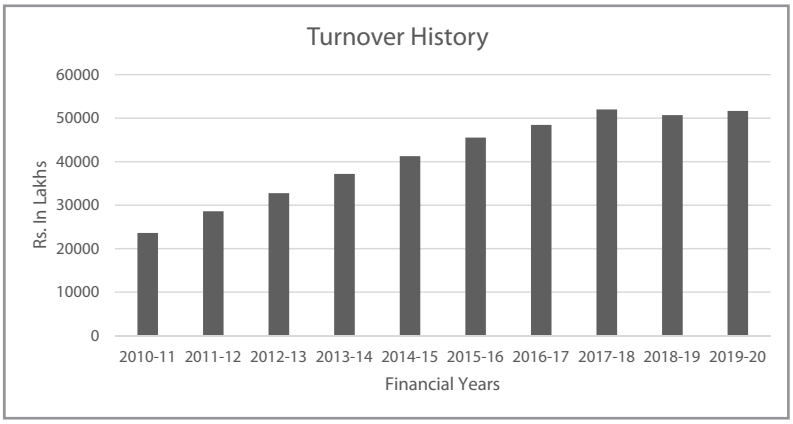
3) HIGHLIGHTS OF FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE.

The Company has earned Revenue from Operations of Rs. 51662.97 lacs during the year ended on 31st March, 2020 as against Rs. 50705.76 lacs earned during the previous year ended on 31st March, 2019 giving an increase of 1.86% as compared to previous year.

After adding thereto, the other income of Rs. 842.08 lakhs, the Company has earned total income of Rs. 52505.05 lakhs during the year under review. It has incurred total expenses of Rs. 49066.66 lakhs including Finance cost of Rs. 1472.53 lakhs and Depreciation and Amortization expenses of Rs. 1887.89 lakhs, during the year under review.

The Company has earned profit before Tax of Rs. 3438.99 lacs during the year under review as compared to Profit of Rs. 4867.61 lacs during the previous year ended on 31st March, 2019. The Company has earned profit of Rs. 3214.77 lacs during the year ended on 31st March, 2020 after deducting Current Tax of Rs. 860.43 lacs and Deferred Tax of Rs. (636.21) lacs as compared to Profit of Rs. 3148.38 lacs during the previous year ended on 31st March, 2019.

Turnover History	
Financial year	**Rs. in lakhs**
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
2019-20	51662.97



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 with more than 1,25,000 dealers and trade partners that cater to every nook and corner of the country.

Vadilal stays ever ready for competition with a strategy in place before hand. Keeping a check on competitor products and constantly innovating is the key to stay at par with the ever changing market. The unorganized market that pose a threat to the sales are taken care of by maintaining quality in our products. Expertise and decades of experience is what makes Vadilal stand a class apart in the highly competitive market.

However, there are certain concerns like infrastructure and rising input costs, which the company keeps in mind and is working towards.

b) Processed Food Division

Fake news that are spread by invalidated reports without being fact checked has been the biggest concern for our industry. During the early days of COVID19, baseless rumors got spread that ice-creams and frozen food shouldn't be consumed. WHO and government organization had to come forward and make the citizens understand that those rumors were baseless and further pleaded people not to believe in fake news. Such fake news spread like wild fire which will always be the biggest concern for our industry.

6) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

In view of the management, the Company has adequate internal control systems for the business processes followed by the Company. The External and Internal Auditors carry out periodical reviews of the functioning and suggest changes if required. The Company has also a sound budgetary control system with frequent reviews of actual performance as against those budgeted.

The Audit Committee of the Board meets periodically to review various aspects of the performance of the Company and also reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them from time to time. The External Auditors also attend these meetings and convey their view on the business processes and also of the policies of financial disclosures. When found necessary, the Committee also gives suggestions on these matters.

7) HUMAN RESOURCE DEVELOPMENT:

Employee being prime force the Company gives equal emphasis on employee development and their engagement. The Company believes in enhancing the competencies of employee to create a high performing and innovative organization. Equal emphasis is given on the on technical & soft skills. There are cordial relations between the management and employee of the Company.

As on 31st March, 2020, the Company has employed total 693 employees at all locations.

8) SIGNIFICANT CHANGES IN FINANCIAL RATIOS:

Ratio	2020	2019
Interest Coverage Ratio	3.59	4.89
Net Profit Ratio	6.12%	6.06%
Return on Net worth Ratio	13.75%	15.50%
Operating Profit Margin Ratio	9.35%	12.05%

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.

By order of the Board of Directors

Mr. Rajesh R. Gandhi
Managing Director
DIN: 00009879

Mr. Devanshu L. Gandhi
Managing Director
DIN: 00010146

Date : 31st August, 2020
Place : Ahmedabad

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	Rs. In Lacs	Rs. In Lacs
1	Name of the subsidiary	Vadilal Industries (USA) Inc., (wholly owned subsidiary)	Vadilal Industries Pty Ltd. (wholly owned subsidiary)	Varood Industries Limited (wholly owned subsidiary)	Vadilal Delights Limited (wholly owned subsidiary)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2020	31.03.2020	31.03.2020	31.03.2020
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary	1 $ - Rs. 75.38	1 AUD - Rs. 46.77	INR	INR
4	Share capital	136.41	0.05	5.00	5.00
5	Reserves & surplus	1353.02	Nil	-0.39	-0.39
6	Total assets	5026.23	0.05	5.00	5.00
7	Total Liabilities	5026.23	0.05	5.00	5.00
8	Investments	Nil	Nil	Nil	Nil
9	Turnover	12713.04	Nil	Nil	Nil
10	Profit / (Loss) before taxation	1283.21	Nil	-0.39	-0.39
11	Provision for taxation	373.81	Nil	Nil	Nil
12	Profit / (Loss) after taxation	909.40	Nil	-0.39	-0.39
13	Proposed Dividend	Nil	Nil	Nil	Nil
14	% of shareholding	100.00%	100.00%	100.00%	100.00%

Notes:

1. Names of subsidiaries which are yet to commence operations:- N.A.
2. Names of subsidiaries which have been liquidated or sold during the year - Vadilal Gulf (FZE)

NOTES - EXCHANGE RATE	Rate of exchange 1 USD - Current Year	79.35

By order of the Board of Directors

Mr. Rajesh R. Gandhi
Managing Director
DIN: 00009879

Mr. Devanshu L. Gandhi
Managing Director
DIN: 00010146

Date : 31st August, 2020
Place : Ahmedabad

ANNEXURE – D TO THE DIRECTORS' REPORT

Report on Corporate Governance for the year ended on 31st March, 2020 (2019-2020)

Pursuant to Schedule – V of the 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 31-03-2020 consists the following 6 Directors, out of which, majority Directors are Non-executive Directors and one third of the total Directors are Independent Directors :-

	Category		Name of the Directors
A.	Promoters and Executive Directors	1 2	Mr. Rajesh R. Gandhi, 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	Mr. Chetan Jamboli Mr. Vijay Shah

** The term as Managing Directors of Mr. Rajesh R. Gandhi & Mr. Devanshu L. Gandhi ended on 31st March, 2019. They were working as Non-Executive and Non-Independent Directors from 1st April, 2019 untill 24th March, 2020. W.e.f. 25th March, 2020 they are appointed as Managing Directors for a term of 5 years in the Board Meeting subject to approval of shareholders.*

** During the year Mr. Jignesh Shah & Mr. Malay Mahadevia Independent Directors of the company resigned from the directorship w.e.f. 19.06.2019*

** 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, 6 Board Meetings were held on 22-07-2019, 23-08-2019, 15-11-2019, 13-12-2019, 12-02-2020 & 25-03-2020 The gap between two Board Meetings did not exceed 120 days.

(iii) Attendance of each Director at the 6 Board Meetings held during the year from 01-04-2019 to 31-03-2020, last Annual General Meeting (AGM) and number of Directorship and Chairmanship / Membership of Committee of each Director in various Companies as on 31-03-2020:

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	Directorship*	Committee Member ship **	Committee Chairmanship ** (Out of Committee Membership)
Mr. Rajesh R. Gandhi	6	Yes	1. Vadilal Industries Limited 2. Vadilal Enterprises Limited 3. Vadilal Chemicals Limited	3	4	1
Mr. Devanshu L. Gandhi	6	Yes	1. Vadilal Industries Limited 2. Vadilal Enterprises Limited 3. Vadilal Chemicals Limited	3	6	0
Mrs. Deval D. Gandhi	4	No	1. Vadilal Industries Limited 2. Vadilal Chemicals Limited	2	0	0
Mr. Kalpit R. Gandhi	6	Yes	1. Vadilal Industries Limited 2. Vadilal Chemicals Limited	2	0	0
Mr. Chetan M. Tamboli	6	No	1. Vadilal Industries Limited 2. Steel Cast Limited	2	2	0
Mr. Vijay R. Shah	6	Yes	1. Vadilal Industries Limited	1	2	2

** During the year Mr. Jignesh Shah & Mr. Malay Mahadevia Independent Director resigned from the directorship w.e.f. 19.06.2019.*

** 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.*

REASONS FOR RESIGNATION OF DIRECTORS

The detailed reasons for the resignation of Independent Directors before expiry of their term along with the confirmation by them that there are no other material reasons other than those provided are, as disclosed to the stock exchanges (BSE & NSE) as required under regulation 30(4) read with schedule III(7B) of SEBI (LODR) Regulation, 2015

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. Deval 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:

Independent Directors ("IDs") are non-executive directors as defined under regulation 16(1)(b) of the Listing Regulations read with section 149(6) of the Act along with rules framed thereunder. In terms of regulation 25(8) of the Listing Regulations, the IDs have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impact or impair their ability to discharge their duties. Based on the declarations received from the IDs, the Board has confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

During the year under review, the Company's Independent Directors met 2 times during the year i.e. on 15.11.2019 & 13.12.2019 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) Familiarization programme for independent director: the said policy is available on website of the Company at www.vadilalgroup.com.

(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 Board evaluated its own performance 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.

2) Remuneration to all Directors:

The Policy on appointment and remuneration of Directors is available on website of Company at www.vadilalgroup.com.

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 31-03-2020 (i.e. from 25-03-2020 to 31-03-2020) are as follows:-

Amount (Rs. in lacs)

Name of Managing Director	Salary	Perquisites/ Allowances	Commission	Contribution to PF	Total
Mr. Rajesh R. Gandhi	111424	44568	0	13371	169363
Mr. Devanshu L. Gandhi	111424	44568	0	13371	169363

** The term as Managing Directors of Mr. Rajesh R. Gandhi & Mr. Devanshu L. Gandhi ended on 31st March, 2019. They were working as Non-Executive and Non-Independent Directors from 1st April, 2019 till 24th March, 2020. W.e.f. 25th March, 2020 they are appointed as Managing Directors in the Board Meeting with a term of 5 years subject to approval of shareholders.*

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 31-03-2020.

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, in his capacity of Chief Financial Officer, during the year – 2019-2020. Mrs. Deval D Gandhi who is a non-executive and non-independent Director and Head-new Product development, has received remuneration as under during the year 2019-20:

Amount (Rs. in lacs)

Name of the Director	Salary	Perquisites/ Allowances	Others	Total
Mr. Kalpit R. Gandhi	12.03	21.03	1.44	34.50
Mrs. Deval D. Gandhi	6.38	-	0.12	6.50

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 31-03-2020:

Sr. No.	Name of the Director	Amount in Rs. (Gross)
1	Mrs. Deval D. Gandhi*	0
2	Mr. Kalpit R. Gandhi*	0
3	Mr. Chetan M. Tamboli	120000
4	Mr. Vijay R. Shah	120000

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

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 31-03-2020:-

Sr. No.	Name of the Member of the committee	Amount in Rs. (Gross)
1	Mr. Devanshu L. Gandhi	-
2	Mr. Chetan M. Tamboli	62500
3	Mr. Vijay R. Shah	62500

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 31-03-2020 :-

Sr. No.	Name of the Director	Amount in Rs. (Gross)
1	Mr. Chetan M. Tamboli	50000
2	Mr. Vijay R. Shah	50000
3	Mr. Rajesh R. Gandhi	-
4	Mr. Devanshu L. Gandhi	-

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

The term as Managing Directors of Mr. Rajesh R. Gandhi & Mr. Devanshu L. Gandhi ended on 31st March, 2019. They were working as Non-Executive and Non-Independent Directors from 1st April, 2019 till 24th March, 2020.They are holding 227721 and 345691 shares respectively. Mrs. Deval 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.

Key Board Qualifications, Expertise and Attributes

The company's business includes manufacturing of Ice-cream, Flavoured Milk, Frozen desert, Other dairy Products and processing & exporting Processed Food Products such as Frozen Fruits, vegetable Pulp, Ready to eat and Ready to serve products etc.

In context of the above mentioned businesses following capabilities skills/expertise/competencies have been identified by the Board fundamental for the effective functioning of the Company and are available with the board members collectively.

- Knowledge and/or expertise in one or more of areas like consumer business, manufacturing, accounts, finance, taxation, banking, HR, IT, marketing, law, business and management.
- This criteria is designed to ensure the Board consists of individuals with a balance of skills to oversee the organisation, achieve the strategic goals and direct the organisation's future.
- The above core skills / expertise / competencies identified by the Company are also actually available with the Board as under:

Sr. No.	Name of Director	Skills Actually Available with the Directors
1	Mr. Rajesh R. Gandhi	Knowledge and expertise in FMCG, manufacturing and marketing, business and management.
2	Mr. Devanshu L. Gandhi	Knowledge and expertise in FMCG, manufacturing and marketing, business and management.
3	Mrs. Deval D. Gandhi	Knowledge and expertise in manufacturing and business management.
4	Mr. Kalpit R. Gandhi	Knowledge and expertise in law & Finance
5	Mr. Chetan M. Tamboli	Knowledge and expertise in manufacturing and marketing, business and management.
6	Mr. Vijay R. Shah	Knowledge and expertise in law & Finance

The eligibility of a person to be appointed as a Director of the Company is dependent on possession of the requisite skills, as identified by the Board. c. Board Meetings / Directors' particulars.

3) 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 thereunder :

(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 31-03-2020, there were 3 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. Chetan M. Tamboli	-	Member	Independent Director

Mr. Kalpit Gandhi CFO and Non-Executive-Non-Independent Director is Permeant Invitee in the Audit Committee.

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 5 times during the year under review on 22.07.2019, 27.07.2019 (Adjourned), 23.08.2019, 15.11.2019, 13.12.2019, and 12.02.2020.

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

Sr. No.	Name of the Director	No. of Audit Committee Meetings attended.
1	Mr. Chetan M. Tamboli	5
2	Mr. Devanshu L. Gandhi	5
3	Mr. Vijay R. Shah	5
4	Mr. Kalpit R. Gandhi (Permanent Invitee)	5

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, 2020, namely:

Sr. No.	Name of the Member		Designation	Category
1	Mr. Chetan M. Tamboli	-	Chairman	Independent Director
2	Mr. Vijay R. Shah	-	Member	Independent Director
3	Ms. Deval D. Gandhi*	-	Member	Non-Executive Non-Independent Director

**The committee was reconstituted on 25th March,2020. Mr. Rajesh Gandhi and Mr. Devanshu Gandhi ceased to be members of the committee and Ms. Deval D. Gandhi was appointed as member w.e.f. 25th March, 2020 to align the constitution of Nomination and Remuneration Committee to fulfill the requirements of the Regulation 19 of the SEBI (LODR) Regulation, 2015*

• Mr. Kalpit Gandhi CFO and Non-Executive-Non-Independent Director is Permanent Invitee in the Nomination and Remuneration Committee meeting w.e.f. 25th March, 2020.

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 5 times on 22.7.2019, 15.11.2019, 13.12.2019, 12.2.2020 and 25.3.2020.

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. Chetan M. Tamboli	-	5
2	Mr. Vijay R. Shah	-	5
3	Mr. Rajesh R. Gandhi	-	5
4	Mr. Devanshu L. Gandhi	-	5

(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.
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 of all the Director and Key Managerial Personnel carried out by the Nomination and Remuneration Committee of the Company apart from the Board of Directors and Independent Directors.

Performance evaluation criteria of Independent Directors

The Performance Evaluation criteria for independent director are determined by Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by Directors, Commitments, Effective Deployment of Knowledge and Expertise, Integrity and Maintenance of Confidentiality and Independence of Behavior and Judgement.

(c) Stakeholders' Relationship Committee:

(i) Composition:

The Stakeholders' Relationship Committee of the Company comprises the following Directors of the Company, as on 31st March, 2020, namely:

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

During the year under review, the Stakeholders' Relationship Committee met 12 times on, 10.06.2019, 10.07.2019, 31.07.2019, 20.08.2019, 30.08.2019, 10.09.2019, 10.10.2019, 19.10.2019, 15.11.2019, 30.11.2019, 10.12.2019 and 20.12.2019.

The presence of the Members of the aforesaid Stakeholders' Relationship Committee meetings are as under:

Sr. No.	Name of the Member		No. of meetings attended
1	Mr. Vijay R. Shah	-	12
2	Mr. Rajesh R. Gandhi	-	12
3	Mr. Devanshu L. Gandhi	-	12

(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 31-03-2019	-	1
No. of complaints received during the year under review	-	0
No. of complaints disposed off during the year under review	-	1
No. of complaints outstanding as on 31-03-2020	-	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 500 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:

1. Mr. Vijay R. Shah - Chairman
2. Mr. Devanshu L. Gandhi - Member
3. Mr. Kalpit R. Gandhi - Member

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

Meeting of Committee members was held on 12.02.2020 and all the members were present.

(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
2018-2019	35th	H T Parekh Convention Center, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015	30-09-2019	11.00 a.m.	No special resolution.
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.

(ii) Resolution carried out through Postal Ballot:

M/s. Arpit Patel & Associates (FRN: 144032W) Statutory Auditors have been appointed by the resolution passed by the Members through Postal Ballot conducted during the period from 3rd January, 2020 to 2nd February, 2020; Whose results were published to stock exchanges and on website of CDSL on 4th February, 2020.

At the forthcoming 36th AGM, no resolution is proposed to be passed through Postal Ballot.

5) Means of communication:

- **Annual Reports :**

The Company has total 12586 shareholders as on 31st March, 2020. 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 30-06-2019 (1st Quarter), 30-09-2019 (2nd Quarter) and 31-12-2019 (3rd Quarter) and the Annual Audited Accounts for the year ended on 31-03-2020 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 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 : 30th September, 2020 at 11.00 a.m.
- Venue : Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")

(ii) Financial Calendar (from 01-04-2020 to 31-03-2021) (Tentative) :

➢ Results for quarter ended on 30-06-2020	:	On or before 14th August, 2020
➢ Results for quarter ending on 30-09-2020	:	On or before 14th November, 2020
➢ Results for quarter ending on 31-12-2020	:	On or before 14th February, 2021
➢ Audited Results for the year ending on 31-03-2021	:	On or before 30th May, 2021
➢ AGM for the year ending on 31-03-2021	:	In the month of September, 2021

(iii) Book-closure date :

Book-closure shall be from 21st September, 2020 to 30th September, 2020 (both days inclusive) for the purpose of annual general meeting for the year ended on 31st March, 2020.

(iv) Dividend payment date :

N.A.

(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 –2020-2021 has already been paid to the above Stock Exchanges. The Annual Custody/ Issuer fee for the year –2020-2021 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:

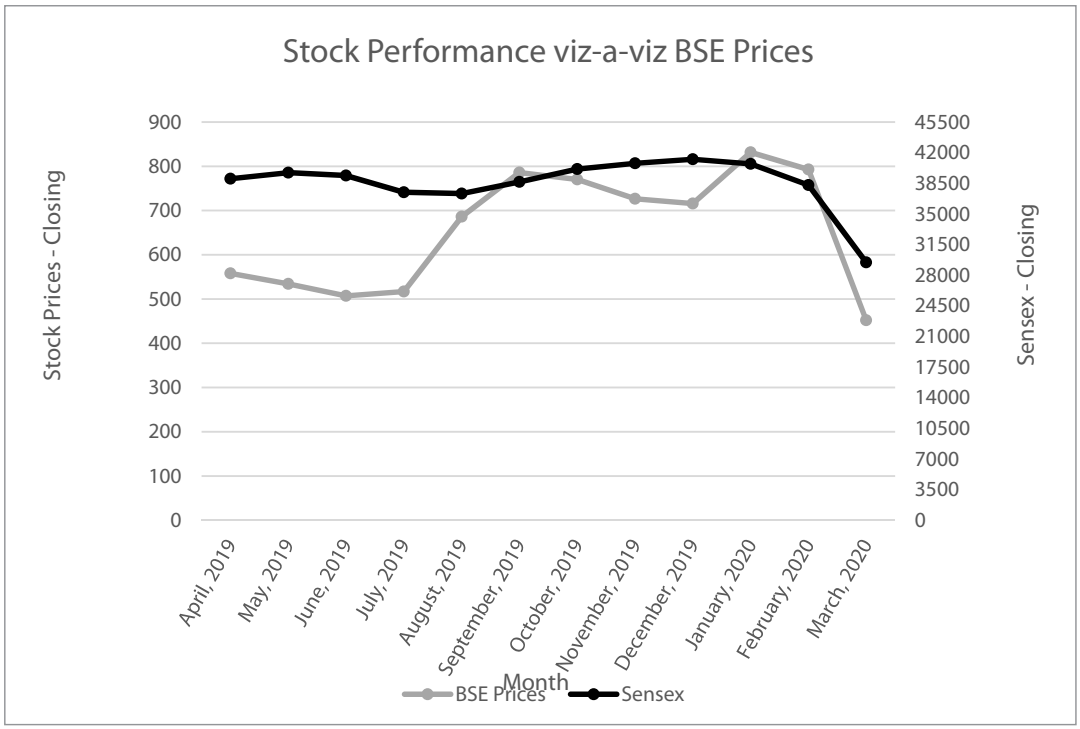
Months	BSE			NSE		
	High (Rs.)	Low (Rs.)	Closing (Rs.)	High (Rs.)	Low (Rs.)	Closing (Rs.)
April, 2019	637.15	555.05	558.25	638.4	555.35	559.4
May, 2019	590	475	534.45	592	477.65	536.5
June, 2019	540	469.65	507.4	544	467.8	508.65
July, 2019	554.4	477	517.05	555	485.5	520.8
August, 2019	718.25	507.25	686.2	718.7	502.6	686.2
September, 2019	839.6	677.9	786.05	859.95	678.65	782.3
October, 2019	825.2	708	770.2	820	706.7	767.75
November, 2019	818.35	674.05	726.65	817.7	675	727.05
December, 2019	746.25	698.05	716	744	698.65	716.7
January, 2020	874.9	671	831.6	874	712	831.85
February, 2020	898.95	790	792.7	898	790.05	795.7
March, 2020	812.6	394.05	452.05	812	380	449.1

(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 :

Month	BSE Closing	Sensex Closing
April, 2019	558.25	39031.55
May, 2019	534.45	39714.2
June, 2019	507.4	39394.64
July, 2019	517.05	37481.12
August, 2019	686.2	37332.79
September, 2019	786.05	38667.33
October, 2019	770.2	40129.05
November, 2019	726.65	40793.81
December, 2019	716	41253.74
January, 2020	831.6	40723.49
February, 2020	792.7	38297.29
March, 2020	452.05	29468.49

Price Chart:

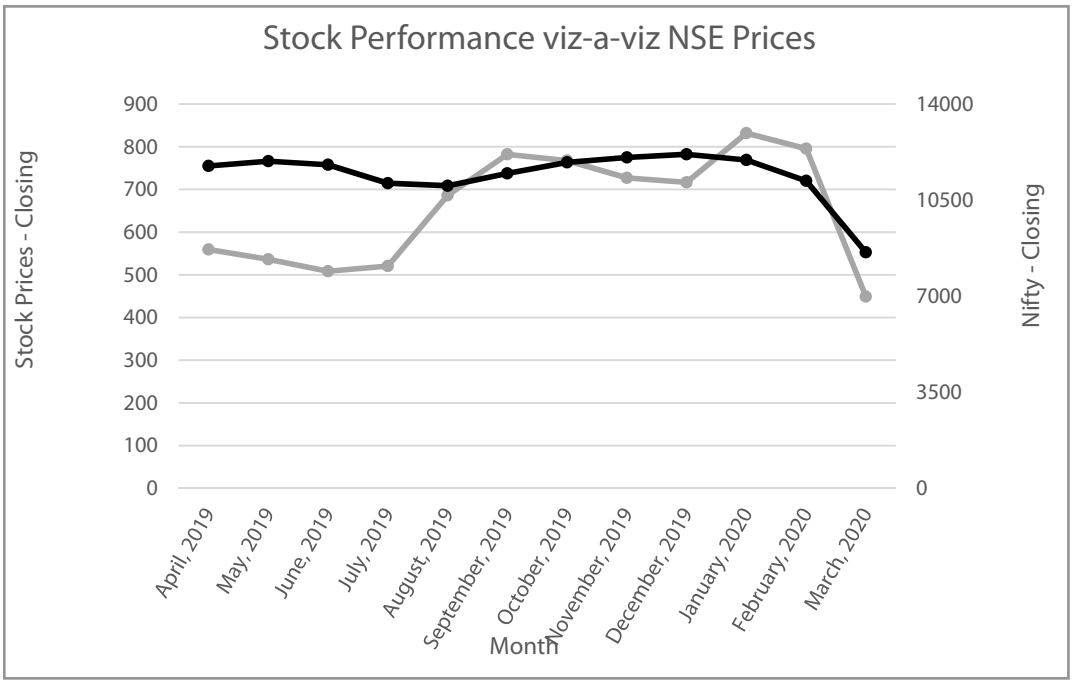


(ix) Vadilal Industries Limited NSE Share Price versus the NSE NIFTY

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 :

Month	NSE Closing	Nifty Closing
April, 2019	559.4	11748.15
May, 2019	536.5	11922.8
June, 2019	508.65	11788.85
July, 2019	520.8	11118
August, 2019	686.2	11023.25
September, 2019	782.3	11474.45
October, 2019	767.75	11877.45
November, 2019	727.05	12056.05
December, 2019	716.7	12168.45
January, 2020	831.85	11962.1
February, 2020	795.7	11201.75
March, 2020	449.1	8597.75

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 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 –2019-2020, 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.

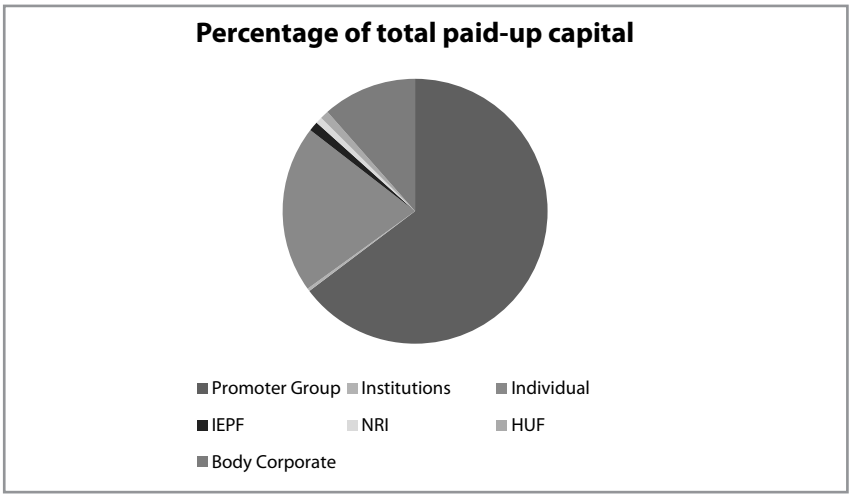
(xiii) Shareholding Details:

(a) Distribution of Shareholding as on 31st March, 2020:

No. of Equity Shares held	No. of Shareholders	No. of Shares	% of Shareholding
1-500	12088	722206	10.05
501-1000	244	194323	2.70
1001-2000	102	149417	2.08
2001-3000	41	102142	1.43
3001-4000	23	79530	1.10
4001-5000	14	63942	0.89
5001-10000	26	201970	2.80
10001- 50000	31	583485	8.12
50001-100000	5	357370	4.98
100001 & above	12	4733445	65.85
Total:	**12586**	**7187830**	**100.00**

(b) Categories of Shareholders as on 31st March, 2020:

Sr. No.	Category of Shareholders	No. of Equity Shares held	Percentage of total paid-up capital
A : Promoters and Promoters' Group			
1	Directors and relatives	1056871	14.70
2	Group Companies	3413175	47.49
3	HUFs	182110	2.54
	Total (A) :	**4652156**	**64.73**
B : Public :			
1.	Mutual Funds / UTI	24228	0.34
2.	Bodies Corporate	827325	11.6
3.	Public Individuals	1471586	20.47
4.	Trust and Foundations	750	0.01
6.	Non Resident Indians	50689	0.70
7.	Hindu Undivided Families	76780	1.06
8.	IEPF	84316	1.18
.	**Total (B) :**	**2535674**	**35.27**
	Total	**7187830**	**100.00**



(xiv) Dematerialisation of Shares :

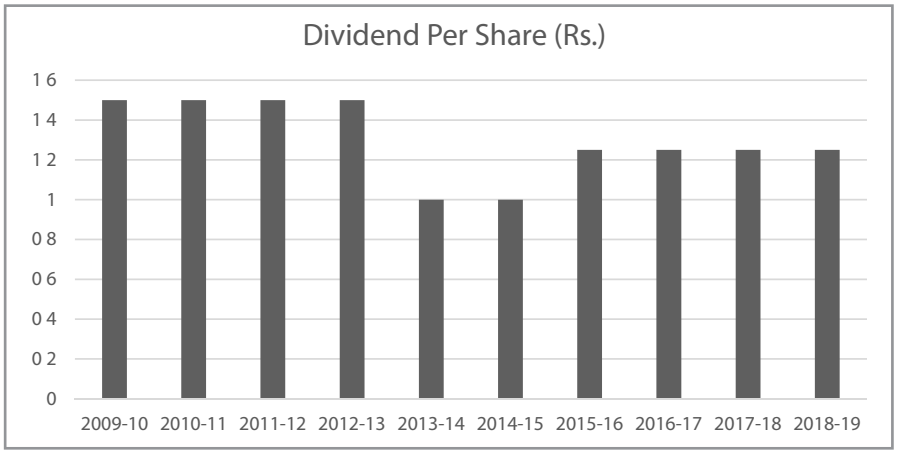
The Company, consequent to introduction of Depository System (DS), has established an electronic connectivity with NSDL & CDSL, Depositories. Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL and CDSL. In view of the numerous advantages 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 6989521 Equity Shares of the Company representing 97.24% of the total paid-up capital of the Company have been dematerialized upto 31-03-2020. 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
2019-20	N.A.

(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) 48081200

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 : Ms. Rashmi Bhatt, Company Secretary • Tel. Nos. : (079) 48081200

(xxi) Commodity price risk/foreign exchange risk and hedging activities

Hedging of Foreign Exchange Risk is discussed amongst internal departments like Export Department and Forex Advisory service Department before hedging the Forward Contract and subsequently Foreign exchange risk is hedged accordingly.

As on 31.03.2020 the Unhedge exposure is NIL.

7) Other Disclosures:

(i) Related party transactions:

Transaction with related parties are disclosed in Note No. 45 of the Notes on Accounts for the year ended on 31st March, 2020, 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 BSE limited and National Stock Exchange of India Ltd. for delay in declaration of Unaudited financial results for quarter ended 30th September, 2018 of Rs. 76,700/- to each stock exchange.

Penalty paid to BSE limited and National Stock Exchange of India Ltd. for delay in declaration of audited financial results for quarter ended 31st March, 2019 and delay in declaration of unaudited financial results for quarter ended 30th June, 2019 of Rs. 5,60,500/- to each stock exchange.

(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) EO/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, 2020, 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, 2020. 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 placed on the company 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) Fees paid to Statutory Auditors

During the year company has paid Rs. 31.79 Lacs as Audit fees to statutory auditors.

(xii) Credit Rating

During the year company has obtained credit ratings from following credit rating agencies:

India Ratings & Research :

Long-term Bank Facilities - IND A-

Short-term Bank Facilities - A1

CARE RATINGS :

Long-term Bank Facilities - BBB (Triple B)

Short-term Bank Facilities - A3+ (A Three Plus)

India Ratings & Research :

Long-term Bank Facilities - BBB+ (Triple B Plus)

Short-term Bank Facilities - A2+ (A Two Plus)

(xiii) Certificate 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 SPAN & Co. Company Secretaries LLP 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 which is attached to this Report as **Annexure – 1**.

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

(xv) Details of compliance with mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has disclosed compliance with all the mandatory requirements under Listing Regulations in the relevant sections of this report.

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.

❖ **Compliance Certificate of the Auditors :**

The Certificate from M/s. SPAN & Co. Company Secretaries LLP, a firm of Practicing Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under SEBI (LODR) Regulation, 2015, is attached to this Report as **Annexure – 2**.

By order of the Board of Directors

	Mr. Rajesh R. Gandhi	**Mr. Devanshu L. Gandhi**
Date : 31st August, 2020	Managing Director	Managing Director
Place : Ahmedabad	DIN: 00009879	DIN: 00010146

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, 2020 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 Gandhi**	**Devanshu Gandhi**
Date: 31st August, 2020	Chief Financial Officer	Managing Director	Managing 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, 2020

	Rajesh Gandhi	**Devanshu Gandhi**
Place: Ahmedabad	Managing Director	Managing Director
Date: 31st August, 2020	DIN: 00009879	DIN: 00010146

Annexure - 1

Certificate

(Pursuant to clause 10 of Part C of Schedule V of SEBI (LODR) Regulations, 2015)

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/Declarations received from the directors and taken on record by the Board of Directors as on March 31, 2020, 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: 18-08-2020
UDIN:F008851B000590311

Annexure - 2

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, 2020, 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.

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: 18-08-2020
UDIN:F008851B000590311

ANNEXURE – E TO THE DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details	
1	Corporate Identity Number (CIN) of the Company	L91110GJ1982PLC005169	
2	Name of the Company	Vadilal Industries Limited	
3	Registered Address	Vadilal House, 53, Shrimali Society Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad- 380009	
4	Website	www.vadilalgroup.com	
5	E-mail id	shareslogs@vadilalgroup.com	
6	Financial Year reported	31.03.2019 to 31.03.2020	
7	Sector(s) that the Company is engaged in (Industrial activity code-wise)	Food Processing Industry (covered under various codes as specified under NIC 1987 covering food products)	
8	List three key products / services that the Company manufactures/provides (as in balance sheet)	Product	ITC Code
		Ice-cream and Frozen Desert Products	1050
		Fruit Pulp, Frozen Fruits, etc.	1030
		Foreign Exchange (Services)	NA
9	Total number of locations where business activity is undertaken by the Company	Please also refer to Corporate Information page of the Annual Report 2020.	
	(a) Number of International Locations (Provide details of major 3)	Export to USA, Australia and UAE	
	(b) Number of National Locations	3 manufacturing, 65 sales branches, Head Office, Corporate office, national sales and distribution network	
10	Markets served by the Company: Local/State/ National/ International	Local and International.	

SECTION B : FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1	Paid up Capital (INR)	Rs. 7,18,78,300
2	Total Turnover (INR)	516,62,97,000
3	Total profit after taxes (INR)	32,14,77,000
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Total spending on CSR is 2% of average profit after tax of the past 3 years. This is detailed in the Annual Report of CSR Activities, ANNEXURE-H of the Board's Report.
5	List of activities in which expenditure in 4 above has been incurred	List of CSR activities are detailed in the Annual Report of CSR Activities, ANNEXURE-H to the Board's Report.

SECTION C : OTHER DETAILS

Sr. No.	Particulars	Details
1	Does the Company have any Subsidiary Company/ Companies ?	Yes, Company has 4 Subsidiaries
2	Do the Subsidiary Company/Companies participate in the BR initiatves of the parent Company? If yes, then indicate the number of such subsidiary Company(s).	No, Subsidiary Companies do not participate in BR Initiatives of the parent company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	No other entity / entities that we work with have taken up BR initiatives have taken up during the previous Financial Year.

SECTION D : BR INFORMATION

Sr. No.	Particulars		Details	
1	**Details of Director/Directors responsibile for BR**			
	(a)	Details of the Director/Director responsible for implementation of the BR policy/policies	DIN Number	00009879 and 00010146
			Name	Rajesh R Gandhi and Devanshu L. Gandhi
			Designation	Managing Directors
	(b)	Details of the BR head	DIN Number	00009879 and 00010146
			Name	Rajesh R Gandhi and Devanshu L. Gandhi
			Designation	Managing Directors
			Telephone number	079-48081200
			E-mail id	shareslogs@vadilalgroup.com

2	**Principle-wise (as per NVGs) BR Policy/Policies**											
	(a)	**Details of Compliances (Reply in Y/N)**										
	No.	Questions	P1	P2	P3	P4	P4	P5	P6	P7*	P8	P9*
	1	Do you have a policy/policies for ...	√	√	√	√	√	√	√		√	
	2	Has the policy being formulated in consultation with the relevant stakeholders?	√	√	√	√	√	√	√		√	
	3	Does the policy conform to any national/ international standards? If yes, specify? @	√	√	√	√	√	√	√		√	
	4	Has the policy being approved by the Board? Is Yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	√	√	√	√	√	√	√		√	
	5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	√	√	√	√	√	√	√		√	
	6	Indicate the link for the policy to be viewed online?	We have some policies on our website									
	7	Has the policy been formally communicated to all relevant internal and external stakeholders?	√	√	√	√	√	√	√		√	
	8	Does the Company have in-house structure to implement the policy/policies	√	√	√	√	√	√	√		√	
	9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	√	√	√	√	√	√	√		√	
	10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	We have not carried out an independent audit of these policies									
	(b)	**If answer to the question at serial number 1 against any principle, is 'No' please explain why: (Tick up to 2 options)**										

3	**Governance related BR**		
	(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	The Board / Committee will review the BR performance at least annually.
	(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the first BRR of the Company. The same will be published annually going forward and shall be available on the website of the Company at www.vadilalgroup.com

@ The policies have been derived and adopted by Vadilal Group and are aligned as per local requirements to safeguard the interests of all its stakeholders.

** We do not have a defined policy as of now.*

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

   Vadilal Industries Limited Code of Business Conduct includes the Company's policy on ethics, bribery and corruption covering the Company and all its vendors, contractors and associates. Other significant documents from the Vadilal Group, which define the standard of behaviour of the Company, are Vadilal Code of conduct for prohibition of Insider trading, Whistle Blower policy, and Resource Supply Chain Guidelines.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   No stakeholder complaints received/ pending at the end of the year.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   Vadilal is providing three types of milk products to the consumer- Ice cream, Flavoured Milk and Paneer All are nutritionally enriched product. All our products are free from preservative and transfat .

   We have a wide range for Kids product specifically designed for kids with the Goodness of real milk and enriched with calcium.

   We have removed our non- recyclable packaging material and converted into recyclable material.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   There is no reduction in usage as compared to last year.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof,

   The Company chooses its suppliers through strictly laid out procedures and engages with them according to the non-negotiable minimum standards described in the Vadilal RSC Guidelines. The requirements of Business Integrity, Human Rights (labour standards) Health and safety and Sustainable environmental standards in their business activities, production process, services provision and their own purchasing procedures are met.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Company prefers to procure the material from local vendor & support the development of local farmer by assisting them to increase milk productivity and quality through technical assistance - providing veterinary services, subsidiary medicines and cattle feed.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof

   Company has fulfilled the extended producers responsibility for post consumer waste management. and complied the waste management rules 2016 amended in 2018.We have changed the non bio-degradable packaging material to recyclable material and used recycled paper wherever suitable to our products.

Principle 3 : Employee Wellbeing

Sr. No.	Particulars	Details
1	Please indicate the Total number of employees	724
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis	3654
3	Please indicate the Number of permanent women employees	91

Sr. No.	Particulars		Details
1	Please indicate the Total number of employees		724
4	Please indicate the Number of permanent employees with disabilities		0
5	Do you have an employee association that is recognised by management?		The Company does not have an employee association
6	What percentage of your permanent empoyees are member of this recognised employee association?		NA
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harasment in the last financial year and pending, as on the end of the financial year.		There were no complaints of this nature during the Financial Year.
	What percentage of your mentioned employees were given safety and skill up-gradation training in the last year?		
	(a)	Permanent Employees	60%approx
	(b)	Permanent Women Employees	60%approx
	(c)	Casual/Temporary/Contractual Employees	64%approx
	(d)	Employees with Disabilities	NA

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external stakeholders?

   Yes, the Company's business operations have evolved, balancing business priorities and responsibility towards economic, environmental and social sustainability. The Company builds trust through productive relationships, fosters working partnerships and stakeholders both internal and external as integral to its business. Company's key stakeholders include employees, suppliers, customers, business partners, regulatory agencies and local communities around its Plants

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders

   No

3. Special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders

   No

Principle 5: Business should respect and promote human rights

1. Does the Company's policy on human rights cover only the Company or extend to the Group / Suppliers / Contractors / NGOs / others?

   The Company has put in place a Human Rights Policy applicable to all Vadilal Group of Companies. The Company's commitment to follow the basic principles of human rights is embedded in "Code of Conduct" adopted by the Company. The Company strictly adheres to all applicable labour laws and other statutory requirements in order to uphold the human rights within its organisational boundary.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

   No stakeholder complaints were received during the last financial year.

Principle 6: Business should respect, protect, and make effort to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others

   The policy covers the Company and all its vendors, contractors and associates.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Yes, Vadilal is committed to contribute to limiting global temperature increasing. We are working on several initiatives to achieve energy efficiency and are committed to adopt renewable energy in our operation.

We aim to procure maximum of our electricity as per allowable limit by respective state's regulations from renewable sources. Reduce GHG emissions. Expand the use of natural refrigerants, which do not harm the ozone layer and have a negligible impact on climate change/The development of our packaging to accelerate the development of functional and safe packaging solutions that have a lower carbon footprint.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Yes, the company has initiated the steps to reduce GHE effect since 2016. It has replaced the use of fossils fuel with bio gas (generated from water treatment plants) in heating ovens in plants, worker's colony canteen . It is also generating electricity from biogas by gas engines (80 Kw). It has converted its furnace oil fired boiler into bio gas fired boiler by installing bio gas firing systems.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes Company has the procedure of biogas generation from effluent treatment plant and that biogas is used for various purposes.

   We have initiated to install about 700KVA roof top solar system at the company's manufacturing facility at Pundhra .We have also initiated for supply of about 1800KVA power through Group Captive solar generation at Bareilly plant.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   : There is no pending show cause notice/legal notices received in the year 2019-20 .

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with

   a. Confederation of Indian Industry
   b. Indian Ice Cream Manufacturer's Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas/

   The company does undertake need based advocacy on issues relating to ice-cream sector and sustainability through our membership of ICMA. All the engagements are guided by the values of commitment, integrity and the need to balance interests among our diverse stakeholders.

Principle 8: Business should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8 If yes details thereof.

   The company has programmes in area of primary health care in the rural area. The unit is run by qualified doctor and staff. It provides preliminary education for preventive health care. It also provides primary treatments to villagers. About 22 medical camps were organised in the area of ENT, Eye, paediatrics, dental etc and treated about 2100 patients . The health care unit was attended to by about 7800 patients at its OPD.

   The company has also started the programme of educating and training the farmers in the area of different high yielding crop pattern, soil conservation, optimal use of inputs like water/ fertilisers/ manpower , quality of seeds . Awareness programmes were conducted in 10 villages. A three days residential workshop in the seed production was conducted at Anand Agriculture University .

   Training classes were organised for ladies in village on sewing machines skills and beauty care to generate self -employment. Also guidance was given on government schemes

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

   Projects are undertaken through in-house expert teams and in partnership with likeminded expert partner organizations that share the Company's ambition towards creating inclusive growth.

3. Have you done any impact assessment of your initiative?

   Yes

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   The details are in Annexure-2 of the Business Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   All the community development initiatives are monitored and presentation is made to top management. Also field visits are made by top management to ensure that community is adopting the development. Direct interaction with villagers is done to understand the factual impacts of the initiatives and its sustainance.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   There is no consumer complaints pending as at the end of Financial Year 2020.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

   As per the regulation of product packaging and labelling mandates information are provided on product packaging.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   There is no case filed by any stakeholder against the company regarding unfair trade practices irresponsible advertising or anti-competitive behaviour which are pending as at the end of Financial Year 2020.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   The Company periodically carries out consumer surveys to understand consumer feedback, product satisfaction and preferences, while measuring consumer response and satisfaction regularly through the Company's internal team and external sources tracking studies .A market research covering areas of geographical presence across India was also done thru an external agency in 2020.

By order of the Board of Directors

	Mr. Rajesh R. Gandhi	**Mr. Devanshu L. Gandhi**
Date : 31st August, 2020	Managing Director	Managing Director
Place : Ahmedabad	DIN: 00009879	DIN: 00010146

ANNEXURE – F 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 Procuts 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.

By order of the Board of Directors

Mr. Rajesh R. Gandhi
Managing Director
DIN: 00009879

Mr. Devanshu L. Gandhi
Managing Director
DIN: 00010146

Date : 31st August, 2020
Place : Ahmedabad

ANNEXURE – G 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, 2020]

A) CONSERVATION OF ENERGY

a) The steps taken or impact on conservation of energy and the steps taken by the company for utilising alternate sources 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 :

- Spliting 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 resulting into reduction of energy consumption of Cold Store.
- Intsalled 600TR evaporative condenser in Kirloskar compressor refrigeration plant for enhance condensing capacity & reduction in power consumption.
- Installed 320TR highstage compressor in KC refrigeration system to enhance capacity & power consumption by selecting screw compressor instead of Reciprocating.
- Installed Automatic Hot gas defrosting system in Cold Store No: 17,18 & 19 to save water, excess moisture & reduction in defrosting time.
- Installed & Commissioned Higher Capacity Gas oven in cone area to increase output & productivity of RM Section.
- Installed Cooling tower temp. control automation system to save energy.

Ice-cream Division at Bareilly, Uttar Pradesh:

- Sensor are fixed in continues Chaina hardening tunnel to control chain break down, it help for smooth operation hardening and reduce maintenance cost.
- Level controller is fixed on the filling hopper of candy machine to control the mix level, so that mix overflow stopped and mix pump running become automated, it help to control mix and production losses.
- A cyclic timer has been fixed near main gate for shift duty in and out to operate time hooter, security not to do it manual
- Sensor is fixed with crate washer to control unnecessary running of the machine, when crates not taken out for cleaning, it help to save energy
- A timer has been fixed in CIP room for the exhaust fan to run on auto mode with cip process only, unnecessary exhaust fan will not run.
- A candy machine of 21000 PCS/HR received & installation is pending due to covid.19, it will not only increase the production, but also save the man power.
- A candy machine is installed of capacity 7000 PCS / HR, and increased candy production and save man power.
- Two new cold rooms are installed 10000 crates each to store candy only, so candy storage capacity increased now.
- Automation system fixed with 7.5 KL/HR. homogenizer, so that homogeniser cannot stopped or start when it will on load, previously a malfunction done by production operator, so machine usually went in break down.
- 6000 PCS/HR. cone machine installed to enhance cone production capacity.
- E.T.P. capacity enhancing work under progress from 300 KL TO 1200 KL, A M S anaerobic tank is under fabrication, completed by 15/06/2020.
- Cone packing conveyor modified & 2 nos., are new purchased to control men power & smooth operation.
- Mat./ Empty crate conveyor is fixed from kulfi plant to Rollo plant .
- Empty crate conveyor from crate storage area to store at Rollo roof in winter season, when crates come in bulk to store in the winter season.
- Hot air blower plant to be fixed to dry the crates after wash, so that wet crates will not use in production floor.
- A comprehensive automation of the ice cream plant is under progress, expected to complete by end of the year, it is getting delay due to covid-19.

Processed Food Division at Dharampur, Gujarat:

- HVAC System installed for comfort atmosphere at New Tava Room area to increase productivity.
- Kitchen expanded to increase the Production capacity with added quality
- Continuous Fryer machine installed, which improved the product quality, output as well as energy saving
- Fire hydrant line installed at whole area of Dharampur factory and Got Fire safety NOC

b) Capital investments on energy conservation equipments:

Ice-cream Division at Pundhra, Gujarat:

- Installation 0f 600TR Evaporative Condensors (which is latest & Energy Efficient Technology) in frick Refrigeration system.
- Installation of 66KV power connection to comply legal requirement for power demand above 4000 KVA & uninterrupted power.
- Installation of 06 TPH Wood fire boiler for enhancing the capacity of steam Generation & constant Pr. supply to plant.

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.
- Planning to replace cold room Doors one by one at 2nd Floor of Cold stores to minimize losses and save energy
- To start Preventive Maintenance monitoring by SAP

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:

- After Cold Store No-21 splitting work, reduced the air filtration/ ice formation in cold room and finally saved the power about 4 to 5% of this coldroon and reduced the frosting problem in finished product box.
- 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 & able to run more production at a time.
- After Installation of Hot gas defrosting system in Cold Store No: 17,18 &19 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 the cooling tower temp. control system cooling tower fan power will reduce.
- After Installation of Evaporative Condensers for Refrigeration system total power requirement per ton refrigeration will come down in frick plant.
- After installation of 66 KV Elect. Power connection legal requirement will comply and frequency of interruption of power failure from GEB will reduce & subsequently loss of product.
- After Installation of 06 TPH capacity boiler steam generation capacity will increase and steam will be supplied at constant pressure for process requirement. Quality of process also will be improve & reduction in Basundi/ Mix production time.

Processed Food Division:

- 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 more sand filter in raw water supply line to improve the water quality & finally product quality
- Reused the RO Reject water in colony toilet and saved the fresh water about 20 Kl per Day.
- Expanded the capacity of chilled water supply for use the chilled water for ice cream freezer cooling medea instead of cooling tower water to improve performance of Freyon freezer.

- Modification done in Chlorine dosing system for water treatment and improved the water microbiological quality.
- Old CIP system with piping is replaced with new fully automatic CIP system of higher capacity to improve the quality of CIP and reduce the microbiological issues & water consumption. Also used THE instead of PHE to reduce steam requirement in new system.
- Entire Plant Product Piping, Automatic Valves & SCADA system changed to automate Mix preparation, Pasteurization, storage & delivering to FMT for better hygine & fast operation from one location.
- Installed chilled water based air dryer system to reduce the moisture in compressed air & reduce the breakdown in pneumatic equipments.
- Installed Industrial Co2 offline Laser Printer for Fast & clear printing on Ice cream product lid.
- Installed Contineous Ice Cream Frezzers of 700 & 1500 LPH each from Tetrapak.
- Installed Rapid rollup autometic door for Cold store - 16 to reducing temp loss during movement of product.
- Installed New Mix Pasteurizer suitable for 50% TS mix to reduce Leakages in Pasteurizer & improve quality of product.
- New RMPM store made with mobile racking system for efficient use of storage place & smooth material handling

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

Ice-cream Division at Pundhra, Gujarat:

- Manual Cup filling in box of will be replaced by Automatic Pick & Place Machine on Rotary Cup Filling machine. (Under Commissioning)
- Sandwich making Machine to improve productivity & quality of product.
- Conversion of existing Manual GEA Pasteurizer system to fully automatic system.
- Installation of Mix Pasteurizer suitable for PMO Standard.

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 last 3 years, 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.
"Cao-tech" make Chocolate making machine	2017	Yes	NA
"Product in Product machine" (PIP) for candy product	2017	Yes	NA
Extrusion ice cream machine with Continuous tunnel	2017	Yes	NA
"Gram" make continuous ice cream making freezer -02 nos.	2017	Yes	NA
"Ulma" make Paneer packing machine	2018	No	Packing Material in development stage
Ice cream freezing Continuous tunnel with candy filling attachment	2018	Yes	NA
Tub filling machine 02 Nos from China	2018	Yes	NA

Details of Imported Technology	Year of import	Whether fully absorbed or not	Areas where absorption has not taken place and reason.
Rotary cone machine from china	2018	Yes	NA
Automatic Cartoning Machine	2019	No	Packing Material in development stage
"Tetra" make Continuous ice cream making freezer 700 ltr & 1500 ltr	2020	Yes	NA

e) The expenditure incurred on Research and Development :

During the year under review, the Company has incurred expenditure of Rs. 49.26 Lacs towards Research of Development.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

As against Foreign Exchange Earnings of 7166.36 lacs for the previous year ended on 31st March, 2019, the Company has earned Foreign Exchange of Rs. 7539.82 lacs for Export of Goods on FOB value for the year ended on 31st March, 2020.

As against Foreign Exchange Outgo of Rs. 1060.23 lacs for the previous year, the Outgo during the year under review was Rs. 1038.57 lacs.

By order of the Board of Directors

	Mr. Rajesh R. Gandhi	**Mr. Devanshu L. Gandhi**
Date : 31st August, 2020	Managing Director	Managing Director
Place : Ahmedabad	DIN: 00009879	DIN: 00010146

ANNEXURE- H TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year – 2019-2020

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. Devanshu L. Gandhi 3. Mr. Kalpit R. Gandhi
3.	Average net profit of the Company for last three financial years	**Rs. 3421.26 lakhs**
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)	Rs. 68.43 lakhs
5.	Details of CSR spent during the financial year:	
	a. Total amount spent for the financial year	Rs. 20.36 lakhs
	b. Amount unspent, if any	Rs. 48.07 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 – 2019-2020:

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 2019-2020 (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. 18.75	63.51	Through Trust
2	Handicapped Children School	Clause (ii) of Schedule VII	Pundhra Village, Taluka : Mansa, Dist. Gandhinagar, State : Gujarat	As per requirement of CSR expenditure	Rs. 0.15	-	-
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. 1.25	2.88	-
	Total Spent				**20.36**	**Rs. 47.97**	

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 manpower and resources required in the respective activity, the Company could not spend towards Corporate Social Responsibility measures during the year – 2019-2020, 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.'

Mr. Rajesh R. Gandhi	**Mr. Devanshu L. Gandhi**	**Vijay R. Shah**
Managing Director	Managing Director	Chairman of Csr Committee
Vadilal Industries Limited	Vadilal Industries Limited	Vadilal Industries Limited

Date : 31st August, 2020
Place : Ahmedabad

ANNEXURE – I TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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 Industries Limited
Vadilal House 53 Shrimali Society,
Nr Navrangpura Police Station,
Ahmedabad-380009, Gujarat, 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, 2020 ('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, 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, 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, the Company has complied with the following laws applicable specifically to the Company:

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

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

For the purpose of other laws 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.

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 **['LODR Regulations'].**

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Standards etc. mentioned above subject to the following observations:

1. The casual vacancy of whole-time KMP (CEO) under section 203 of the Act was filled-up by the Board with a delay of 73 days.

2. 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. 68.43 Lakhs towards Corporate Social Responsibility as per its CSR policy. However, as per CSR Report pertaining to the financial year ended 31st March, 2020, Rs. 20.36 Lakhs was spent during the financial year 2019-20 and the remaining amount was unspent.

3. There was delay in submission of Audited Financial Results, Audit Report, and Statement on Impact of Audit Qualifications to BSE and NSE for Quarter and Year ended on 31st March, 2019 and submission of Un-Audited Financial Results and Limited Review Report for Quarter ended on 30th June, 2019 as required in terms of Regulation 33 of LODR Regulations. However, in this regard, the Company had received letter from the BSE and NSE imposing fine, which has been paid by the Company. There was delay in submission of unaudited financial results and the limited review report to BSE and NSE for the quarter ended on 30th September, 2019 as required in terms of Regulation 33 of LODR Regulations.

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

We further report that:

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

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

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

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

We further report that during the Audit Period, the Company has formed 2 (two) wholly own subsidiaries under the Companies, Act, 2013.

Place : Ahmedabad
Date: 18.08.2020

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

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

ANNEXURE A

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

Place : Ahmedabad
Date: 18.08.2020

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

ANNEXURE – J 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, 2020, 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 – 2019-2020 and the percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year – 2019-2020:

Name of the Managing Directors, Chief Executive Officer, Chief Financial Officer, and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year
Mr. Rajesh R. Gandhi, Managing Director	1: 27	15.00%
Mr. Devanshu L. Gandhi, Managing Director	1: 27	15.00%
Mr. Yogesh Bhatt, Interim Chief Executive Officer (w.e.f. 13.12.2019)	N.A.	0.00%
Mr. Anil Patil, Interim Chief Executive Officer (w.e.f. 13.12.2019)	N.A.	8.00%
Mr. Kalpit R. Gandhi, Chief Financial Officer	N.A.	25.00%
Ms. Rashmi T. Bhatt, Company Secretary	N.A.	27.00%

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 – 2019-2020: 13%

c. The number of permanent employees on the rolls of Company as on 31-3-2020: 693

d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year – 2019-2020 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 12.23%

Increase in the managerial remuneration for the year was 15%. 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 containing top ten employees in terms of remuneration drawn and particulars of employees as required under Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any shareholder interested in obtaining a copy of the same may write to the Company Secretary and the same will be provided free of cost to the shareholder.

By order of the Board of Directors

	Mr. Rajesh R. Gandhi	**Mr. Devanshu L. Gandhi**
Date : 31st August,2020	Managing Director	Managing Director
Place : Ahmedabad	DIN: 00009879	DIN: 00010146

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 March 31, 2020, 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:

(a) Note 49 to the standalone financial statements, which describes various allegations and counter-allegations on financial, operational, and management matters between the Promoter Directors of the Company, between August, 2018, and July, 2019. The Promoter Directors have communicated to the Audit Committee and the Board of Directors of the Company, their withdrawal of all the allegations on July 22, 2019, except for the matters referred to in Note 50(A) and 50(B) of the standalone financial statements, which relate to the potential personal expenses amounting to INR 25.33 lakh and INR 23.00 lakh incurred by PD 2 and PD 1, respectively, claimed as business expenses over the past years.

(b) Note 40 to the standalone financial statements which refers to the status of on-going litigations filed against the Company and some of its promoters under Section 241 and 242 of the Companies Act, 2013, pertaining to prevention of oppression and mismanagement of the Company before the National Company Law Tribunal, Ahmedabad.

(c) Due to the possible effects of the matters described in paragraphs (a) and (b) above, we are unable to state whether the remuneration of INR 355.95 lakh and INR 363.23 lakh paid by the Company to its Promoter Directors during the financial year 2018-19 and 2019-20, respectively, is in accordance with the provisions of section 197 of the Companies Act, 2013, and consequential effect thereof on the accompanying standalone financial statements.

(d) The committee of independent directors has appointed an independent law firm and a chartered accountant to inquire/examine all the matters as referred to in Notes 49, 50(A), and 50(B), and advise the Board of Directors of the Company for further course of action.

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

Emphasis of Matter

(a) We draw attention to Note 45(5) of the standalone financial statements, which describes that the Managerial Remuneration payable to Managing Directors, is subject to approval of members.

(b) We draw attention to Note 52 of the standalone financial statements which describes the Management's evaluation of COVID-19 impact on the future performance of the Company.

Our opinion is not modified in respect of the above matters.

Management and Board of Directors' Responsibilities for the Standalone Financial Statements

The Management and the Board of Directors of the Company are responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act"), with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 statements 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, the management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our responsibility is to conduct an audit of entity's standalone 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 for 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 standalone financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Matter

The standalone financial statements of the Company for the year ended March 31, 2019 were audited by the predecessor auditor who expressed a Disclaimer of Opinion on those standalone financial statements on August 23, 2019. Our report on the standalone financial statements is not modified in respect of this matter.

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 paragraph (a) 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 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 A", 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 Disclaimer of Opinion in our separate Report on the Internal Controls over Financial Reporting.

3. As required by Section 143(3) of the Act, we report 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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, read with paragraph 3(b) 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 B". Our report expresses a Disclaimer of 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 paragraphs (a) & (b) in the Basis for Disclaimer of Opinion section above, we are unable to state whether the remuneration paid/provided 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 possible effect of matters described in the Basis 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 provisions, required under 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 for INR 0.15 lakh which is held in abeyance pending resolution of a legal dispute.

For Arpit Patel & Associates.
Chartered Accountants
[Firm Registration No : 144032W]

Arpit K. Patel
Partner
[Membership No.: 034032]
UDIN: 20034032AAAABM2880

Place: Ahmedabad
Date: June 26, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Vadilal Industries Limited of even date)

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020.

We report that:

(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 program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, portion of the fixed assets were physically verified by the Management during the year. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(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, 2020)	Net Block (as at March 31, 2020)	Remarks (give reasons for the exception)
Freehold land located at Dwarka admeasuring 58,096 sq. mtrs.	INR 338.44 lakh	INR 338.44 lakh	The title deeds are not readily available.
Freehold land located at Bareilly admeasuring 94 sq. yards	INR 8.82 lakh	INR 8.82 lakh	The title deeds are not readily available.
House Building Located at Pushpak Bungalow, Ahmedabad admeasuring 200 sq. yards	INR 13.39lakh	INR 8.43 lakh	The title deed is in dispute.
Residential Flat in Maruti Centre, Ahmedabad admeasuring carpet area 4750 sq. ft.	INR 13.34 lakh	INR 4.59 lakh	The title deeds are not readily available.
Investment property located at Mahalaya Complex, Ahmedabad admeasuring 1360 sq. ft.	INR 20.69 lakh	INR 19.06 lakh	The title deed is not yet in name of the Company

In respect of following immovable property of leasehold land and 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, 2020)	Net Block (as at March 31, 2020)
Leasehold land admeasuring 7,825 sq. mtrs. and building constructed thereon located at Bareilly, Uttar Pradesh.	INR 586.82 lakh	INR 586.82 lakh

(ii) As explained to us, inventories have been physically verified at reasonable intervals by the management during the period. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed during such 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, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given, have been complied with by the Company, 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. 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) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident

fund, employee state insurance, income-tax, goods and services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and services tax and other material statutory dues were in arrears as at March 31, 2020, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues of income tax, sales tax, duty of excise, value added tax, cess and goods and services tax which have not been deposited as on March 31, 2020, on account of disputes are as follows:

Sr. No.	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (In INR Lakh)	Amount unpaid (In INR Lakh)
1	Central Sales Tax Act and Sales Tax Acts 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 Tribunal, Bhubaneshwar	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	JC-Corporate, Bareilly.	2010-11	8.02	7.25
		Sales tax	Addnl. Comm., Grade-2 Appeal, Bareilly.	2013-14	9.34	4.67
		Sales tax	Addnl. Comm., Grade-2 Appeal, Bareilly	2012-13	0.66	-
		Sales tax	Addnl. Comm., Grade-2 Appeal, Bareilly.	2017-18	0.25	-
		Sales tax	Addnl. Comm., Grade-2 Appeal, Bareilly	2015-16	3.83	1.25
		Sales tax	Addnl. Comm., Grade-2 Appeal, Raigadh	2014-15	14.62	13.97
	Excise Act	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
2	Income tax	Income tax	CIT(A)	2016-17	15.26	15.26
		Income tax	ITAT	1996-97	1.93	-

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The Company did not have any outstanding dues to debenture holders during the period.

(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. 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 standalone 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 (a) & (b) 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. Reference also invited to Note No. 45(5), which describes that the Managerial Remuneration payable to Managing Directors, is subject to approval of members.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standard.

(xiv) According to the records of the Company examined by us and the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3(xiv) are not applicable to the Company.

(xv) Based on the examinations of the records and according to the information and explanations given by the management, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Arpit Patel & Associates.
Chartered Accountants
[Firm Registration No : 144032W]

Arpit K. Patel
Partner
[Membership No.: 034032]
UDIN: 20034032AAAABM2880

Place: Ahmedabad
Date: June 26, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(h) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Vadilal Industries Limited 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 the Company as of March 31, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management and Board of Directors' Responsibility for Internal Financial Controls

The Management and the Board of Directors of the Company are 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 (the "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 respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI.

Because of the matters described in the Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to standalone financial statements of the Company.

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 standalone 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 standalone 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 standalone financial statements.

Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls over financial reporting with reference to those standalone financial statements as at March 31, 2020 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements.

We were engaged to audit, in accordance with the Standards on Auditing issued by the ICAI, as specified under section 143(10) of the Act, the standalone financial statements of the Company, which comprise the Balance Sheet as at March 31, 2020, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. We have considered the disclaimer of opinion 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 financial year ended March 31, 2020, and this report affects our report dated June 26, 2020, which expressed a disclaimer of opinion on those standalone financial statements.

For Arpit Patel & Associates.
Chartered Accountants
[Firm Registration No : 144032W]

Arpit K. Patel
Partner
[Membership No.: 034032]
UDIN: 20034032AAAABM2880

Place: Ahmedabad
Date: June 26, 2020

STANDALONE BALANCE SHEET as at March 31, 2020

(₹ in Lacs)

Particulars	Notes No.	As At March 31, 2020	As At March 31, 2019
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3 (a)	29,202.04	26,051.47
(b) Capital Work-in-Progress	3 (b)	865.23	1,319.63
(c) Investment Property	3 (c)	19.06	19.40
(d) Intangible Assets	3 (d)	137.68	193.06
(e) Right of Use Assets	3 (e)	753.37	-
(f) Financial Assets			
(i) Investments	4	298.81	290.39
(ii) Loans	5	274.64	301.49
(iii) Other Financial Assets	6	440.83	661.75
(g) Non Current Tax Assets (Net)	7	141.46	47.15
(h) Other Non-Current Assets	8	626.97	618.12
Total Non-Current Assets		**32,760.09**	**29,502.46**
(2) Current Assets			
(a) Inventories	9	14,556.30	11,831.30
(b) Financial Assets			
(i) Investments	10	1.22	1.44
(ii) Trade Receivables	11	3,321.00	3,339.26
(iii) Cash & Cash Equivalents	12	665.13	81.95
(iv) Other Balances with Banks	13	914.49	252.37
(v) Loans	14	299.21	210.05
(vi) Other Financial Assets	15	258.04	211.04
(c) Other Current Assets	16	1,232.39	1,151.66
Total Current Assets		**21,247.78**	**17,079.07**
Total Assets		**54,007.87**	**46,581.53**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	17	718.78	718.78
(b) Other Equity	18	22,667.17	19,598.84
Total Equity		**23,385.95**	**20,317.62**
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	4,820.28	5,743.42
(ii) Other Financial Liabilities	20	738.47	55.53
(b) Provisions	21	195.53	201.37
(c) Deferred Tax Liabilities (Net)	22	1,589.62	2,223.30
(d) Other Non Current Liabilities	23	609.25	660.54
Total Non-current Liabilities		**7,953.15**	**8,884.16**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	10,479.11	6,563.89
(ii) Trade Payables			
- Dues of micro enterprises and small enterprises	25	526.26	411.20
- Dues of creditors other than micro enterprises and small enterprises	25	7,604.78	6,134.10
(iii) Other Financial Liabilities	26	3,341.28	3,333.32
(b) Provisions	27	298.13	290.69
(c) Current Tax Liabilities (Net)	28	-	79.81
(d) Other Current Liabilities	29	419.21	566.74
Total Current Liabilities		**22,668.77**	**17,379.75**
Total Liabilities		**30,621.92**	**26,263.91**
Total Equity & Liabilities		**54,007.87**	**46,581.53**

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

For Arpit Patel & Associates
Chartered Accountants
ICAI Firm registration number: 144032W

Arpit K Patel
Partner
Membership No.: 034032
Place : Ahmedabad
Date: June 26, 2020

For and on behalf of the Board of Directors

Rajesh R Gandhi
Managing Director
(DIN - 00009879)

Devanshu L Gandhi
Managing Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date: June 26, 2020

Rashmi Bhatt
Company Secretary

STANDALONE STATEMENT OF PROFIT & LOSS for the year ended March 31, 2020

(₹ in Lacs)

	Particulars	Notes No.	Year Ended March 31, 2020	Year Ended March 31, 2019
I	Revenue From Operations	30	51,662.97	50,705.76
II	Other Income	31	842.08	1,258.46
III	**Total Income (I+II)**		**52,505.05**	**51,964.22**
IV	**Expenses:**			
	Cost of Materials Consumed	32	29,033.85	28,414.93
	Purchase of Stock-in-trade	33	860.76	1,064.58
	Changes in Inventories of Finished Goods and Stock-in-trade	34	(201.64)	(982.16)
	Employee Benefits Expense	35	4,385.71	3,921.43
	Finance Costs	36	1,472.53	1,392.13
	Depreciation and Amortization Expenses	3	1,887.89	1,659.83
	Other Expenses	37	11,626.96	11,625.87
	Total Expense (IV)		**49,066.06**	**47,096.61**
V	**Profit Before Tax (III-IV)**		**3,438.99**	**4,867.61**
VI	**Tax Expenses**			
	(a) Current Tax	38	860.43	1,588.43
	(b) Deferred Tax	38	(636.21)	130.80
	Total Tax Expenses		**224.22**	**1,719.23**
VII	**Profit for the year (V-VI)**		**3,214.77**	**3,148.38**
VIII	**Other Comprehensive Income**			
	(i) Item that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans		(35.58)	(43.71)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.54)	15.52
	Other Comprehensive Income for the year		**(38.12)**	**(28.19)**
	Total Comprehensive Income for the year (VII+VIII)		**3,176.65**	**3,120.19**
	Earning Per Share (Face Value of ₹ 10 each)			
	- Basic & Diluted	44	44.73	43.80

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

For Arpit Patel & Associates
Chartered Accountants
ICAI Firm registration number: 144032W

Arpit K Patel
Partner
Membership No.: 034032
Place : Ahmedabad
Date: June 26, 2020

For and on behalf of the Board of Directors

Rajesh R Gandhi
Managing Director
(DIN - 00009879)

Devanshu L Gandhi
Managing Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date: June 26, 2020

Rashmi Bhatt
Company Secretary

STATEMENT OF STANDALONE CASH FLOWS for the year ended March 31, 2020

(₹ in Lacs)

	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**3,438.99**	**4,867.61**
	Adjustments for:		
	Depreciation and Amortisation Expense	1,887.89	1,659.83
	(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	(1.53)	58.84
	Profit on Sale of Investments	(24.07)	(41.68)
	Excess Provision Written Back	(69.42)	(23.77)
	(Gain) / Loss on Fair Value of Current Investment	0.21	0.30
	(Gain) / Loss on Fair Value of Non Current Investment	3.63	(0.54)
	Loans & Advances written back	-	(196.93)
	Financial Guarantee Commission Income	(28.99)	(25.46)
	Grant Income	(55.65)	(55.68)
	Dividend Income	-	(0.01)
	Interest Income	(103.87)	(84.13)
	Finance Costs	1,472.53	1,392.13
	Provision for Doubtful Debts	19.38	(2.90)
	Provision for Doubtful Advances	-	(2.15)
	Share of (Profit) / Loss of Partnership Firm	22.79	(10.11)
	Unrealised foreign exchange (Gain)/Loss	(135.37)	66.05
		2,987.53	**2,733.79**
	Operating Profit before Working Capital changes	**6,426.52**	**7,601.40**
	Changes in Working Capital:		
	(Increase) / Decrease in Inventories	(2,725.00)	(2,155.95)
	(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	(578.63)	765.02
	Increase / (Decrease) in Trade Payables, Financial Liabilities, Other Liabilities and Provisions	2,668.60	(832.52)
	Cash Generated from Operations	**(635.03)**	**(2,223.45)**
	Income Taxes Paid	(1,034.55)	(1,492.34)
	Net Cash Generated from / (Used in) Operating Activities (A)	**4,756.94**	**3,885.61**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Capital Expenditure on Property, Plant & Equipment	(5,160.01)	(3,055.25)
	Proceeds from Sale of Property, Plant & Equipment	16.37	20.74
	Proceeds from Sale of Current Investment (Net)	24.07	41.68
	Payments for Non Current Investments	(12.00)	-
	Interest Received	85.33	72.82
	Dividend Received	-	0.01
	Net Cash Generated from / (Used in) Investing Activities (B)	**(5,046.24)**	**(2,920.00)**

STATEMENT OF STANDALONE CASH FLOWS for the year ended March 31, 2020

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Non Current Borrowings	4,169.71	957.89
Repayment of Non Current Borrowings	(5,597.84)	(1,709.93)
Proceeds from Current Borrowings (Net)	3,915.22	1,258.73
Payment of Lease Liabilities	(76.22)	-
Interest Paid	(1,430.07)	(1,388.07)
Dividend Paid (Including Tax on Dividend)	(108.32)	(108.32)
Net Cash Generated from / (Used in) Financing Activities (C)	**872.48**	**(989.71)**
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	**583.18**	**(24.09)**
Cash and Cash Equivalents at the beginning of the year (Refer Note-12)	**81.95**	**106.05**
Cash and Cash Equivalents at the end of the year (Refer Note-12)	**665.13**	**81.95**

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended).

(₹ in Lacs)

Particulars of liabilities arising from financing activity.	Note No.	As at March 31, 2019	Net cash Flows	Other changes*	As at March 31, 2020
Borrowings :					
Non Current borrowings	19	8,089.87	(1,481.18)	53.05	6,661.74
Current borrowings	24	6,563.89	3,915.22	-	10,479.11
Interest accrued on borrowings	26	178.44	(178.44)	220.90	220.90
Total		**14,832.20**	**2,255.60**	**273.95**	**17,361.75**

(₹ in Lacs)

Particulars of liabilities arising from financing activity.	Note No.	As at March 31, 2019	Net cash Flows	Other changes*	As at March 31, 2020
Borrowings :					
Non Current borrowings	19	8,841.91	(756.50)	4.46	8,089.87
Current borrowings	24	5,305.16	1,258.73	-	6,563.89
Interest accrued on borrowings	26	174.39	(174.39)	178.44	178.44
Total		**14,321.46**	**327.84**	**182.90**	**14,832.20**

* This relates to amount charged to the statement of Profit & Loss

1) The above cash flow has been prepared under Indirect Method set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flow.
2) Previous year figures have been regrouped wherever necessary to make them comparable with current year figures.
3) Figures in bracket represent outflow.

In terms of our report attached.

For Arpit Patel & Associates
Chartered Accountants
ICAI Firm registration number: 144032W

Arpit K Patel
Partner
Membership No.: 034032
Place : Ahmedabad
Date: June 26, 2020

For and on behalf of the Board of Directors

Rajesh R Gandhi
Managing Director
(DIN - 00009879)

Devanshu L Gandhi
Managing Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date: June 26, 2020

Rashmi Bhatt
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2020

(₹ 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, 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**
Profit for the year					3,214.77			3,214.77	3,214.77
Other comprehensive income (Actuarial loss net of income tax)							(38.12)	(38.12)	(38.12)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**3,214.77**	**-**	**(38.12)**	**3,176.65**	**3,176.65**
Payment of dividend for the year including tax on dividend					(108.32)			(108.32)	(108.32)
Balances as at March 31, 2020	**718.78**	**8.84**	**487.28**	**5,000.00**	**9,761.48**	**7,524.17**	**(114.60)**	**22,667.17**	**23,385.95**

See accompanying notes to the standalone financial statements.

In terms of our report attached.
For Arpit Patel & Associates
Chartered Accountants
ICAI Firm registration number: 144032W

Arpit K Patel
Partner
Membership No.: 034032
Place : Ahmedabad
Date: June 26, 2020

For and on behalf of the Board of Directors

Rajesh R Gandhi
Managing Director
(DIN - 00009879)

Devanshu L Gandhi
Managing Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date: June 26, 2020

Rashmi Bhatt
Company Secretary

NOTES FORMING PART OF THE STANDALONE 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 March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on June 26, 2020.

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, 2020 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 Goods:-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 maturities of three months or less from the date of purchase, to be cash equivalents.

f) Revenue Recognition

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.

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Assets and liabilities arising from rights to return

Right to return assets

A return right gives an entity a contractual right to recover the goods from a customer (return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company has therefore recognized refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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 sale 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, for which, based on technical evaluation, 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 lives 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

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts. (Refer Note (v) (i))

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 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.

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 the statement of Profit & Loss

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, 2019

(i) Leases

The Company as a lessee :

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 885.67 Lacs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application :

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Particulars	(₹ in Lacs)
Balance as at April 1,2019	-
Reclassified on account of adoption of Ind AS 116 (Refer to Note 3 (e))	885.67
Additions	-
Deletion	-
Depreciation	132.30
Balance as at March 31,2020	**753.37**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows :

Particulars	(₹ in Lacs)
Current lease Liabilities	99.26
Non-current lease Liabilities	710.19
Total	**809.45**

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Particulars	(₹ in Lacs)
Balance at the beginning	-
Reclassified on account of adoption of Ind AS 116 (Refer to Note 20 & 26)	885.67
Finance cost accrued during the period	91.53
Payment of lease liabilities	(167.75)
Balance at the end	**809.45**

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows :

Particulars	(₹ in Lacs)
Less than one year	99.26
One to five years	688.93
More than five years	21.26
Total	**809.45**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 310.79 Lacs for the year ended March 31, 2020.

(ii) Ind AS 12 – Income Taxes – Appendix C, Uncertainty over Income Tax Treatments:-

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition – i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind

AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The standard became effective from April 01, 2019. The Company has adopted the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 01, 2019 if any without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C is insignificant in the standalone financial statements.

(iii) Amendment to Ind AS 12 – Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the 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 adoption of the standard did not have any material impact to the financial statements. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

(iv) Amendment to Ind AS 19 – Employee benefit – plan amendment, curtailment or settlement:- The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The adoption of the standard did not have any material impact to the financial statements.

w) Standards issued but not yet effective

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company.Hence, the disclosure is not applicable.

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 43.

NOTE-3

(₹ in Lacs)

Particulars	Land (Refer Note 18 (b))	Building	Leasehold Building Improvements	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
3 (a) Property, Plant and Equipment								
As at April 1, 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**
Additions		1,129.25	-	3,556.26	29.09	102.29	11.22	4,828.11
Deductions		-	-	50.09	-	1.01	4.80	55.90
As at March 31, 2020	**7,769.66**	**6,786.92**	**17.13**	**28,319.14**	**276.00**	**919.89**	**469.41**	**44,558.15**
Accumulated Depreciation and Impairment								
As at April 1, 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**
Depreciation charge for the year		227.94	1.81	1,283.54	18.43	87.65	46.70	1,666.07
Deductions		-	-	39.14	-	0.73	4.56	44.43
As at March 31, 2020	**-**	**2,043.04**	**10.88**	**12,141.45**	**202.54**	**675.35**	**282.85**	**15,356.11**
Net carrying value								
As at March 31, 2020	**7,769.66**	**4,743.88**	**6.25**	**16,177.69**	**73.46**	**244.54**	**186.56**	**29,202.04**
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**

Note:

1) Land includes ₹ 586.82 lacs (as at March 31, 2019 ₹ 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, 2019 ₹ 13.39 lacs) and Net Value is ₹ 8.43 lacs (as at March 31, 2019 ₹ 8.64 lacs) acquired against loan which is yet to be transferred in the name of the company.

3) Refer footnote to Note 19 & 24 for security/charges created on property,plant and equipment.

3 (b)	Capital Work In Progress	(₹ in Lacs)
	As at April 1, 2018	**728.89**
	Additions	1,059.77
	Deductions	469.03
	As at March 31, 2019	**1,319.63**
	Additions	3,806.71
	Deductions	4,261.11
	As at March 31, 2020	**865.23**

3 (c)	Investment Property *	(₹ in Lacs)
	Deemed cost	
	As at April 1, 2018	**20.69**
	Additions	-
	Deductions	-
	As at March 31, 2019	**20.69**
	Additions	-
	Deductions	-
	As at March 31, 2020	**20.69**
	Accumulated Depreciation	
	As at April 1, 2018	**0.95**
	Depreciation charge for the year	0.34
	Deductions	-
	As at March 31, 2019	**1.29**
	Depreciation charge for the year	0.34
	Deductions	-
	As at March 31, 2020	**1.63**
	Net Carrying Amount	
	As at March 31, 2020	**19.06**
	As at March 31, 2019	**19.40**
	Fair Value of Investment Property	
	As at March 31, 2020	**51.09**
	As at March 31, 2019	**51.09**

* The property is in process of transfer in the name of the company.

3 (e)	Right of Use Assets	(₹ in Lacs)
	Cost or Fair Value	
	As at April 1, 2019	**-**
	Additions on account of transition to IND AS 116	885.67
	Deductions	-
	As at March 31, 2020	**885.67**
	Accumulated Depreciation and Impairment	
	As at April 1, 2019	-
	Additions	132.30
	Deductions	-
	As at March 31, 2020	**132.30**
	Net Carrying Amount	
	As at March 31, 2020	**753.37**
	As at March 31, 2019	**-**

3 (d)	Intangible Assets (Software & Development Cost)	(₹ in Lacs)
	Cost or Deemed Cost	
	As at April 1, 2018	**723.92**
	Additions	84.10
	Deductions	-
	As at March 31, 2019	**808.02**
	Additions	33.80
	Deductions	-
	As at March 31, 2020	**841.82**
	Amortisation	
	As at April 1, 2018	**476.27**
	Depreciation charge for the year	138.69
	Deductions	-
	As at March 31, 2019	**614.96**
	Depreciation charge for the year	89.18
	Deductions	-
	As at March 31, 2020	**704.14**
	Net Carrying Amount	
	As at March 31, 2020	**137.68**
	As at March 31, 2019	**193.06**

NOTE-4 INVESTMENTS

Particulars	Face Value	As At March 31, 2020		As At March 31, 2019	
		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-45)	$100	2,250	136.41	2,250	136.41
Varood Industries Ltd.**	10	50,000	5.00	-	-
Vadilal Delight Ltd.**	10	50,000	5.00	-	-
Vadilal Gulf (FZE)*	-	-	-	-	-
Vadilal Industries Pty Ltd.*	AUD 1	100	0.05	-	-
Investment in Partnership Firm at cost:					
Vadilal Cold Storage (Refer Note-45)	-	-	140.00	-	140.00

* The company had incorporated a subsidiary company in United Arab Emirates in the name of VADILAL GULF (FZE) dated February 20, 2018 which is liquidated / closed down on October 9, 2019. The company had incorporated a subsidiary company in Australia in the name of VADILAL INDUSTRIES PTY LTD. dated April 16, 2018 and this subsidiary has not started operations.

** The company has incorporated two new subsidiaries in the name of Varood Industries Ltd.and Vadilal Delights Ltd.dated February 19, 2020 and January 31, 2020 respectively.

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 Cost (Unquoted fully paid up) :					
Kalupur Commercial Co-operative Bank Ltd.	25	8,000	2.00	-	-
In Equity instruments of other companies at FVTPL (Unquoted fully paid up) :					
Vadilal Forex and Consultancy Services Ltd.	10	36,250	6.06	36,250	9.69
Majestic Farm House Ltd. (Refer Note-45)	10	74,100	3.95	74,100	3.95
Padm Complex Ltd.	10	280	0.03	280	0.03
Volute Construction Ltd.	10	280	0.03	280	0.03
Total			**298.81**		**290.39**

NOTE- 5 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Loan to Subsidiary (At Amortized Cost) (Refer Note-45)	250.00	250.00
Investments in Current Capital of a Partnership Firm (Refer Note-45)	19.26	42.05
Loan to employees	5.36	9.44
Others	0.02	-
Total	**274.64**	**301.49**

NOTE-6 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Margin Money Deposits with banks (Refer Note-13)	48.13	301.33
Security Deposits (Refer Note-45)	270.65	249.42
Other Deposits	122.05	111.00
Total	**440.83**	**661.75**

NOTE-7 TAX ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Taxes Receivable	141.46	47.15
Total	**141.46**	**47.15**

NOTE-8 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Capital Advances	233.61	310.80
Prepaid Expenses	393.36	307.32
Total	**626.97**	**618.12**

NOTE-9 INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(At lower of Cost or Net Realisable Value)		
Raw Materials	8,565.68	5,473.33
Packing Materials	1,322.78	1,759.48
Finished Goods*	4,007.45	4,005.52
Stores, Spares and Consumables	660.39	592.97
Total	**14,556.30**	**11,831.30**

*Includes net of right to return assets of ₹ 199.71 lacs (March 31, 2019 : ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers.

Inventories write downs are accounted, considering the nature of inventory usage, ageing and net realisable value. Write-down of inventories amounted to ₹ 520.12 Lacs as at March 31, 2020 (as at March 31, 2019 ₹ 440.98 Lacs). These write-downs are recongnised as an expense in the statement of profit & loss.

NOTE-10 INVESTMENTS

Particulars	Face Value	As At March 31, 2020		As At March 31, 2019	
		Units	(₹ in Lacs)	Units	(₹ in Lacs)
Current Investments					
Investments in Equity Instruments-Quoted (Valued at fair value through Profit and Loss)					
Aminex Chemicals Ltd.	-	-	-	400	-
Century Enka Ltd.	10	15	0.02	15	0.04
Essar Steel Ltd.	-	-	-	60	0.01
Golden Agro Tech Industries Ltd.	-	-	-	200	-
Great Eastern Shipping Co. Ltd.	10	100	0.20	100	0.28
Interface Financial Services Ltd.	1	25,000	0.04	25,000	0.05
Radhe Developers Ltd.	10	4,900	0.49	4,900	0.59
Saket Projects Ltd.	10	2,500	0.02	2,500	0.02
Sanara Media Ltd.	1	900,000	0.45	900,000	0.45
		Total	**1.22**		**1.44**

NOTE-11 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, Considered Good	106.07	106.41
Unsecured, Considered Good (Refer Note-45)	3,214.93	3,232.85
Unsecured, Considered Doubtful	38.83	19.45
	3,359.83	**3,358.71**
Less: Allowance for Doubtful Trade Receivables (expected credit loss allowance)	38.83	19.45
Total	**3,321.00**	**3,339.26**

Note: Refer Note-43 for information about credit risk and market risk of Trade receivables.

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Break-up of trade receivables		
Trade receivables from other than related parties	374.80	530.77
Receivables from related parties (Note-45)	2,946.20	2,808.49
Total	**3,321.00**	**3,339.26**

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, 2020 : ₹ 2,946.20 lacs are due from two customers (as at March 31, 2019 : ₹ 2,808.49 lacs are due from two customers).
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, 2020	As at March 31, 2019
Balance at the beginning of the year	19.45	22.35
Add: Allowance for the year	20.59	4.79
Less: Reversal of provision due to recovery	1.21	7.69
Balance at the end of the year	**38.83**	**19.45**

5. Refund liabilities of ₹ 247.30 lacs (March 31, 2019: ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers are shown under Other Financial Liabilities. (Refer Note-26)

NOTE-12 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks :		
In Current Accounts	648.89	71.26
Cash on hand	16.24	10.69
Total	**665.13**	**81.95**

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, 2020	As at March 31, 2019
Balances in Fixed Deposits Repayment Reserve Account	278.59	200.59
Balances in Unclaimed Dividend Accounts	21.82	22.00
Deposits with maturity for more than 3 months	18.53	96.32
Margin Money Deposit (towards guarantee and LC issued by banks as well as for loan security)	643.68	234.79
	962.62	**553.70**
Less : Deposits with maturity of more than 12 months		
Amount disclosed under Non-Current Financial Assets (Note-6)	48.13	301.33
Total	**914.49**	**252.37**

Note: Unclaimed Dividend Account balance can only be used for payment of Unclaimed Dividend.

NOTE-14 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Loan to Subsidiary (Refer Note-45)	288.71	196.93
Loan to Employees	10.50	13.12
Total	**299.21**	**210.05**

NOTE-15 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
(Unsecured, Considered Good)		
Interest accrued on loans and deposits from related parties (Refer Note-45)	40.40	25.40
Interest accrued on loans and deposits from others	3.82	0.28
Other Deposits	14.11	11.67
Subsidy Receivable	-	44.21
Mark to Market Receivables on Derivatives	-	129.48
Others*	199.71	-
Total	**258.04**	**211.04**

*Includes right to return assets of ₹ 199.71 lacs (March 31, 2019 : ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers.

NOTE-16 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Prepaid Expenses	213.06	343.68
Balances with Govt.Authorities	537.03	303.98
Export Benefits Receivable	104.64	256.84
(A)	**854.73**	**904.50**
Advances for Goods & Expenses		
Considered Good	377.66	247.16
Considered Doubtful	35.81	35.81
Less: Allowances for Doubtful Advance	35.81	35.81
(B)	**377.66**	**247.16**
Total (A + B)	**1,232.39**	**1,151.66**

NOTE-17 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital:		
1,50,00,000 (as at March 31, 2019:1,50,00,000) 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, 2019:71,88,230) Equity shares of ₹ 10/- each	718.82	718.82
	718.82	**718.82**
Paid up Share Capital:		
71,87,830 (as at March 31, 2019:71,87,830) 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, 2020		As At March 31, 2019	
	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, 2020		As At March 31, 2019	
	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%

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 ownership of shares.

NOTE-18 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
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	6,655.03	3,614.97
Add : Profit for the year	3,214.77	3,148.38
Less : Appropriations		
Dividend for the year including tax on dividend (Refer Note (a) below) (Dividend per share ₹ 1.25 (P.Y. amount per share ₹ 1.25))	108.32	108.32
Total Appropriations	**108.32**	**108.32**
Balance at the end of the year	**9,761.48**	**6,655.03**
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	(76.48)	(48.29)
Add : Remeasurement of Employee Benefit	(38.12)	(28.19)
Balance at the end of the year	**(114.60)**	**(76.48)**
	22,667.17	**19,598.84**

a) On October 3, 2018 & October 09, 2019 a dividend of ₹ 1.25 per share (total dividend ₹ 108.32 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) 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-19 BORROWING

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Secured-at amortised Cost		
Term Loans from Banks	3,700.73	5,090.24
Less: Current maturity of long term loans (Note-26)	594.51	1,503.03
	3,106.22	**3,587.21**
Vehicle Loans	112.29	141.26
Less: Current maturity of vehicle loans (Note-26)	23.17	48.47
	89.12	**92.79**
Term Loans from Non Banking Financial Company	451.17	488.47
Less: Current maturity of long term loans (Note-26)	44.28	37.95
	406.89	**450.52**
	3,602.23	**4,130.52**
Unsecured-at amortised Cost		
Public Fixed Deposits	2,397.55	2,369.90
Less: Current maturity of public fixed deposits (Note-26)	1,179.50	757.00
	1,218.05	**1,612.90**
Total	**4,820.28**	**5,743.42**

Note

1 Refer Note-43 for information about Liquidity Risk.

2 Amount stated in current maturity is disclosed under the head of " Other Current Financial Liabilities " (Note-26).

3 The Company has applied for moratorium in respect of term loans (interest & instalments) from March 1, 2020 to August 31, 2020 and accordingly classified Current & Non-Current Portion based on the moratorium applied.

Repayment Schedule of Loans

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019	Effective Interest Rate	Terms of repayment
Term Loans				
From Banks				
Bank of Baroda	221.92	553.93	14.16%	72 monthly instalments of ₹ 27.78 lacs starting from December, 2014
State Bank of India	-	435.72	15.04%	39 monthly instalments of ₹ 10 Lacs starting from January, 2014 and thereafter 33 monthly instalments of ₹ 52 lacs
IndusInd Bank (partially disbursed)	3478.81	4100.59	11.19%	72 monthly instalments of ₹ 61.11 lacs starting from February, 2019
From Non Banking Financial Company				
Tata Capital Financial Services Ltd.	451.17	488.47	11.89%	78 monthly instalments of ₹ 6.33 lacs starting from October, 2019

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019	Effective Interest Rate	Terms of repayment
Vehicle Loans				
HDFC Bank Limited	112.29	141.26	8.30% to 12.76%	From 12 to 79 monthly Instalments * of ₹ 0.17 lacs to ₹ 0.94 lacs
Total Loan (a)	**4264.19**	**5719.97**		
Fixed deposits (b)	2397.55	2369.90	8.00% to 10.25% based on period of deposit	12 months to 36 months
Grand Total (a)+(b)	**6661.74**	**8089.87**		

***Includes Interest portion**

A Term Loans from Banks BOB and SBI - ₹ 221.92 Lacs (As at March 31, 2019 ₹ 989.65 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 New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (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 New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 New Survey No. 3647 i.e Old 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 New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 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 - ₹ 3,478.81 Lacs (As at March 31, 2019 ₹ 4,100.59 Lacs) is secured by way of 1st pari-passu 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 New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (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 New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 New Survey No.3647 i.e. Old 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 New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 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. - ₹ 451.17 Lacs (As at March 31, 2019 ₹ 488.47 Lacs) is secured by way of 1st pari-passu charge over the following immovable fixed assets of the company (Excluding Land & Building of Gomtipur Plant, Ahmedabad), 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 New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (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 New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 New Survey No. 3647 i.e. Old 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 New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 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 Loans are secured by Corporate Guarantee by Majestic Farm House Ltd., Vadilal Cold Storage, 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.

H The Corporate Loan of ₹ 20.00 Crores from BOB and Term Loan of ₹ 21.00 Crores from Tata capital Financial Services ltd are also secured by Personal Guarantee of Mr. Rajesh R Gandhi and Mr. Devanshu L Gandhi, Managing Directors of the Company.

Collateral / Additional Securities by Group Companies

A Existing Term Loan from SBI of ₹ NIL (Previous year : ₹ 21 crores), Corporate Loan of ₹ 20 crores from BOB, Term Loan of ₹ 60 Crores availed/to be availed from IndusInd Bank and also 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)

NOTE-20 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Financial Guarantee Liabilities (Refer Note-45)	28.28	55.53
Lease Liabilities under IND AS 116	710.19	-
Total	**738.47**	**55.53**

NOTE-21 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Provision for Employee Benefits		
Gratuity (Refer Note-46)	195.53	201.37
Total	**195.53**	**201.37**

NOTE-22 DEFERRED TAX LIABILITY (NET)

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities	2,289.71	2,839.07
Deferred Tax Assets	(700.09)	(615.77)
Total	**1,589.62**	**2,223.30**

Movement in Deferred Tax Liabilities and Assets

(₹ 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)
Actuarial 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**

(₹ in Lacs)

Movement during the year ended March 31, 2020	As at April 1, 2019	Charge/(Credit) in statement of Profit and Loss	Charge/(Credit) in Other Comprehensive Income	MAT Utilization / Short / Excess Provision	As at March 31, 2020
Deferred Tax Liabilities / (Assets)					
Property, plant and equipments	2,609.73	(661.72)			1,948.01
Investments	7.26	(3.00)			4.26
Expenditure allowed in the year of payment	(147.35)	(23.49)			(170.84)
Provision for doubtful debts & advances	(19.53)	0.58			(18.95)
Government Grant under EPCG	(245.47)	81.70			(163.77)
Discounting of security deposit to present value and corresponding impact on other expenses	110.77	(38.71)			72.06
Discounting of security deposit to present value and corresponding impact on interest income	(132.83)	42.52			(90.31)
Increase in borrowing cost pursuant to application of EIR	70.21	(33.00)			37.21
Effect of measuring corporate guarantee liability	(29.49)	15.55			(13.94)
Leased Assets under Ind AS 116		189.61			189.61
Leased Liability under Ind AS 116		(203.72)			(203.72)
Actuarial Loss	-	(2.54)	2.54		-
Total	**2,223.30**	**(636.22)**	**2.54**	**-**	**1,589.62**

NOTE-23 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Deferred Govt. Grant	609.25	660.54
Total	**609.25**	**660.54**

NOTE-24 BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Secured-at amortised Cost		
Working Capital Loans from Banks	10,102.00	4,238.78
	10,102.00	**4,238.78**
Unsecured-at amortised Cost		
Working Capital Loans (Unsecured)	-	1,500.00
Public Fixed Deposits	130.20	180.60
Inter Corporate Deposits from others	200.00	615.00
Book Overdraft in current account with Banks	46.91	29.51
	377.11	**2,325.11**
Total	**10,479.11**	**6,563.89**

A Working Capital facilities from Consortium Banks, namely, BOB, SBI, IDBI and IndusInd Bank aggregating to ₹ 67.92 crores 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) (2nd charge)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (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 New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 New Survey No.3647 i.e. Old 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 New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 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.

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 i) The above Working Capital facilities are also secured by Personal Guarantee of Mr. Rajesh R. Gandhi, Managing Director and Mr. Devanshu L. Gandhi, Managing Director of the Company. The Working Capital facilities of the Consortium Bank are also secured by Corporate Guarantee by Majestic Farm House Ltd., Vadilal Cold Storage, Padm Complex Ltd. and Volute Constructions Ltd.

ii) Adhoc working capital facilities from State Bank of India of ₹ 25 Crore is secured by way of pari-passu charge on current assets of the Company and Personal Guarantee of Mr. Rajesh R. Gandhi, Managing Director and Mr. Devanshu L. Gandhi, Managing Director of the Company.

iii) Short Term loan from Indusind Bank of ₹ 20 Crore is secured by way of pledge of stock stored in approved warehouse and Personal Guarantee of Mr. Rajesh R. Gandhi, Managing Director and Mr. Devanshu L. Gandhi, Managing Director of the Company.

iv) CC facility from Kalupur Commercial Co-operative Bank of ₹ 30 Crore is secured by pledge stocks and Personal Guarantee of Mr. Rajesh R. Gandhi, Managing Director and Mr. Devanshu L. Gandhi, Managing Director of the Company.

E The cash credit loan is repayable on demand and carries interest @ 10.25 % to 12.25 %

F The Working Capital loan (Unsecured) is repayable on demand and carries interest @ 10.00 % to 11.50 %.

G Inter corporate deposits are repayable between 59 days to 155 days and carry Interest @ 12.25 % to 14.75 %

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, IDBI and IndusInd 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 and D-23, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (2nd charge) (Leased Property)

\# Ground Floor, Office No. 2B, "Mahalaya" Opp. President Hotel, Swastik Char Rasta, Ahmedabad. (Exclusive charge) (Owned Property)

@ Gomtipur, Ahmedabad (2nd charge) (Leased Property)

NOTE-25 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small and Medium Enterprises-Refer Note (A)	526.26	411.20
Due to Others	7,604.78	6,134.10
Total	**8,131.04**	**6,545.30**

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, 2020	As at March 31, 2019
A	i) Principal amount remaining unpaid at the end of the accounting year	526.26	411.20
	ii) Interest due on above	0.73	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	0.73	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-26 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Current maturities of long-term debt (Note-19)		
From Banks (Secured)	617.68	1,551.50
From Non Banking Financial Company (Secured)	44.28	37.95
Public Fixed Deposits	1,179.50	757.00
Interest Accrued	220.90	178.44
Unclaimed Dividends*	21.82	22.00
Unclaimed Deposits and Interest accrued thereon*	21.11	24.93
Financial Guarantee Liabilities	27.17	28.91
Lease Liabilities under IND AS 116	99.26	-
Payable for Capital Goods	642.59	583.24
Security Deposits from Customers	130.56	139.67
Payable to subsidiary co.	0.05	-
Mark To Market Liabilities on Derivatives	79.38	-
Others**	256.98	9.68
Total	**3,341.28**	**3,333.32**

*There are no amounts due for payment to the Investors Education and Protection fund as at the year end.

**Includes refund liabilities of ₹ 247.30 lacs (March 31, 2019: ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers.

NOTE-27 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Provision for Employee Benefits		
Gratuity (Refer Note-46)	108.54	99.85
Compensated Absences	189.59	190.84
Total	**298.13**	**290.69**

NOTE-28 TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Income Tax Payable (Net of Advance Tax)	-	79.81
Total	**-**	**79.81**

NOTE-29 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Statutory Remittances	130.73	246.11
Advances Received from Customers	31.11	64.65
Other Liabilities	206.04	200.29
Deferred Govt. Grant	51.33	55.69
Total	**419.21**	**566.74**

NOTE-30 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of Products		
Finished goods (Refer Note-45)	51,148.71	50,235.78
Currency	394.10	365.10
Sale of Services		
Income from Money Changing Business	9.50	8.35
Other Operating Revenues		
Scrap Sales	110.66	96.53
Total	**51,662.97**	**50,705.76**
Reconciliation of revenue from operation with contract price		
Revenue from contract with customers as per the contract price	52,110.48	50,850.81
Adjustment made to contract price on account of:		
Discounts and Rebates	(447.51)	(145.05)
Revenue from Operations	**51,662.97**	**50,705.76**

NOTE-31 OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income (Refer Note-45)	103.87	84.13
Export Licenses Income	376.11	506.43
Financial Guarantee Commission Income	28.99	25.46
Gain on Fair Value of Non Current Investment	-	0.54
Grant Income	55.65	55.68
Dividend income on long term Investment	-	0.01
Net gain on Foreign Currency translations and transactions	172.88	304.02
Share of Profit of Partnership Firm (Refer Note-45)	-	10.11
Profit on sale of investment	24.07	41.68
Gain on disposal of Property, Plant & Equipment	1.53	-
Excess Provision written back	69.42	23.77
Miscellaneous Income	9.56	4.65
Loans & Advances to wholly owned subsidiary written back (Refer Note-42)	-	196.93
Provision for Doubtful Debt written back	-	2.90
Provision for Doubtful Advance written back	-	2.15
Total	**842.08**	**1,258.46**

NOTE-32 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventory at the beginning of the year	7,232.81	6,203.47
Add : Purchases	31,689.50	29,444.27
Less: Inventory at the end of the year	9,888.46	7,232.81
Total	**29,033.85**	**28,414.93**

NOTE-33 PURCHASE OF TRADED GOODS

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Processed Food	7.20	34.86
Dairy Products	343.29	631.03
Others	119.52	25.83
Currency	390.75	372.86
Total	**860.76**	**1,064.58**

NOTE-34 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventories at beginning of the year		
Finished Goods	4,005.52	3,023.36
	4,005.52	**3,023.36**
Inventories at end of the year		
Finished Goods	4,207.16	4,005.52
	4,207.16	**4,005.52**
	(201.64)	**(982.16)**

Note : Year end finished goods includes inventory in form of right to return assets of ₹ 199.71 Lacs as at March 31, 2020 (As at March 31, 2019 : NIL)

NOTE-35 EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salary, Wages, Allowances and Bonus etc. (Refer Note-45)	3,904.85	3,519.97
Contribution to Provident and Other funds (Refer Note-46)	271.79	204.45
Staff Welfare Expenses	209.07	197.01
Total	**4,385.71**	**3,921.43**

NOTE-36 FINANCE COSTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Expense (Refer Note-45)	1,326.32	1,251.98
Other Borrowing Costs	146.21	140.15
Total	**1,472.53**	**1,392.13**

NOTE-37 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Job Charges	3,356.44	3,341.21
Power & Fuel	3,423.71	3,316.50
Stores and Spares Consumption	788.63	703.40
Repairs & Maintenance	685.43	692.88
Rent	310.79	437.22
Freight and forwarding charges	1,183.46	1,283.34
Sales Promotion Expense	183.33	257.25
Corporate Social Responsibility Expense	20.36	18.17
Payment to Auditors (Refer details below)	31.79	43.69
Provision for Doubtful Debts	20.59	4.79
Less : Reversal of provision due to recovery	1.21	4.79
Provision for Doubtful Debts	19.38	-
Loss on disposal of Property, Plant & Equipment	-	58.84
Loss on fair value of Current Investment	0.21	0.30
Loss on fair value of Non Current Investment	3.63	-
Share of Loss of Partnership Firm	22.79	-
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery etc.) (Refer Note-45)	1,597.01	1,473.07
Total	**11,626.96**	**11,625.87**
Payment to Auditors		
As Auditor		
Audit Fees	22.50	38.00
Limited Review	8.00	4.20
In Other Capacity		
Certification Fees	0.90	0.90
Reimbursement of expenses	0.39	0.59
Total	**31.79**	**43.69**

NOTE-38 TAX EXPENSES

(₹ in Lacs)

	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
A.	**Income tax recognised in Statement of Profit and Loss:**		
	Current Tax:		
	In respect of the current year	898.76	1,588.43
	In respect of the prior years	(38.33)	-
	Total	**860.43**	**1,588.43**
	Deferred Tax:		
	In respect of the current year	(636.21)	130.80
	Total	**(636.21)**	**130.80**
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	3,438.99	4,867.61
	Income Tax Expense @ 25.168% (Last year @ 34.944%)	865.53	1,700.94
	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	15.06	8.39
	Effect of income that are not taxable	-	(3.53)
	Effect of change in tax rate (Refer below Note)	(639.19)	-
	Others	21.15	13.43
		262.55	**1719.23**
	Adjustments in respect of current income tax of previous year	(38.33)	-
	Total	**224.22**	**1,719.23**
	Tax effect on Items in Other Comprehensive Income	2.54	(15.52)
	Tax expense as per Statement of Profit and Loss	**226.76**	**1,703.71**

The company's weighted average tax rates for the year ended March 31, 2020 and March 31, 2019 are 6.52% and 35.32% respectively.

Note :

The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961, as introduced by Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for Income tax for the quarter and period ended March 31, 2020, and re-measured its Deferred Tax basis the rates prescribed in the said section. The full impact of this change has been recognised in the statement of profit & loss for the year ended March 31, 2020. This has resulted in reversal of Deferred tax expense of ₹ 639.19 lacs on account of remeasurement of Deferred tax liabilities as at April 01,2019.

NOTE - 39 CONTINGENT LIABILITIES NOT PROVIDED FOR AND COMMITMENTS :

(₹ in Lacs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Contingent Liabilities		
(a)	Guarantees given by the company against Borrowing given to companies in which Directors are interested is ₹ 2,901 Lacs (March 31, 2019 ₹ 3,927 Lacs)		
	Outstanding against this as at March 31	2,310.96	2,618.96
(b)	For Excise-related 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.	15.26	70.94
(d)	For Income Tax-against which Income Tax dept. has preferred appeal	-	50.46
(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
(f)	For Sales Tax-Disputed by the company and against which company has preferred appeals	144.20	180.90
(g)	For Other Matters	245.84	130.80
(h)	Differential amount of custom / excise duty in respect of machinery purchased under EPCG Scheme*	796.55	796.55
(i)	Differential amount of custom duty in respect of Advance License*	64.29	-
(j)	Outstanding letter of credits and bank guarantees issued by banks	787.61	650.76
	Total Contingent Liabilities	**4,409.64**	**4,544.30**
	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) :	607.04	565.84

NOTE - 39 CONTINGENT LIABILITIES NOT PROVIDED FOR AND COMMITMENTS : (Contd...)

Future Cash Outflow in respect of (b) to (g) above depends on ultimate settlement / conclusions with the relevant authorities.

* The company has fulfilled export obligation for license availed under EPCG. As the applications for closures are either to be made / pending disposal by department, the same are shown as contingent liabilities.

NOTE - 40

In FY 2017-18, a 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 period, no orders have been passed by the NCLT as the petitioners and some of the parties to the petition have submitted to the NCLT that they are seeking to arrive at an amicable resolution of matter.

NOTE - 41 Segment Information :

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".

NOTE - 42 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, 2020	As at March 31, 2019
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
Varood Industries Ltd.	Wholly owned subsidiary company	Business Purpose	5.00	-
Vadilal Delight Ltd.	Wholly owned subsidiary company	Business Purpose	5.00	-
Vadilal Industries Pty Ltd.	Wholly owned subsidiary company	Business Purpose	0.05	-
Gurantee Given				
Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence	To avail credit facility and corporate loan	2,901.00	3,927.00
Loans				
Vadilal Industries USA (Inc.)	Wholly owned subsidiary company	Business Purpose	538.71	446.93
Vadilal Cold Storage	Partnership firm where company has 98% Ownership Interest	Business Purpose	19.26	42.05

Maximum outstanding during the year: (₹ in Lacs)

Name of Party	Relationship	Purpose	As at March 31, 2020	As at March 31, 2019
Investments				
Vadilal Industries USA (Inc.)	Subsidiary Company	Business Purpose	136.41	136.41
Vadilal Cold Storage	Partnership Firm	Business Purpose	140.00	140.00
Varood Industries Ltd.	Wholly owned subsidiary company	Business Purpose	5.00	-
Vadilal Delight Ltd.	Wholly owned subsidiary company	Business Purpose	5.00	-
Vadilal Industries Pty Ltd.	Wholly owned subsidiary company	Business Purpose	0.05	-
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	538.71	446.93
Vadilal Cold Storage	Partnership firm where company has 98% Ownership Interest	Business Purpose	42.05	42.05

Company has made investment in equity of overseas subsidiary company for ₹ 136.41 Lacs. During the year Subsidiary Company has made a profit of ₹ 851.64 Lacs (₹ 448.83 Lacs in the year 2018-19) and net accumulated profit as at March 31, 2020 is ₹ 1452.21 Lacs (₹ 600.57 Lacs as at March 31, 2019). 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 ₹ 874.65 Lacs as at March 31, 2019 (₹ 1,615.96 Lacs as at March 31, 2019) will be fully realisable.

NOTE - 43 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 shareholders. 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 19 and 24 off set by cash and bank balances) and total equity of the Company.

Gearing Ratio (₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Debt *	17,140.85	14,653.76
Less: Cash and cash Equivalents	665.13	81.95
Net Debt	**16,475.72**	**14,571.81**
Total Equity excluding Revaluation Reserve	**15,861.78**	**12,793.45**
Net Debt to equity ratio	**103.87%**	**113.90%**

*Debt is defined as long-term borrowings,short-term borrowings and current maturities of long term borrowings as described in notes 19 and 24

II Category-wise classification of financial instruments

Financial Assets & Financial Liabilities as at March 31, 2020 (₹ in Lacs)

Particulars	Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets			
Investments	11.29	288.74	300.03
Loans	-	573.85	573.85
Trade receivables	-	3,321.00	3321.00
Cash and Cash Equivalents	-	665.13	665.13
Bank balances other than cash and cash Equivalents	-	914.49	914.49
Other Financial Assets	-	698.87	698.87
Total	**11.29**	**6462.08**	**6473.37**
Financial Liabilities			
Borrowings	-	15,299.39	15299.39
Trade Payable	-	8,131.04	8131.04
Other Financial Liabilities	-	4,079.75	4079.75
Total	**-**	**27510.18**	**27510.18**

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**
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**

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, 2020				
Investments at fair value through profit and loss	11.29	1.22	-	10.07
As at March 31, 2019				
Investments at fair value through profit and loss	15.14	1.44	-	13.70

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.

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, 2020	As at March 31, 2019
Forward contract to sell CAD		
No. of contracts	5	1
In CAD	2,20,000	90,100
In INR	1,17,93,009	47,07,660
Forward contract to sell GBP		
No. of contracts	-	1
In GBP	-	54,000
In INR	-	49,67,011
Forward contract to sell USD		
No. of contracts	5	4
In USD	46,50,000	36,49,411
In INR	35,63,73,250	25,56,78,883

(b) Particular of foreign currency exposures as at the reporting date.

Particulars	As at March 31, 2020	As at March 31, 2019
Liabilities (Foreign currency)		
In US Dollars (USD)	1,85,795.72	1,98,130.53
In Euro (EUR)	295.00	295.00
In Australian Dollars (AUD)	1,300.00	11,700.00
Assets (Foreign currency)		
In US Dollars (USD)	14,20,184.72	27,56,865.91
In Great Britain Pound (GBP)	28,801.80	56,221.28

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Liabilities (INR)		
In US Dollars (USD)	140.05	137.05
In Euro (EUR)	0.24	0.23
In Australian Dollars (AUD)	0.61	5.75
Assets (INR)		
In US Dollars (USD)	1,070.54	1,906.92
In Great Britain Pound (GBP)	26.81	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, 2020		For the year ended March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
USD	9.30	(9.30)	17.70	(17.70)
GBP	0.27	(0.27)	0.51	(0.51)
AUD	(0.01)	0.01	(0.06)	0.06
Increase / (decrease) in profit & loss	9.56	(9.56)	18.15	(18.15)

(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, 2020	For the Year Ended March 31, 2019
BSE Index 100 - Increase by 5%	0.06	0.07
BSE Index 100 - Decrease by 5%	(0.06)	(0.07)

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, 2020	100 bps	82.78
As at March 31, 2019	100 bps	50.14

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, 2020	As at March 31, 2019
0-3 months	3,215.43	3,229.25
3-6 months	9.70	27.40
6-12 months	5.93	37.31
More than 12 months	89.94	45.30
Total	**3,321.00**	**3,339.26**

The following table summarizes the changes in loss allowances measured using life time expected credit loss model

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Allowances	**19.45**	**22.35**
Add: Additional Allowances made	20.59	4.79
Less: Reversal of provision due to recovery	1.21	7.69
Closing Allowances	**38.83**	**19.45**

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 90.33 % revenue (previous year 90 %) from such customers, and with one of these customers, the Company has long term contracts. As at March 31, 2020, receivables from such customers constitute 88.55 % (previous year 84.11 %) of total trade receivables. A loss of these customers 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, 2020 (₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	10,479.11	4,793.80	26.48	15,299.39
Trade Payable	8,131.04	-	-	8,131.04
Other Financial Liabilities	3,341.28	717.21	21.26	4,079.75
Total Financial Liabilities	**21,951.43**	**5,511.01**	**47.74**	**27,510.18**

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**

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, 2020	As at March 31, 2019
Expiring within one year (Bank overdraft and other facilities)	3,156.60	838.68
Expiring beyond one year (Bank loans)	3,205.97	3,205.97

NOTE - 44 EARNINGS PER SHARE (EPS) AS PER INDIAN ACCOUNTING STANDARD 33:

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Profit for the year attributable to owners of the Company (₹ in Lacs)	3,214.77	3,148.38
Weighted average number of Equity Shares (in Lacs)	71.88	71.88
Earning per Equity Share (Basic & Diluted)	44.73	43.80

NOTE - 45 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 Industries PTY Ltd	Wholly owned subsidiary company (w.e.f. April 16, 2018)
3	Vadilal Gulf (FZE)	Wholly owned subsidiary company (upto October 9, 2019)
4	Varood Industries Limited	Wholly owned subsidiary company (w.e.f. February 19, 2020)
5	Vadilal Delights Limited	Wholly owned subsidiary company (w.e.f. January 31, 2020)
6	Vadilal Cold Storage	Partnership firm where company has 98% Ownership Interest
7	Rajesh R. Gandhi	Key Managerial Personnel
8	Devanshu L. Gandhi	Key Managerial Personnel
9	Kalpit R. Gandhi	Key Managerial Personnel
10	Rashmi Bhatt	Key Managerial Personnel (w.e.f. February 12, 2019)
11	Yogesh Bhatt	Key Managerial Personnel (w.e.f.December 13, 2019)
12	Anil Patil	Key Managerial Personnel (w.e.f.December 13, 2019)
13	Ruchita Gurjar	Key Managerial Personnel (upto November 15,2018)
14	Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
15	Vadilal International Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
16	Veronica Construction Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
17	Majestic Farm House Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
18	Byad Packaging Industries Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
19	Vadilal Marketing Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
20	Vadilal Chemicals Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
21	Mamta R. Gandhi	Relative of Key Managerial Personnel
22	Deval D. Gandhi	Relative of Key Managerial Personnel
23	Aakanksha 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.	42,072.30					42,072.30
	P.Y.	(41,509.15)					(41,509.15)
	Vadilal Industries (USA) Inc.	4,593.93	4,593.93				
	P.Y.	(4,128.41)	(4,128.41)				

(₹ 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
(b) Purchases						
Vadilal Chemicals Ltd.	16.68					16.68
P.Y.	(20.33)					(20.33)
(c) Hire Charges / Rent Expense						
Vadilal Cold Storage	33.28		33.28			
P.Y.	(34.08)		(34.08)			
(d) Interest Paid						
Byad Packaging Industries Pvt. Ltd.	0.46					0.46
P.Y.	(1.25)					(1.25)
Vadilal Marketing Pvt. Ltd.	2.17					2.17
P.Y.	(8.70)					(8.70)
Rajesh R Gandhi	0.08			0.08		
P.Y.	-			-		
Deval D. Gandhi	-				-	
P.Y.	(0.63)				(0.63)	
(e) i) Managerial Remuneration						
Rajesh R. Gandhi	181.49			181.49		
P.Y.	(177.98)			(177.98)		
Devanshu L. Gandhi	181.74			181.74		
P.Y.	(177.98)			(177.98)		
ii) Remuneration						
Kalpit R. Gandhi	33.64			33.64		
P.Y.	(29.91)			(29.91)		
Yogesh Bhatt	8.00			8.00		
P.Y.	-			-		
Anil Patil	8.45			8.45		
P.Y.	-			-		
Rashmi Bhatt	15.38			15.38		
P.Y.	(2.75)			(2.75)		
Deval D. Gandhi	7.70				7.70	
P.Y.	(2.59)				(2.59)	
Mamta R. Gandhi	7.70				7.70	
P.Y.	(7.57)				(7.57)	
Aakanksha D. Gandhi	-				-	
P.Y.	(0.76)				(0.76)	
Ruchita Gurjar	-			-		
P.Y.	(6.70)			(6.70)		
(f) Interest Income						
Vadilal International Pvt. Ltd.	6.00					6.00
P.Y.	(6.00)					(6.00)
Vadilal Industries USA (Inc.)	35.00	35.00				
P.Y.	(20.00)	(20.00)				
(g) Share of Profit in partnership Firm						
Vadilal Cold Storage	(22.79)		(22.79)			
P.Y.	(10.11)		(10.11)			
(h) Royalty Expense						
Vadilal International Pvt. Ltd.	35.29					35.29
P.Y.	(34.09)					(34.09)

(₹ 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
(i) Loan or Deposits Received						
Vadilal Marketing Pvt. Ltd.	63.00					63.00
P.Y.	(152.00)					(152.00)
Byad Packaging Industries Pvt. Ltd.	9.00					9.00
P.Y.	(68.00)					(68.00)
Rajesh R Gandhi	40.00			40.00		
P.Y.	-			-		
Deval D. Gandhi	-				-	
P.Y.	(50.00)				(50.00)	
(j) Loan or Deposits Repaid						
Vadilal Marketing Pvt. Ltd.	63.00					63.00
P.Y.	(152.00)					(152.00)
Byad Packaging Industries Pvt. Ltd.	9.00					9.00
P.Y.	(68.00)					(68.00)
Rajesh R Gandhi	40.00			40.00		
P.Y.	-			-		
Deval D. Gandhi	-				-	
P.Y.	(50.00)				(50.00)	
(k) Investments made						
Varood Industries Ltd	5.00	5.00				
P.Y.	-	-				
Vadilal Delights Ltd	5.00	5.00				
P.Y.	-	-				
Vadilal Industries PTY Ltd	0.05	0.05				
P.Y.	-	-				
Balance outstanding at year end :						
Investments						
Vadilal Industries (USA) Inc.	136.41	136.41				
P.Y.	(136.41)	(136.41)				
Varood Industries Ltd	5.00	5.00				
P.Y.	-	-				
Vadilal Delights Ltd	5.00	5.00				
P.Y.	-	-				
Vadilal Industries PTY Ltd	0.05	0.05				
P.Y.	-	-				
Vadilal Cold Storage	140.00		140.00			
P.Y.	(140.00)		(140.00)			
Majestic Farm House Ltd.	3.95					3.95
P.Y.	(3.95)					(3.95)
Trade Receivable						
Vadilal Enterprises Ltd. *	2,071.55					2,071.55
P.Y.	(1,192.53)					(1,192.53)
Vadilal Industries (USA) Inc.	874.65	874.65				
P.Y.	(1,615.96)	(1,615.96)				

(₹ 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
Interest Receivable						
Vadilal Industries (USA) Inc.	35.00	35.00				
P.Y.	(20.00)	(20.00)				
Vadilal International Pvt. Ltd.	5.40					5.40
P.Y.	(5.40)					(5.40)
Loans & Advances Given						
Vadilal Cold Storage	19.26		19.26			
P.Y.	(42.05)		(42.05)			
Majestic Farm House Ltd.	4.78					4.78
P.Y.	(4.73)					(4.73)
Vadilal Industries (USA) Inc	538.71	538.71				
	(446.93)	(446.93)				
Security Deposits Given						
Vadilal International Pvt. Ltd.	600.00					600.00
P.Y.	(600.00)					(600.00)
Trade Payable						
Vadilal International Pvt. Ltd.	-					-
P.Y.	(5.18)					(5.18)
Vadilal Cold Storage	3.55		3.55			
P.Y.	(6.43)		(6.43)			
Vadilal Chemicals Ltd.	3.27					3.27
P.Y.	(3.62)					(3.62)
Corporate Guarantee Given						
Vadilal Enterprises Ltd.	2,901.00					2,901.00
P.Y.	(3,927.00)					(3,927.00)
Corporate Guarantee Taken						
Majestic Farm House Ltd.	22,392.00					22,392.00
P.Y.	(17,892.00)					(17,892.00)
Vadilal Enterprises Ltd.	270.00					270.00
P.Y.	(250.00)					(250.00)
Personal Guarantee Taken						
Rajesh R Gandhi & Devanshu L Gandhi (Jointly)	12,776.00			12,776.00		
P.Y.	(9,161.00)			(9,161.00)		

Notes

1) Transaction of Purchases / Sales (where input tax credit is not available to the company) and outstanding of Trade Payables / Receivable are inclusive of Taxes.

2) Previous Year figures are shown in bracket.

3) 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.

4) To temporarily tide over the business loss suffered by its primary customer due to the unprecedented condition caused by the COVID-19 pandemic, the Company has given a special credit note to Vadilal Enterprises Limited for ₹ 325 lacs. The 'Revenue from Operations' for the year ended March 31, 2020 is debited by the said amount.

5) Two Promoter Directors, working as non-executive directors during the year, are appointed as Managing Directors with effect from March 25, 2020, by the Board of Directors. The financial results for the year ending March 31, 2020, includes managerial remuneration of ₹ 363.23 lacs payable to two managing directors, and is subject to approval by the shareholders/members at the ensuing Annual General Meeting.

Compensation to Key Managerial Personnel of the Company: (₹ in Lacs)

Nature of Benefits	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Short Term Employee Benefits	102.47	224.10
Post Employment Gratuity Benefits*	49.64	36.96
Total	**152.11**	**261.06**

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 have not been included in (e) above.

NOTE - 46 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 ₹ 176.47 Lacs (Previous Year: ₹ 127.69 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, 2020	As at March 31, 2019
Obligations at the beginning of the year	**566.30**	**483.79**
Current service cost	35.83	31.91
Past service cost	-	-
Interest cost	44.00	37.40
Actuarial (gain) / loss-due to changes in Demographic Assumptions	-	-
Actuarial (gain) / loss-due to changes in Financial Assumptions	10.88	(1.56)
Actuarial (gain) / loss-due to Experience Adjustments	22.39	41.24
Benefits paid	(29.96)	(26.48)
Present value of benefit obligation at the end of the year	**649.44**	**566.30**

b) **Movement in the fair value of defined plan assets are as follows :** (₹ in Lacs)

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Plan assets at the beginning of the year at fair value	**265.08**	**272.48**
Interest Income	20.60	21.06
Return on plan assets excluding interest income	(2.32)	(4.03)
Contributions from the employer	91.97	2.05
Benefits paid	(29.96)	(26.48)
Plan assets at the end of the year at fair value	**345.36**	**265.08**

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, 2020	As at March 31, 2019
Present value of benefit obligation at the end of the period	649.44	566.30
Fair value of plan assets at the end of the period	(345.36)	(265.08)
Net liability / (assets) arising from defined benefit obligation	**304.07**	**301.22**

d) **Amount recognised in the Statement of Profit and Loss as Employee Benefit Expenses** (₹ in Lacs)

Gratuity	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	35.83	31.91
Net Interest Cost	23.40	16.33
Past Service Cost	-	-
Net impact on the Profit / (Loss) before tax	**59.23**	**48.24**
Gain / (Expense) recognised in Other Comprehensive Income		
Return on plan assets excluding actuarial return on plan assets	2.31	4.03
Actuarial (gains) / losses arising from changes in Demographic Assumptions	-	-
Actuarial (gains) / losses arising from changes in Financial Assumption	10.88	(1.56)
Experience (gains) / losses arising on Experience Adjustments	22.39	41.24
Net expense recognised in the Other Comprehensive Income before tax	**35.58**	**43.71**

e) **The defined benefit obligations shall mature after year end March 31, 2020 as follows:** (₹ in Lacs)

Gratuity	As at March 31, 2020
1st Following Year	138.52
2nd Following Year	32.12
3rd Following Year	34.50
4th Following Year	46.61
5th Following Year	22.58
Sum of Years 6 to 10	262.12
Sum of Years 11 and above	691.69

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, 2020	As at March 31, 2019
Projected Benefit Obligation on Current Assumptions	649.44	566.30
Delta Effect of +1% Change in Rate of Discounting	(43.53)	(36.30)
Delta Effect of -1% Change in Rate of Discounting	50.29	41.78
Delta Effect of +1% Change in Rate of Salary Increase	46.14	38.10
Delta Effect of -1% Change in Rate of Salary Increase	(36.39)	(34.13)
Delta Effect of +1% Change in Rate of Employee Turnover	0.47	3.08
Delta Effect of -1% Change in Rate of Employee Turnover	(0.50)	(3.44)

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, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	6.84%	7.77%
Salary Escalation Rate		
For next 1 year	0.00%	7.00%
Thereafter starting from 2nd year	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, 2020 based on actuarial valuation carried out by using Projected Unit Credit Method is ₹ 189.59 Lacs . (As at March 31, 2019 : ₹ 190.84 Lacs)

Compensated Absences	As at March 31, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	6.84%	7.77%
Salary Escalation Rate		
For next 1 year	0.00%	7.00%
Thereafter starting from 2nd year	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 - 47 SCHEDULE OF GOVERNMENT GRANT: (REFER NOTE 23 & 29)

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance of Grant	**716.23**	**751.42**
Grant Received during the Year	-	20.49
Amortised to the statement of Profit & Loss	(55.65)	(55.68)
Closing balance of Grant	**660.58**	**716.23**
Current	51.33	55.69
Non-Current	609.25	660.54
Total	**660.58**	**716.23**

NOTE - 48 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE:

a) CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 is ₹ 68.43 Lacs for the year 2019-20. (P.Y. ₹ 52.47 Lacs).

b) Expenditure related to CSR is ₹ 20.36 Lacs (P.Y. ₹ 18.17 Lacs), details of the same is as under:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	20.36	18.17
Total	**20.36**	**18.17**

NOTE - 49

During the period between August, 2018, and July, 2019, 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 50 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 – PD 1 and PD 2 and further as the allegations levelled were without any corroborative evidence, decided no further action was required on any of the allegation except for the ones stated in Note 50 below.

NOTE - 50

A) 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 ₹ 25.33 lacs as official business expenses during the financial year 2017-18 to 2018-19.

B) 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.

NOTE - 51

The Board of the Company, in their meeting dated March 30, 2019, had appointed an independent external consultant to perform procedures to ascertain whether the potential personal expenses in 50 (A) above have been claimed as business expenses.

Thereafter, as the previous statutory auditors had not accepted the Company's representation on Note 49 and 50 above and issued a Disclaimer of Opinion on the financial results for the year ended March 31, 2019, the Promoter Directors in the meeting of the Board held on August 23, 2019, have voluntarily offered to appoint an independent law firm to conduct detailed inquiry in all the matters as reported in the statutory audit report with an aim of value preservation and enhancement in the interests of all stakeholders.

Pending the conclusion of the aforesaid inquiry, the statutory auditors have disclaimed their opinion on the financial statements for the year ended March 31, 2019, and the financial statements for the year ended March 31, 2020.

In the meeting of the Board of the Company held on November 15, 2019, a committee of independent directors has been formed to appoint an independent law firm to conduct an inquiry/examination in the matters. On termination by the Board of the earlier appointment of external consultant dated March 30, 2019, the committee of independent directors thereafter, has appointed an independent law firm and chartered accountant firm to inquire/examine in all the matters as stated in Notes 49, 50(A), and 50(B), and advise the Board for further course of actions. Due to the outbreak of COVID-19, the inquiry/reports are delayed.

NOTE - 52

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has significantly impacted business operations of the Company from the last fortnight of March, 2020, by way of interruption in production, supply chain disruption, etc. till the lockdown period. March to June is usually considered to be the peak period of sales, the Company's business being seasonal in nature. Partial resumption of production and despatch has commenced from second half of May, 2020.

The Company has made a detailed assessment of the recoverability of the Company's assets such as Inventory, Receivables, Investments, etc. as at the Balance Sheet date, using reasonably available information, estimates and judgments and has determined that none of these balances require material adjustments to their carrying value. However, the impact of global health pandemic might vary from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any material changes to the future economic conditions.

The Company has availed moratorium in respect of term loans (interest & installments) and interest on cash credit accounts from March 1, 2020 to August 31, 2020, and with the support of the lenders, believes in its ability to continue as a going concern and meeting its liabilities as and when they fall due in the foreseeable future.

NOTE - 53

Previous years' figures have been regrouped and rearranged wherever necessary to comply with requirement of Ind AS.

In terms of our report attached.
For Arpit Patel & Associates
Chartered Accountants
ICAI Firm registration number: 144032W

Arpit K Patel
Partner
Membership No.: 034032
Place : Ahmedabad
Date: June 26, 2020

For and on behalf of the Board of Directors

Rajesh R Gandhi
Managing Director
(DIN - 00009879)

Devanshu L Gandhi
Managing Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date: June 26, 2020

Rashmi Bhatt
Company Secretary

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 "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, 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:

(a) Note 47 to the consolidated financial statements, which describes various allegations and counter-allegations on financial, operational, and management matters between the Promoter Directors of the Holding Company, between August, 2018, and July, 2019. The Promoter Directors have communicated to the Audit Committee and the Board of Directors of the Holding Company, their withdrawal of all the allegations on July 22, 2019, except for the matters referred to in Note 48(A) and 48(B) of the consolidated financial statements, which relate to the potential personal expenses amounting to INR 25.33 lakh and INR 23.00 lakh incurred by PD 2 and PD 1, respectively, claimed as business expenses over the past years.

(b) Note 40 to the consolidated financial statements which refers to the status of on-going litigations filed against the Holding Company and some of its promoters under Section 241 and 242 of the Companies Act, 2013, pertaining to prevention of oppression and mismanagement of the Holding Company before the National Company Law Tribunal, Ahmedabad.

(c) Due to the possible effects of the matters described in paragraphs (a) and (b) above, we are unable to state whether the remuneration of INR 355.95 lakh and INR 363.23 lakh paid by the Holding Company to its Promoter Directors during the financial year 2018-19 and 2019-20, respectively, is in accordance with the provisions of section 197 of the Companies Act, 2013, and consequential effect thereof on the accompanying consolidated financial statements.

(d) The committee of independent directors has appointed an independent law firm and a chartered accountant to inquire/examine all the matters as referred to in Notes 47, 48(A), and 48(B), and advise the Board of Directors of the Holding Company for further course of action.

Pending completion of the aforesaid inquiries/examination 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

(a) We draw attention to Note 43(5) of the consolidated financial statements, which describes that the Managerial Remuneration payable to Managing Directors of the Holding Company, is subject to approval of members.

(b) We draw attention to Note 50 of the consolidated financial statements which describes the Management's evaluation of COVID-19 impact on the future performance of the Group.

Our opinion is not modified in respect of the above matters.

Management and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors and Management are responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act"), with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The Management and the Board of Directors of the Holding Company are responsible for maintenance of the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management and the Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to 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 Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Consolidated 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 for 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 of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Group.

Other Matters

The consolidated financial statements includes the financial statements/financial results/financial information of:

(a) 2 (two) subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of INR 5,231.70 lakh as at March 31, 2020, total revenue (before consolidation adjustments) of INR 13,045.93 lakh and total net profit after tax (before consolidation adjustments) of INR 828.38 lakh and net cash outflows of INR 241.85 lakh for the year ended on that date, as considered in the consolidated financial statements, which have been audited by their independent auditors. The independent auditor's report on the financial statements of these entities have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such 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 Holding Company. The Management of the Holding Company has converted the financial statements of these subsidiaries from those accounting principles to the accounting principles generally accepted in India, as applicable to the Holding Company.

(b) 2 (two) subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of INR 0.05 lakh as at March 31, 2020, total revenue (before consolidation adjustments) of INR Nil and total net profit after tax (before consolidation adjustments) of INR Nil and net cash outflows of INR Nil for the year ended on that date, as considered in the consolidated financial statements. These unaudited financial statements/financial results/financial information has been approved and furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on such unaudited financial statements/financial results/financial information. In our opinion, and according to the information and explanations given to us by the Management of the Holding Company, these financial statements/financial results/financial information are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial results/financial information certified by the Management of the Holding Company.

(c) The consolidated financial statements of the Holding Company for the year ended March 31, 2019 were audited by the predecessor auditor who expressed a Disclaimer of Opinion on those consolidated financial statements on August 23, 2019. Our report on the consolidated financial statements is not modified in respect of this matter.

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 paragraph (a) 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 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 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 Holding 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 the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 Holding Company and its subsidiary companies incorporated in India, taken on record by the respective Board of Directors, none of the directors of these companies incorporated in India is disqualified as on March 31, 2020, 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 read with paragraph 2(b) above.

(h) With respect to the adequacy of the internal financial controls with respect to the consolidated financial statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report express a disclaimer of Opinion on the Holding 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 (a) & (b) in the Basis for Disclaimer of Opinion section above, we are unable to state whether the remuneration paid/provided by the Holding 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 possible effect of matters described in the Basis 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 provisions, required under 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 Holding Company except for INR 0.15 lakh which is held in abeyance pending resolution of a legal dispute, along with its subsidiary companies incorporated in India, being the only companies in the Group to which such requirements of the Act are applicable.

For Arpit Patel & Associates.
Chartered Accountants
[Firm Registration No : 144032W]

Arpit K. Patel
Partner
[Membership No.: 034032]
UDIN: 20034032AAAABO3657

Place: Ahmedabad
Date: June 26, 2020

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 to the members of Vadilal Industries Limited 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 (hereinafter referred to as "the Holding Company") and its subsidiaries which are incorporated in India as at March 31, 2020, in conjunction with our audit of the consolidated financial statements for the year ended on that date.

Management and Board of Directors' Responsibility for Internal Financial Controls

The Management and the Board of Directors of the Holding Company and its subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (the "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 respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI.

Because of the matters described in the Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to these consolidated financial statements.

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.

Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Holding Company had adequate internal financial controls over financial reporting with reference to those consolidated financial statements as at March 31, 2020 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements.

We were engaged to audit, in accordance with the Standards on Auditing issued by the ICAI, as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Balance Sheet as at March 31, 2020, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. We have considered the disclaimer of opinion reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Holding Company and this report affects our report dated June 26, 2020 which expressed a disclaimer of opinion on those consolidated financial statements.

For Arpit Patel & Associates.
Chartered Accountants
[Firm Registration No : 144032W]

Arpit K. Patel
Partner
[Membership No.: 034032]
UDIN: 20034032AAAABO36570

Place: Ahmedabad
Date: June 26, 2020

CONSOLIDATED BALANCE SHEET as at March 31, 2020

(₹ in Lacs)

Particulars	Note No.	As At March 31, 2020	As At March 31, 2019
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3 (a)	29,756.46	26,511.35
(b) Capital Work-in-Progress	3 (b)	865.23	1,319.63
(c) Investment Property	3 (c)	19.06	19.40
(d) Intangible Assets	3 (d)	144.11	200.38
(e) Right of Use Assets	3 (e)	1,849.93	-
(f) Financial Assets			
(i) Investments	4	55.97	57.60
(ii) Loans	5	5.38	9.44
(iii) Other Financial Assets	6	531.95	745.23
(g) Non Current Tax Assets (Net)	7	146.40	55.65
(h) Other Non-Current Assets	8	629.76	622.14
Total Non-Current Assets		**34,004.25**	**29,540.82**
(2) Current Assets			
(a) Inventories	9	15,452.89	12,704.07
(b) Financial Assets			
(i) Investments	10	1.22	1.44
(ii) Trade Receivables	11	4,415.03	3,107.28
(iii) Cash & Cash Equivalents	12	959.95	608.62
(iv) Other Balances with Banks	13	955.36	252.37
(v) Loans	14	12.97	15.83
(vi) Other Financial Assets	15	238.27	203.76
(c) Other Current Assets	16	1,357.04	1,269.26
Total Current Assets		**23,392.73**	**18,162.63**
Total Assets		**57,396.98**	**47,703.45**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	17	718.78	718.78
(b) Other Equity	18	23,986.13	20,016.70
Total Equity		**24,704.91**	**20,735.48**
Non Controlling Interest		**31.65**	**32.12**
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	4,921.50	5,798.98
(ii) Other Financial Liabilities	20	1,497.12	55.53
(b) Provisions	21	195.53	201.37
(c) Deferred Tax Liabilities (Net)	22	1,588.72	2,188.95
(d) Other Non Current Liabilities	23	609.25	660.54
Total Non-current Liabilities		**8,812.12**	**8,905.37**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	10,554.49	6,563.89
(ii) Trade Payables			
- Dues of micro enterprises and small enterprises	25	526.26	411.20
- Dues of creditors other than micro enterprises and small enterprises	25	7,970.03	6,545.76
(iii) Other Financial Liabilities	26	3,815.02	3,418.84
(b) Provisions	27	298.13	290.69
(c) Current Tax Liabilities (Net)	28	254.48	228.31
(d) Other Current Liabilities	29	429.89	571.79
Total Current Liabilities		**23,848.30**	**18,030.48**
Total Liabilities		**32,660.42**	**26,935.85**
Total Equity & Liabilities		**57,396.98**	**47,703.45**

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

For Arpit Patel & Associates
Chartered Accountants
ICAI Firm registration number: 144032W

Arpit K Patel
Partner
Membership No.: 034032
Place : Ahmedabad
Date: June 26, 2020

For and on behalf of the Board of Directors

Rajesh R Gandhi
Managing Director
(DIN - 00009879)

Devanshu L Gandhi
Managing Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date: June 26, 2020

Rashmi Bhatt
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended March 31, 2020

(₹ in Lacs)

	Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
I	Revenue From Operations	30	59,926.72	56,711.44
II	Other Income	31	962.05	1,079.31
III	**Total Income (I+II)**		**60,888.77**	**57,790.75**
IV	**Expenses:**			
	Cost of Materials Consumed	32	29,033.85	28,414.93
	Purchase of Stock-in-trade	33	2,754.64	2,398.45
	Changes in Inventories of Finished Goods and Stock-in-trade	34	(225.46)	(1,313.92)
	Employee Benefits Expense	35	6,240.60	5,375.89
	Finance Costs	36	1,671.62	1,407.41
	Depreciation and Amortization Expenses	3	2,369.33	1,690.49
	Other Expenses	37	14,250.43	14,631.14
	Total Expense (IV)		**56,095.01**	**52,604.39**
V	**Profit Before Tax (III-IV)**		**4,793.76**	**5,186.36**
VI	**Tax Expenses**			
	(a) Current Tax	38	1,260.92	1,735.57
	(b) Deferred Tax	38	(605.04)	114.51
	Total Tax Expenses		**655.88**	**1,850.08**
VII	**Profit for the year (V-VI)**		**4,137.88**	**3,336.28**
VIII	**Profit / (Loss) Applicable to Non Controlling Interest**		**(0.47)**	**0.21**
IX	**Profit / (Loss) Attributable to Owner of Group (VII-VIII)**		**4,138.35**	**3,336.07**
X	**Other Comprehensive Income**			
	(i) Item that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans		(35.58)	(43.71)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.54)	15.52
	Items that will be reclassified to statement of Profit or Loss			
	Exchange difference on translation on foreign operations		(22.48)	7.95
	Other Comprehensive Income for the Year		**(60.60)**	**(20.24)**
	Attributable to:			
	a) Non Controlling Interest		-	-
	b) Owners of the company		(60.60)	(20.24)
XI	**Total Comprehensive Income for the Year (VII+X)**		**4,077.28**	**3,316.04**
	Attributable to:			
	a) Non Controlling Interest		(0.47)	0.21
	b) Owners of the company		4,077.75	3,315.83
	Earning Per Share (Face Value of ₹ 10 each)			
	-Basic & Diluted	**42**	**57.57**	**46.41**

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

For Arpit Patel & Associates
Chartered Accountants
ICAI Firm registration number: 144032W

Arpit K Patel
Partner
Membership No.: 034032
Place : Ahmedabad
Date: June 26, 2020

For and on behalf of the Board of Directors

Rajesh R Gandhi
Managing Director
(DIN - 00009879)

Devanshu L Gandhi
Managing Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date: June 26, 2020

Rashmi Bhatt
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended March 31, 2020

(₹ in Lacs)

	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**4,793.76**	**5,186.36**
	Adjustments for:		
	Depreciation and Amortisation Expense	2,369.33	1,690.49
	(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	(1.53)	58.84
	Profit on Sale of Investments	(24.07)	(41.68)
	Excess Provision Written Back	(69.44)	(23.92)
	(Gain) / Loss on Fair Value of Current Investment	0.21	0.30
	(Gain) / Loss on Fair Value of Non Current Investment	3.63	(0.54)
	Financial Guarantee Commission Income	(28.99)	(25.46)
	Grant Income	(55.65)	(55.68)
	Dividend Income	-	(0.01)
	Interest Income	(72.84)	(67.00)
	Finance Costs	1,671.62	1,407.41
	Provision for Doubtful Debts	45.01	52.25
	Provision for Doubtful Advances	16.00	(2.15)
	Bad Debts Written Off	30.38	19.42
	Exchange Rate Difference on Consolidation	(22.48)	7.95
		3,861.18	**3,020.22**
	Operating Profit before Working Capital changes	**8,654.94**	**8,206.58**
	Changes in Working Capital:		
	(Increase) / Decrease in Inventories	(2,748.82)	(2,487.71)
	(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	(2,084.82)	828.55
	Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	4,166.79	(611.01)
	Cash Generated from Operations	**(666.85)**	**(2,270.17)**
	Income Taxes Paid	(1,325.50)	(1,493.89)
	Net Cash Generated from / (Used in) Operating Activities (A)	**6,662.59**	**4,442.52**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Capital Expenditure on Property, Plant & Equipment	(6,831.66)	(3,264.20)
	Proceeds from Sale of Property, Plant & Equipment	16.37	20.74
	Proceeds from Sale of Current Investment	24.07	41.68
	Proceeds from Sale of Non Current Investment	(2.00)	-
	Interest Received	68.64	75.69
	Dividend Received	-	0.01
	Net Cash Generated from / (Used in) Investing Activities (B)	**(6,724.58)**	**(3,126.08)**

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended March 31, 2020

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Non Current Borrowings	4,309.16	1,013.45
Repayment of Non Current Borrowings	(5,715.06)	(1,709.93)
Proceeds from Current Borrowings (Net)	3,990.60	1,258.73
Repayment of Lease Liabilities	(433.90)	-
Interest Paid	(1,629.16)	(1,411.51)
Dividend Paid (Including Tax on Dividend)	(108.32)	(108.32)
Net Cash Generated from / (Used in) Financing Activities (C)	**413.32**	**(957.58)**
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	**351.33**	**358.86**
Cash and Cash Equivalents at the beginning of the year (Refer Note-12)	608.62	249.76
Cash and Cash Equivalents at the end of the year (Refer Note-12)	959.95	608.62

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended).

(₹ in Lacs)

Particulars of liabilities arising from financing activity.	Note No.	As at March 31, 2019	Net cash Flows	Other changes*	As at March 31, 2020
Borrowings :					
Non Current borrowings	19	8,201.54	(1,458.95)	53.05	6,795.64
Current borrowings	24	6,563.89	3,990.60		10,554.49
Interest accrued on borrowings	26	178.44	(178.44)	220.90	220.90
Total		**14,943.87**	**2,353.21**	**273.95**	**17,571.03**

(₹ in Lacs)

Particulars of liabilities arising from financing activity.	Note No.	As at March 31, 2019	Net cash Flows	Other changes*	As at March 31, 2020
Borrowings :					
Non Current borrowings	19	8,841.91	(644.83)	4.46	8,201.54
Current borrowings	24	5,305.16	1,258.73		6,563.89
Interest accrued on borrowings	26	182.54	(182.54)	178.44	178.44
Total		**14,329.61**	**431.36**	**182.90**	**14,943.87**

* This relates to amount charged to the statement of Profit & Loss

1) The above cash flow has been prepared under Indirect Method set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flow.
2) Previous year figures have been regrouped wherever necessary to make them comparable with current year figures.
3) Figures in bracket represent outflow.

In terms of our report attached.

For Arpit Patel & Associates
Chartered Accountants
ICAI Firm registration number: 144032W

Arpit K Patel
Partner
Membership No.: 034032
Place : Ahmedabad
Date: June 26, 2020

For and on behalf of the Board of Directors

Rajesh R Gandhi
Managing Director
(DIN - 00009879)

Devanshu L Gandhi
Managing Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date: June 26, 2020

Rashmi Bhatt
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2020

(₹ 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, 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**
Profit for the year					4,138.35				4,138.35	4,138.35
Current year transfer							(22.48)		(22.48)	(22.48)
Other Comprehensive income (Actuarial Loss net of income tax)								(38.12)	(38.12)	(38.12)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**4,138.35**	**-**	**(22.48)**	**(38.12)**	**4,077.75**	**4,077.75**
Payment of Dividend for the year including tax on dividend					(108.32)				(108.32)	(108.32)
Balances as at March 31, 2020	**718.78**	**8.84**	**487.28**	**5,000.00**	**11,146.44**	**7,524.17**	**(66.00)**	**(114.60)**	**23,986.13**	**24,704.91**

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

For Arpit Patel & Associates
Chartered Accountants
ICAI Firm registration number: 144032W

Arpit K Patel
Partner
Membership No.: 034032
Place : Ahmedabad
Date: June 26, 2020

For and on behalf of the Board of Directors

Rajesh R Gandhi
Managing Director
(DIN - 00009879)

Devanshu L Gandhi
Managing Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date: June 26, 2020

Rashmi Bhatt
Company Secretary

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 Holding 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.
Varood Industries Ltd.**	India
Vadilal Delight Ltd.**	India
Partnership Firm [having 98% proportion of ownership interest]	
Vadilal Cold Storage	India

*The holding company had incorporated a subsidiary company in United Arab Emirates in the name of VADILAL GULF (FZE) dated February 20, 2018 which is liquidated / closed down on October 9, 2019.

**The holding company has incorporated two new subsidiaries in the name of Varood Industries Ltd.and Vadilal Delights Ltd. dated February 19, 2020 and January 31, 2020 respectively.

The Consolidated Financial Statements for the year ended 31st March, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on June 26, 2020.

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, 2020 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 Holding 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 Goods:-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 maturities of three months or less from the date of purchase, to be cash equivalents.

h) Revenue Recognition

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.

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Assets and liabilities arising from rights to return

Right to return assets

A return right gives an entity a contractual right to recover the goods from a customer (return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer. The Group has therefore recognized refund liabilities in respect of customer's right to return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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 sale 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, for which, based on technical evaluation, 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 lives 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

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts. (Refer Note (w) (i))

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 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.

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 the statement of Profit & Loss

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, 2019.

(i) Leases

The Group as a lessee :

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment

to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease.All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Group adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 2416.32 Lacs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application :

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

(₹ in Lacs)

Particulars	
Balance as at April 1,2019	**-**
Reclassified on account of adoption of Ind AS 116 (Refer to Note 3 (e))	2,416.32
Additions	-
Deletion	-
Depreciation	566.39
Balance as at March 31,2020	**1,849.93**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows :

(₹ in Lacs)

Particulars	
Current lease Liabilities	513.58
Non-current lease Liabilities	1,468.84
Total	**1,982.42**

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

(₹ in Lacs)

Particulars	
Balance at the beginning	-
Reclassified on account of adoption of Ind AS 116 (Refer to Note 20 & 26)	2,416.32
Finance cost accrued during the period	-
Deletions	-
Payment of lease liabilities	(433.90)
Translation difference	
Balance at the end	**1,982.42**

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows :

(₹ in Lacs)

Particulars	
Less than one year	513.58
One to five years	1468.84
Total	**1982.42**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 515.95 Lacs for the year ended March 31, 2020.

(ii) Ind AS 12 – Income Taxes – Appendix C, Uncertainty over Income Tax Treatments:-

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition – i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The standard became effective from April 01, 2019. The Group has adopted the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 01, 2019 if any without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C is insignificant in the standalone financial statements.

(iii) Amendment to Ind AS 12 – Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the 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 adoption of the standard did not have any material impact to the financial statements. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

(iv) Amendment to Ind AS 19 – Employee benefit – plan amendment, curtailment or settlement:- The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The adoption of the standard did not have any material impact to the financial statements.

x) Standards issued but not yet effective

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Group.Hence, the disclosure is not applicable.

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 41.

NOTE-3

(₹ in Lacs)

Particulars	Land (Refer Note 18 (b))	Building	Leasehold Building Improvements	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
3 (a) Property, Plant and Equipment								
As at April 1, 2018	**7,769.66**	**5,434.29**	**17.13**	**23,433.62**	**231.06**	**710.21**	**499.77**	**38,095.74**
Additions	-	323.71	-	2,244.01	24.44	135.27	12.48	2,739.91
Deductions	-	-	-	235.71	2.63	4.15	49.24	291.73
As at March 31, 2019	**7,769.66**	**5,758.00**	**17.13**	**25,441.92**	**252.87**	**841.33**	**463.01**	**40,543.92**
Additions	-	1,129.55	-	3,686.32	29.26	111.27	11.22	4,967.62
Deductions	-	-	-	50.09	-	1.01	4.80	55.90
As at March 31, 2020	**7,769.66**	**6,887.55**	**17.13**	**29,078.15**	**282.13**	**951.59**	**469.43**	**45,455.64**
Accumulated Depreciation and Impairment								
As at April 1, 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**
Depreciation charge for the year	-	228.75	1.81	1,322.40	18.76	92.64	46.70	1,711.06
Deductions	-	-	-	39.14	-	0.73	4.56	44.43
As at March 31, 2020	**-**	**2,111.34**	**10.88**	**12,398.66**	**205.69**	**689.74**	**282.87**	**15,699.18**
Net carrying value								
As at March 31, 2020	**7,769.66**	**4,776.21**	**6.25**	**16,679.49**	**76.44**	**261.85**	**186.56**	**29,756.46**
As at March 31, 2019	**7,769.66**	**3,875.41**	**8.06**	**14,326.52**	**65.94**	**243.50**	**222.28**	**26,511.37**

Note:

1) Land includes ₹ 586.82 lacs (as at March 31, 2019 ₹ 586.82 lacs) and building constructed thereon which is in process of being transferred in the name of the Holding Company.

2) Building includes House Building of which Gross Value is ₹ 13.39 lacs (as at March 31, 2019 ₹ 13.39 lacs) and Net Value is ₹ 8.43 lacs (as at March 31, 2019 ₹ 8.64 lacs) acquired against loan which is yet to be transferred in the name of the Holding Company.

3) Refer footnote to Note 19 & 24 for security/charges created on property,plant and equipment.

3 (b)	Capital Work In Progress	(₹ in Lacs)
	As at April 1, 2018	**728.89**
	Additions	1,059.77
	Deductions	469.03
	As at March 31, 2019	**1,319.63**
	Additions	3,806.71
	Deductions	4,261.11
	As at March 31, 2020	**865.23**

3 (c)	Investment Property *	(₹ in Lacs)
	Deemed cost	
	As at April 1, 2018	**20.69**
	Additions	-
	Deductions	-
	As at March 31, 2019	**20.69**
	Additions	-
	Deductions	-
	As at March 31, 2020	**20.69**
	Accumulated Depreciation	
	As at April 1, 2018	**0.95**
	Depreciation charge for the year	0.34
	Deductions	-
	As at March 31, 2019	**1.29**
	Depreciation charge for the year	0.34
	Deductions	-
	As at March 31, 2020	**1.63**
	Net Carrying Amount	
	As at March 31, 2020	**19.06**
	As at March 31, 2019	**19.40**
	Fair Value of Investment Property	
	As at March 31, 2020	**51.09**
	As at March 31, 2019	**51.09**

* The property is in process of transfer in the name of the Group.

3 (e)	Right of Use Assets	(₹ in Lacs)
	Cost or Fair Value	
	As at April 1, 2019	**-**
	Additions on account of transition to IND AS 116	2,416.32
	Deductions	-
	As at March 31, 2020	**2,416.32**
	Accumulated Depreciation and Impairment	
	As at April 1, 2019	-
	Additions	566.39
	Deductions	-
	As at March 31, 2020	**566.39**
	Net Carrying Amount	
	As at March 31, 2020	**1,849.93**
	As at March 31, 2019	**-**

3 (d)	Intangible Assets (Software & Development Cost)	(₹ in Lacs)
	Cost or Deemed Cost	
	As at April 1, 2018	**727.03**
	Additions	89.97
	Deductions	-
	As at March 31, 2019	**817.00**
	Additions	35.27
	Deductions	-
	As at March 31, 2020	**852.27**
	Amortisation	
	As at April 1, 2018	**476.79**
	Depreciation charge for the year	139.83
	Deductions	-
	As at March 31, 2019	**616.62**
	Depreciation charge for the year	91.54
	Deductions	-
	As at March 31, 2020	**708.16**
	Net Carrying Amount	
	As at March 31, 2020	**144.11**
	As at March 31, 2019	**200.38**

NOTE-4 INVESTMENTS

Particulars	Face Value	As At March 31, 2020		As At March 31, 2019	
		Units	(₹ in Lacs)	Units	(₹ in Lacs)
Non Current Investments					
Investment in Partnership Firm at cost:					
Vadilal Cold Storage			43.62		43.62
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 Cost (Unquoted fully paid up) :					
Kalupur Commercial Co-operative Bank Ltd.	25	8,000.00	2.00	-	-
In Equity instruments of other companies at FVTPL (Unquoted fully paid up) :					
Vadilal Forex and Consultancy Services Ltd.	10	36,250	6.06	36,250	9.69
Majestic Farm House Ltd. (Refer Note-43)	10	74,100	3.95	74,100	3.95
Padm Complex Ltd.	10	280	0.03	280	0.03
Volute Construction Ltd.	10	280	0.03	280	0.03
Total			**55.97**		**57.60**

NOTE- 5 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Loan to employees	5.36	9.44
Others	0.02	-
Total	**5.38**	**9.44**

NOTE-6 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Margin Money Deposits with banks (Refer Note-13)	48.13	301.33
Security Deposits (Refer Note-43)	290.95	269.16
Other Deposits	192.87	174.74
Total	**531.95**	**745.23**

NOTE-7 TAX ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Taxes Receivable	146.40	55.65
Total	**146.40**	**55.65**

NOTE-8 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Capital Advances	233.61	310.80
Prepaid Expenses	396.15	311.34
Total	**629.76**	**622.14**

NOTE-9 INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(At lower of Cost or Net Realisable Value)		
Raw Materials	8,565.68	5,473.33
Packing Materials	1,322.78	1,759.48
Finished Goods*	4,904.04	4,878.29
Stores, Spares and Consumables	660.39	592.97
Total	**15,452.89**	**12,704.07**

*Includes net of right to return assets of ₹ 199.71 lacs (March 31, 2019 : ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers.

Inventories write downs are accounted, considering the nature of inventory usage, ageing and net realisable value. Write-down of inventories amounted to ₹ 520.12 Lacs as at March 31, 2020 (as at March 31, 2019 ₹ 440.98 Lacs). These write-downs are recognised as an expense in the statement of profit & loss.

NOTE-10 INVESTMENTS

Particulars	Face Value	As At March 31, 2020		As At March 31, 2019	
		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	0.02	15	0.04
Essar Steel Ltd.	10	60	-	60	0.01
Golden Agro Tech Industries Ltd.	10	200	-	200	-
Great Eastern Shipping Co. Ltd.	10	100	0.20	100	0.28
Great Offshore Ltd.	10	25	-	25	-
Interface Financial Services Ltd.	1	25,000	0.04	25,000	0.05
Radhe Developers Ltd.	10	4,900	0.49	4,900	0.59
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			**1.22**		**1.44**

NOTE-11 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, Considered Good	106.07	106.41
Unsecured, Considered Good (Refer Note-43)	4,308.96	3,000.87
Unsecured, Considered Doubtful	182.05	137.04
	4,597.08	**3,244.32**
Less: Allowance for Doubtful Trade Receivables (expected credit loss allowance)	182.05	137.04
Total	**4,415.03**	**3,107.28**

Note: Refer Note-41 for information about credit risk and market risk of Trade receivables.

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Break-up of trade receivables		
Trade receivables from other than related parties	2,343.48	1,914.75
Receivables from related parties (Refer Note-43)	2,071.55	1,192.53
Total	**4,415.03**	**3,107.28**

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, 2020 : ₹ 2,071.55 lacs are due from one customer (as at March 31, 2019 : ₹ 1,192.53 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 Group policy and ageing of the receivables that are due.

4. Movement in Expected Credit Loss Allowance

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	137.04	84.79
Add: Allowance for the year	46.22	59.94
Less: Reversal of provision due to recovery	1.21	7.69
Balance at the end of the year	**182.05**	**137.04**

5. Refund liabilities of ₹ 247.30 lacs (March 31, 2019: ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers are shown under Other Financial Liabilities. (Refer Note-26)

NOTE-12 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks :		
In Current Accounts	925.35	582.06
Cheques, Drafts on hand	10.00	-
Cash on hand	24.60	26.56
Total	**959.95**	**608.62**

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, 2020	As at March 31, 2019
Balances in Fixed Deposits Repayment Reserve Account	278.59	200.59
Balances in Unclaimed Dividend Accounts	21.82	22.00
Deposits with maturity for more than 3 months	59.40	96.32
Margin Money Deposit (towards guarantee and LC issued by banks)	643.68	234.79
	1,003.49	**553.70**
Less : Deposits with maturity of more than 12 months		
Amount disclosed under Non-Current Financial Assets (Refer Note-6)	48.13	301.33
Total	**955.36**	**252.37**

Note: Unclaimed Dividend Account balance can only be used for payment of Unclaimed Dividend.

NOTE-14 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Loan to Employees	12.97	15.83
Total	**12.97**	**15.83**

NOTE-15 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
(Unsecured, Considered Good)		
Interest accrued on loans and deposits from related parties (Refer Note-43)	5.40	5.40
Interest accrued on loans and deposits from others	4.48	0.28
Other Deposits	28.68	24.39
Subsidy Receivable	-	44.21
Mark to Market Receivables on Derivatives	-	129.48
Others*	199.71	-
Total	**238.27**	**203.76**

*Includes right to return assets of ₹ 199.71 lacs (March 31, 2019 : ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers.

NOTE-16 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Prepaid Expenses	214.48	343.89
Balances with Govt.Authorities	537.15	304.13
Export Benefits Receivable	104.64	256.84
(A)	**856.27**	**904.86**
Advances for Goods & Expenses		
Considered Good	500.77	364.40
Considered Doubtful	222.44	206.44
Less: Allowances for Doubtful Advance	222.44	206.44
(B)	**500.77**	**364.40**
Total (A + B)	**1,357.04**	**1,269.26**

NOTE-17 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital:		
1,50,00,000 (as at March 31, 2019:1,50,00,000) 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, 2019:71,88,230) Equity shares of ₹ 10/- each	718.82	718.82
	718.82	**718.82**
Paid up Share Capital:		
71,87,830 (as at March 31, 2019:71,87,830) 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, 2020		As At March 31, 2019	
	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.

All shares rank equally with regard to the Group's residual assets after distribution of all preferential amount.

c) **Details of shareholders holding more than 5% shares in the group (Equity shares of ₹ 10 each fully paid)**

Name of the Shareholder	As At March 31, 2020		As At March 31, 2019	
	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%

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 ownership of shares.

NOTE-18 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
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	(43.52)	(51.47)
Add : Transfer for the current year	(22.48)	7.95
Closing Balance	**(66.00)**	**(43.52)**
Retained Earnings		
Balance at beginning of the year	7,116.41	3,888.66
Add : Profit for the year	4,138.35	3,336.07
Less : Appropriations		
Dividend for the year including tax on dividend (Refer Note (a) below) (Dividend per share ₹ 1.25 (P.Y. amount per share ₹ 1.25))	108.32	108.32
Total Appropriations	**108.32**	**108.32**
Balance at the end of the year	**11,146.44**	**7,116.41**
Other Comprehensive Income		
Balance at beginning of the year	(76.48)	(48.29)
Add : Remeasurement of Employee Benefit	(38.12)	(28.19)
Balance at the end of the year	**(114.60)**	**(76.48)**
	23,986.13	**20,016.70**

a) On October 3, 2018 & October 9, 2019 a dividend of ₹ 1.25 per share (total dividend ₹ 108.32 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.

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-19 BORROWING

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Secured-at amortised Cost		
Term Loans from Banks	3,834.63	5,090.24
Less: Current maturity of long term loans (Refer Note-26)	627.19	1,503.03
	3,207.44	**3,587.21**
Vehicle Loans	112.29	141.26
Less: Current maturity of vehicle loans (Refer Note-26)	23.17	48.47
	89.12	**92.79**
Term Loans from Non Banking Financial Company	451.17	600.14
Less: Current maturity of long term loans (Refer Note-26)	44.28	94.06
	406.89	**506.08**
	3,703.45	**4,186.08**
Unsecured-at amortised Cost		
Public Fixed Deposits	2,397.55	2,369.90
Less: Current maturity of public fixed deposits (Refer Note-26)	1,179.50	757.00
	1,218.05	**1,612.90**
Total	**4,921.50**	**5,798.98**

Note

1 Refer Note-41 for information about Liquidity Risk.

2 Amount stated in current maturity is disclosed under the head of " Other Current Financial Liabilities " (Refer Note-26).

3 The Holding Company has applied for moratorium in respect of term loans (interest & instalments) from March 1, 2020 to August 31, 2020 and accordingly classified Current & Non-Current Portion based on the moratorium applied.

Repayment Schedule of Loans

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019	Effective Interest Rate	Terms of repayment
Term Loans				
From Banks				
Bank of Baroda	221.92	553.93	14.16%	72 monthly instalments of ₹ 27.78 lacs starting from December, 2014
State Bank of India	-	435.72	15.04%	39 monthly instalments of ₹ 10 Lacs starting from January, 2014 and thereafter 33 monthly instalments of ₹ 52 lacs
IndusInd Bank (partially disbursed)	3478.81	4100.59	11.19%	72 monthly instalments of ₹ 61.11 lacs starting from February, 2019
Bank of America	133.90	-	4.70%	48 monthly instalments* of $ 4240.88 starting from Feb, 2020
From Non Banking Financial Company				
Tata Capital Financial Services Ltd.	451.17	488.47	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

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019	Effective Interest Rate	Terms of repayment
Vehicle Loans				
HDFC Bank Limited	112.29	141.26	8.30% to 12.76%	From 13 to 68 monthly Instalments* of ₹ 0.07 lacs to ₹ 1.21 lacs
Total Loan (a)	**4398.09**	**5831.64**		
Fixed deposits (b)	**2397.55**	**2369.90**	8.00% to 10.25% based on period of deposit	12 months to 36 months
Grand Total (a)+(b)	**6795.64**	**8201.54**		

***Includes Interest portion**

A Term Loans from Banks BOB and SBI - ₹ 221.92 Lacs (As at March 31, 2019 ₹ 989.65 Lacs) are secured by way of Mortgage on immovable properties and hypothecation on movable properties of the Holding 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 New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (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 New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 New Survey No. 3647 i.e Old 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 New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 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 Holding Company situated at Bareilly, Parsakhera Industrial Area, U.P. (New Land - F-12) (Leased Property)

C The Term Loan from IndusInd Bank - ₹ 3,478.81 Lacs (As at March 31, 2019 ₹ 4,100.59 Lacs) is secured by way of 1st pari-passu charge over the following immovable fixed assets of the Holding 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 New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (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 New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 New Survey No.3647 i.e. Old 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 New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 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. - ₹ 451.17 Lacs (As at March 31, 2019 ₹ 488.47 lacs) is secured by way of 1st pari-passu charge over the following immovable fixed assets of the Holding Company (Excluding Land & Building of Gomtipur Plant, Ahmedabad), 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 New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (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 New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 New Survey No. 3647 i.e. Old 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 New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 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 Holding 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 Term loan in subsidiary company from Bank of America is secured against tangible and intangible assets of the subsidiary company.

H Vehicle loans are secured by hypothecation of vehicles.

I The Term Loans are secured by Corporate Guarantee by Majestic Farm House Ltd., Vadilal Cold Storage, 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.

J The Corporate Loan of ₹ 20.00 Crores from BOB and Term Loan of ₹ 21.00 Crores from Tata capital Financial Services ltd are also secured by Personal Guarantee of Mr. Rajesh R Gandhi and Mr. Devanshu L Gandhi, Managing Directors of the Holding Company.

Collateral / Additional Securities by Group Companies

A Existing Term Loans from SBI of ₹ NIL (Previous year : ₹ 21 crores), Corporate Loan of ₹ 20 crores from BOB, Term Loan of ₹ 60 Crores availed/to be availed from IndusInd Bank and also 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)

NOTE-20 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Financial Guarantee Liabilities (Refer Note-43)	28.28	55.53
Lease Liabilities under IND AS 116	1,468.84	-
Total	**1,497.12**	**55.53**

NOTE-21 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Provision for Employee Benefits		
Gratuity (Refer Note-44)	195.53	201.37
Total	**195.53**	**201.37**

NOTE-22 DEFERRED TAX LIABILITY (NET)

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities	2,317.30	2,864.38
Deferred Tax Assets	(728.58)	(675.43)
Total	**1,588.72**	**2,188.95**

Movement in Deferred Tax Liabilities and Assets

(₹ 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)
Actuarial 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**

(₹ in Lacs)

Movement during the year ended March 31, 2020	As at April 1, 2019	Charge/(Credit) in statement of Profit and Loss	Charge/(Credit) in Other Comprehensive Income	MAT Utilization / Short / Excess Provision	As at March 31, 2020
Deferred Tax Liabilities / (Assets)					
Property, plant and equipment	2,609.73	(661.72)			1,948.01
Investments	7.26	(3.00)			4.26
Expenditure allowed in the year of payment	(147.35)	(23.49)			(170.84)
Provision for doubtful debts & advances	(19.53)	0.58			(18.95)
Government Grant under EPCG	(245.47)	81.70			(163.77)
Discounting of security deposit to present value and corresponding impact on other expenses	110.77	(38.71)			72.06
Discounting of security deposit to present value and corresponding impact on interest income	(132.83)	42.52			(90.31)
Increase in borrowing cost pursuant to application of EIR	70.21	(33.00)			37.21
Effect of measuring corporate guarantee liability	(29.49)	15.55			(13.94)
Actuarial Loss	-	(2.54)	2.54		-
Leased Assets under Ind AS 116	-	189.61			189.61
Leased Liability under Ind AS 116	-	(203.72)			(203.72)
Impact on Unrealised Profit of Inventory	(59.66)	31.17			(28.49)
Impact of USA Tax	25.31	2.28			27.59
Total	**2,188.95**	**(602.77)**	**2.54**	**-**	**1,588.72**

NOTE-23 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Deferred Govt. Grant	609.25	660.54
Total	**609.25**	**660.54**

NOTE-24 BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Secured-at amortised Cost		
Working Capital Loans from Banks	10,177.38	4,238.78
	10,177.38	**4,238.78**
Unsecured-at amortised Cost		
Working Capital Loans (Unsecured)	-	1,500.00
Public Fixed Deposits	130.20	180.60
Inter Corporate Deposits from others	200.00	615.00
Book Overdraft in current account with Banks	46.91	29.51
	377.11	**2,325.11**
Total	**10,554.49**	**6,563.89**

A Working Capital facilities from Consortium Banks, namely, BOB, SBI, IDBI and IndusInd Bank aggregating to ₹ 67.92 crores are secured by way of Mortgage on immovable properties and hypothecation on movable properties of the Holding 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 New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (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 New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 New Survey No.3647 i.e. Old 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 New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 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 Holding 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.

C The above Working Capital facilities are also secured by way of Hypothecation on entire current assets of the Holding Company on 1st pari-passu charge basis.

D i) The above Working Capital facilities are also secured by Personal Guarantee of Mr. Rajesh R. Gandhi, Managing Director and Mr. Devanshu L. Gandhi, Managing Director of the Holding Company. The Working Capital facilities of the Consortium Bank are also secured by Corporate Guarantee by Majestic Farm House Ltd., Vadilal Cold Storage, Padm Complex Ltd. and Volute Constructions Ltd.

ii) Adhoc working capital facilities from State Bank of India of ₹ 25 Crore is secured by way of pari-passu charge on current assets of the Holding Company and Personal Guarantee of Mr. Rajesh R. Gandhi, Managing Director and Mr. Devanshu L. Gandhi, Managing Director of the Holding Company.

iii) Short Term loan from Indusind Bank of ₹ 20 Crore is secured by way of pledge of stock stored in approved warehouse and Personal Guarantee of Mr. Rajesh R. Gandhi, Managing Director and Mr. Devanshu L. Gandhi, Managing Director of the Holding Company.

iv) CC facility from Kalupur Commercial Co-operative Bank of ₹ 30 Crore is secured by pledge stocks and Personal Guarantee of Mr. Rajesh R. Gandhi, Managing Director and Mr. Devanshu L. Gandhi, Managing Director of the Holding Company.

E The working Capital facility availed from Bank of America in subsidiary company USD 2.00 Lacs (equivalent ₹ 150.76 Lacs) is secured by tangible and intangible assets of the subsidiary company.

F The cash credit loan is repayable on demand and carries interest @ 10.25 % to 12.25 %.

G The Working Capital loan (Unsecured) is repayable on demand and carries interest @ 10.00 % to 11.50 %.

H Inter corporate deposits are repayable between 59 days to 155 days and carry Interest @ 12.25 % to 14.75 %.

I 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, IDBI and IndusInd 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 and D-23, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (2nd charge) (Leased Property)

\# Ground Floor, Office No. 2B, "Mahalaya" Opp. President Hotel, Swastik Char Rasta, Ahmedabad. (Exclusive charge) (Owned Property)

@ Gomtipur, Ahmedabad (2nd charge) (Leased Property)

NOTE-25 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small and Medium Enterprises-Refer Note (A)	526.26	411.20
Due to Others	7,970.03	6,545.76
Total	**8,496.29**	**6,956.96**

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, 2020	As at March 31, 2019
A	i) Principal amount remaining unpaid at the end of the accounting year	526.26	411.20
	ii) Interest due on above	0.73	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	0.73	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-26 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Current maturities of long-term debt (Refer Note-19)		
From Banks (Secured)	650.36	1,551.50
From Non Banking Financial Company (Secured)	44.28	37.95
From Non Banking Financial Company (Unsecured)	-	56.11
Public Fixed Deposits	1,179.50	757.00
Interest Accrued	220.90	178.44
Unclaimed Dividends*	21.82	22.00
Unclaimed Deposits and Interest accrued thereon*	21.11	24.93
Financial Guarantee Liabilities	27.17	28.91
Lease Liabilities under IND AS 116	513.58	-
Payable for Capital Goods	642.59	583.24
Security Deposits from Customers	157.35	169.08
Mark To Market Liabilities on Derivatives	79.38	-
Others**	256.98	9.68
Total	**3,815.02**	**3,418.84**

*Note: There are no amounts due for payment to the Investors Education and Protection fund as at the year end.

**Includes refund liabilities of ₹ 247.30 lacs (March 31, 2019: ₹ Nil) pursuant to Ind AS 115 - Revenue from Contracts with Customers.

NOTE-27 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Provision for Employee Benefits		
Gratuity (Refer Note-44)	108.54	99.85
Compensated Absences	189.59	190.84
Total	**298.13**	**290.69**

NOTE-28 TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Income Tax Payable (Net of Advance Tax)	254.48	228.31
Total	**254.48**	**228.31**

NOTE-29 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Statutory Remittances	131.63	246.90
Advances Received from Customers	40.89	68.91
Other Liabilities	206.04	200.29
Deferred Govt. Grant	51.33	55.69
Total	**429.89**	**571.79**

NOTE-30 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of Products		
Finished goods (Refer Note-43)	59,350.22	56,142.31
Currency	394.10	365.10
Sale of Services		
Income from Money Changing Business	9.50	8.35
Other Operating Revenues		
Scrap Sales	110.66	100.05
Cold Storage Rent Income	62.24	95.63
Total	**59,926.72**	**56,711.44**
Reconciliation of revenue from operation with contract price		
Revenue from contract with customers as per the contract price	60,861.96	57,156.59
Adjustment made to contract price on account of:		
Discounts and Rebates	(935.24)	(445.15)
Revenue from Operations	**59,926.72**	**56,711.44**

NOTE-31 OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income	72.84	67.00
Export Licenses Income	376.11	506.43
Financial Guarantee Commission Income	28.99	25.46
Gain on Fair Value of Non Current Investment	-	0.54
Grant Income	55.65	55.68
Dividend income on long term Investment	-	0.01
Net gain on Foreign Currency translations and transactions	212.09	303.35
Profit on sale of investment	24.07	41.68
Gain / (Loss) on disposal of Property, Plant & Equipment	1.53	-
Excess Provision written back	69.44	23.92
Miscellaneous Income	121.33	53.09
Provision for Doubtful Advance written back	-	2.15
Total	**962.05**	**1,079.31**

NOTE-32 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventory at the beginning of the year	7,232.81	6,203.47
Add : Purchases	31,689.50	29,444.27
Less: Inventory at the end of the year	9,888.46	7,232.81
Total	**29,033.85**	**28,414.93**

NOTE-33 PURCHASE OF TRADED GOODS

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Processed Food	1,901.08	1,368.73
Dairy Products	343.29	631.03
Others	119.52	25.83
Currency	390.75	372.86
Total	**2,754.64**	**2,398.45**

NOTE-34 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventories at beginning of the year		
Finished Goods	4,878.29	3,564.37
	4,878.29	**3,564.37**
Inventories at end of the year		
Finished Goods	5,103.75	4,878.29
	5,103.75	**4,878.29**
	(225.46)	**(1,313.92)**

Note : Year end finished goods includes inventory in form of right to return assets of ₹ 199.71 Lacs as at March 31, 2020 (As at March 31, 2019 : NIL)

NOTE-35 EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salary, Wages, Allowances and Bonus etc. (Refer Note-43)	5,757.46	4,972.51
Contribution to Provident and Other funds (Refer Note-44)	274.04	206.10
Staff Welfare Expenses	209.10	197.28
Total	**6,240.60**	**5,375.89**

NOTE-36 FINANCE COSTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Expense (Refer Note-43)	1,525.34	1,267.05
Other Borrowing Costs	146.28	140.36
Total	**1,671.62**	**1,407.41**

NOTE-37 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Job Charges	3,356.44	3,341.21
Power & Fuel	3,533.04	3,445.20
Stores and Spares Consumption	788.63	703.40
Repairs & Maintenance	849.70	860.53
Rent	515.95	1,082.98
Freight and forwarding charges	2,079.39	2,107.57
Sales Promotion Expense	320.06	477.63
Corporate Social Responsibility Expense	20.36	18.17
Payment to Auditors	31.79	43.69
Provision for Doubtful Debts	46.22	59.94
Less : Reversal of provision due to recovery	1.21	7.69
Provision for Doubtful Debts	45.01	52.25
Bad Debt written off	30.38	19.42
Less : Provided in earlier years	-	-
	30.38	19.42
Provision for Doubtful Advances	16.00	-
Loss on Sale of Property, Plant & Equipment (Net)	-	58.84
Loss on fair value of Current Investment	0.21	0.30
Loss on fair value of Non Current Investment	3.63	-
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery etc.) (Refer Note-43)	2,659.84	2,419.95
Total	**14,250.43**	**14,631.14**
Payment to Auditors		
As Auditor		
Audit Fees	22.50	38.00
Limited Review	8.00	4.20
In Other Capacity		
Certification Fees	0.90	0.90
Reimbursement of expenses	0.39	0.59
Total	**31.79**	**43.69**

NOTE-38 TAX EXPENSES

(₹ in Lacs)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
A.	**Income tax recognised in Statement of Profit and Loss:**		
	Current Tax:		
	In respect of the current year	1,299.12	1,737.69
	In respect of the prior years	(38.20)	(2.12)
	Total	**1,260.92**	**1,735.57**
	Deferred Tax:		
	In respect of the current year	(605.04)	114.51
	Total	**(605.04)**	**114.51**
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	4,793.76	5,186.36
	Income Tax Expense@ 25.168% (Previous Year @ 34.944%)	1,206.49	1,812.32
	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	15.06	8.39
	Effect of change in tax rate (Refer below Note)	(639.19)	-
	Effect of income that are not taxable	-	-
	Effect of income that are taxable	-	68.82
	Effect of allowances	-	-
	Others	46.19	(7.47)
	Effect of different tax rate in India & foreign jurisdictions	65.53	(29.86)
		694.08	1,852.20
	Adjustments in respect of current income tax of previous year	(38.20)	(2.12)
	Total	**655.88**	**1,850.08**
	Tax effect on Items in Other Comprehensive Income	2.54	(15.52)
Tax expense as per Statement of Profit and Loss		**658.42**	**1,834.56**

Group's weighted average tax rates for the year ended March 31, 2020 and March 31, 2019 are 13.68 % and 35.67 % respectively.

Note :

The Holding Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961, as introduced by Taxation Laws (Amendment) Act, 2019. Accordingly, the Holding Company has recognised provision for Income tax for the quarter and period ended March 31, 2020, and re-measured its Deferred Tax basis the rates prescribed in the said section. The full impact of this change has been recognised in the statement of profit & loss for the year ended March 31, 2020. This has resulted in reversal of Deferred tax expense of ₹ 639.19 lacs on account of remeasurement of Deferred tax liabilities as at April 01,2019.

NOTE - 39 CONTINGENT LIABILITIES NOT PROVIDED FOR AND COMMITMENTS :

(₹ in Lacs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Contingent Liabilities		
(a)	Guarantees given by the holding company against Borrowing given to companies in which Directors are interested is ₹ 2,901 Lacs (March 31, 2019 ₹ 3,927 Lacs)		
	Outstanding against this as at March 31	2,310.96	2,618.96
(b)	For Excise-related 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.	15.26	70.94
(d)	For Income Tax-against which Income Tax Dept. has preferred appeal	-	50.46
(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 appeals	144.20	180.90
(g)	For Other Matters-cases against group by the Vendor and Authorities	245.84	130.80
(h)	Differential amount of custom / excise duty in respect of machinery purchased under EPCG Scheme*	796.55	796.55
(i)	Differential amount of custom duty in respect of Advance License*	64.29	-
(j)	Outstanding letter of credits and bank guarantees issued by banks	787.61	650.76
	Total Contingent Liabilities	**4,409.64**	**4,544.30**
	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	607.04	565.84

NOTE - 39 CONTINGENT LIABILITIES NOT PROVIDED FOR AND COMMITMENTS : (Contd...)

Future Cash Outflow in respect of (b) to (g) above depends on ultimate settlement / conclusions with the relevant authorities/parties.

* The Holding Company has fulfilled export obligation for license availed under EPCG. As the applications for closures are either to be made / pending disposal by department, the same are shown as contingent liabilities.

NOTE - 40

In FY 2017-18, a 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 period, no orders have been passed by the NCLT as the petitioners and some of the parties to the petition have submitted to the NCLT that they are seeking to arrive at an amicable resolution of matter.

NOTE - 41 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.

Gearing Ratio (₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Debt *	17,350.13	14,765.43
Less: Cash and cash Equivalents	959.95	608.62
Net Debt	**16,390.18**	**14,156.81**
Total Equity excluding Revaluation Reserve	**17,180.74**	**13,211.31**
Net Debt to equity ratio	**95.40%**	**107.16%**

* Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in notes 19 and 24.

II Category-wise classification of financial instruments

Financial Assets & Financial Liabilities as at March 31, 2020 (₹ in Lacs)

Particulars	Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets			
Investments	11.29	45.90	57.19
Loans	-	18.35	18.35
Trade receivables	-	4,415.03	4,415.03
Cash and Cash Equivalents	-	959.95	959.95
Bank balances other than cash and cash Equivalents	-	955.36	955.36
Other Financial Assets	-	770.22	770.22
Total	**11.29**	**7164.81**	**7,176.10**
Financial Liabilities			
Borrowings	-	15,475.99	15,475.99
Trade Payable	-	8,496.29	8,496.29
Other Financial Liabilities	-	5,312.14	5,312.14
Total	**-**	**29284.42**	**29,284.42**

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	-	3,107.28	3,107.28
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**	**4986.43**	**5,001.57**
Financial Liabilities			
Borrowings	-	12,362.87	12,362.87
Trade Payable	-	6,956.96	6,956.96
Other Financial Liabilities	-	3,474.37	3,474.37
Total	**-**	**22794.20**	**22,794.20**

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, 2020				
Investments at fair value through profit and loss	11.29	1.22	-	10.07
As at March 31, 2019				
Investments at fair value through profit and loss	15.14	1.44	-	13.70

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.

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, 2020	As at March 31, 2019
Forward contract to sell CAD		
No. of contracts	5	1
In CAD	2,20,000	90,100
In INR	1,17,93,009	47,07,660
Forward contract to sell GBP		
No. of contracts	-	1
In GBP	-	54,000
In INR	-	49,67,011
Forward contract to sell USD		
No. of contracts	5	4
In USD	46,50,000	36,49,411
In INR	35,63,73,250	25,56,78,883

(b) Particular of foreign currency exposures as at the reporting date.

Particulars	As at March 31, 2020	As at March 31, 2019
Liabilities (Foreign currency)		
In US Dollars (USD)	1,85,795.72	1,98,130.53
In Euro (EUR)	295.00	295.00
In Australian Dollars (AUD)	1,300.00	11,700.00
Assets (Foreign currency)		
In US Dollars (USD)	2,59,867.66	4,20,655.88
In Great Britain Pound (GBP)	28,801.80	56,221.28

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Liabilities (INR)		
In US Dollars (USD)	140.05	137.05
In Euro (EUR)	0.24	0.23
In Australian Dollars (AUD)	0.61	5.75
Assets (INR)		
In US Dollars (USD)	195.89	290.97
In Great Britain Pound (GBP)	26.81	50.86

Foreign currency sensitivity analysis

The following table details, Group'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, 2020		For the year ended March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
USD	0.56	(0.56)	1.54	(1.54)
GBP	0.27	(0.27)	0.51	(0.51)
AUD	(0.01)	0.01	(0.06)	0.06
Increase / (decrease) in profit & loss	0.82	(0.82)	1.99	(1.99)

(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, 2020	For the Year Ended March 31, 2019
BSE Index 100 - Increase by 5%	0.06	0.07
BSE Index 100 - Decrease by 5%	(0.06)	(0.07)

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, 2020	100 bps	82.78
As at March 31, 2019	100 bps	50.14

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, 2020	As at March 31, 2019
0-3 months	4,188.20	2,864.38
3-6 months	123.20	151.91
6-12 months	6.09	38.09
More than 12 months	97.54	52.90
Total	**4,415.03**	**3,107.28**

The following table summarizes the changes in loss allowances measured using life time expected credit loss model

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Allowances	**137.04**	**84.79**
Add: Additional Allowances made	46.22	59.94
Less : Reversal of provision due to recovery	1.21	7.69
Closing Allowances	**182.05**	**137.04**

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 70.21 % revenue (previous year 73.19 %) from this customer, and with this customer, the Group has long term contract. As at March 31, 2020, receivables from this customer constitute 46.80 % (previous year 38.38 %) 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, 2020 (₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	10,554.49	4,895.02	26.48	15,475.99
Trade Payable	8,496.29	-	-	8,496.29
Other Financial Liabilities	3,815.02	1,475.86	21.26	5,312.14
Total Financial Liabilities	**22,865.80**	**6,370.88**	**47.74**	**29,284.42**

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	6,956.96	-	-	6,956.96
Other Financial Liabilities	3,418.84	55.53	-	3,474.37
Total Financial Liabilities	**16,939.69**	**5,403.99**	**450.52**	**22,794.20**

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, 2020	As at March 31, 2019
Expiring within one year (Bank overdraft and other facilities)	3,232.12	838.68
Expiring beyond one year (Bank loans)	3,205.97	3,205.97

NOTE - 42 EARNINGS PER SHARE (EPS) AS PER INDIAN ACCOUNTING STANDARD 33:

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Profit for the year attributable to owners of Group (₹ in Lacs)	4,138.35	3,336.07
Weighted average number of Equity Shares (in Lacs)	71.88	71.88
Earning per Equity Share (Basic & Diluted)	57.57	46.41

NOTE - 43 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	Rashmi Bhatt	Key Managerial Personnel (w.e.f. February 12, 2019)
5	Yogesh Bhatt	Key Managerial Personnel (w.e.f.December 13, 2019)
6	Anil Patil	Key Managerial Personnel (w.e.f.December 13, 2019)
7	Ruchita Gurjar	Key Managerial Personnel (upto November 15,2018)
8	Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
9	Vadilal International Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
10	Veronica Construction Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
11	Majestic Farm House Ltd.	Enterprise over which Key Managerial Personnel are 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	Aakanksha 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.		42,072.30			42,072.30
	P.Y.	(41,509.15)			(41,509.15)
(b) Purchases					
Vadilal Chemicals Ltd.		16.68			16.68
	P.Y.	(20.33)			(20.33)
(c) Interest Paid					
Byad Packaging Industries Pvt. Ltd.		0.46			0.46
	P.Y.	(1.25)			(1.25)
Vadilal Marketing Pvt. Ltd.		2.17			2.17
	P.Y.	(8.70)			(8.70)
Rajesh R Gandhi		0.08	0.08		
	P.Y.	-	-		
Deval D. Gandhi		-		-	
	P.Y.	(0.63)		(0.63)	
(d) i) Managerial Remuneration					
Rajesh R. Gandhi		181.49	181.49		
	P.Y.	(177.98)	(177.98)		
Devanshu L. Gandhi		181.74	181.74		
	P.Y.	(177.98)	(177.98)		
ii) Remuneration					
Kalpit R. Gandhi		33.64	33.64		
	P.Y.	(29.91)	(29.91)		
Yogesh Bhatt		8.00	8.00		
	P.Y.	-	-		
Anil Patil		8.45	8.45		
	P.Y.	-	-		
Rashmi Bhatt		15.38	15.38		
	P.Y.	(2.75)	(2.75)		
Deval D. Gandhi		7.70		7.70	
	P.Y.	(2.59)		(2.59)	
Mamta R. Gandhi		7.70		7.70	
	P.Y.	(7.57)		(7.57)	
Aakanksha D. Gandhi		-		-	
	P.Y.	(0.76)		(0.76)	
Ruchita Gurjar		-	-		
	P.Y.	(6.70)	(6.70)		
(e) Interest Income					
Vadilal International Pvt. Ltd.		6.00			6.00
	P.Y.	(6.00)			(6.00)
(f) Royalty Expense					
Vadilal International Pvt. Ltd		35.29			35.29
	P.Y.	(34.09)			(34.09)
(g) Loan or Deposits Received					
Vadilal Marketing Pvt. Ltd.		63.00			63.00
	P.Y.	(152.00)			(152.00)
Byad Packaging Industries Pvt. Ltd.		9.00			9.00
	P.Y.	(68.00)			(68.00)
Rajesh R Gandhi		40.00	40.00		
	P.Y.	-	-		
Deval D. Gandhi		-		-	
	P.Y.	(50.00)		(50.00)	

(₹ 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
(h) Loan or Deposits Repaid					
Vadilal Marketing Pvt. Ltd.		63.00			63.00
	P.Y.	(152.00)			(152.00)
Byad Packaging Industries Pvt. Ltd.		9.00			9.00
	P.Y.	(68.00)			(68.00)
Rajesh R Gandhi		40.00	40.00		
	P.Y.	-	-		
Deval D. Gandhi		-		-	
	P.Y.	(50.00)		(50.00)	
Balance outstanding at year end :					
Investments					
Majestic Farm House Ltd.		3.95			3.95
	P.Y.	(3.95)			(3.95)
Trade Receivable					
Vadilal Enterprises Ltd. *		2,071.55			2,071.55
	P.Y.	(1,192.53)			(1,192.53)
Interest Receivable					
Vadilal International Pvt. Ltd		5.40			5.40
	P.Y.	(5.40)			(5.40)
Loans & Advances Given					
Majestic Farm House Ltd.		4.78			4.78
	P.Y.	(4.73)			(4.73)
Security Deposits Given					
Vadilal International Pvt. Ltd.		600.00			600.00
	P.Y.	(600.00)			(600.00)
Trade Payable					
Vadilal International Pvt. Ltd.		-			-
	P.Y.	(5.18)			(5.18)
Vadilal Chemicals Ltd.		3.27			3.27
	P.Y.	(3.62)			(3.62)
Corporate Guarantee Given					
Vadilal Enterprises Ltd.		2,901.00			2,901.00
	P.Y.	(3,927.00)			(3,927.00)
Corporate Guarantee Taken					
Majestic Farm House Ltd.		22,392.00			22,392.00
	P.Y.	(17,892.00)			(17,892.00)
Vadilal Enterprises Ltd.		270.00			270.00
	P.Y.	(250.00)			(250.00)
Personal Guarantee Taken					
Rajesh R Gandhi & Devanshu L Gandhi (Jointly)		12,776.00	12,776.00		
	P.Y.	(9,161.00)	(9,161.00)		

Notes

1) Transaction of Purchases / Sales (where input tax credit is not available to the group) and outstanding of Trade Payables / Receivable are inclusive of Taxes.

2) Previous Year figures are shown in bracket.

3) 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.

4) To temporarily tide over the business loss suffered by its primary customer of the Holding Company due to the unprecedented condition caused by the COVID-19 pandemic, the Holding Company has given a special credit note to Vadilal Enterprises Limited for ₹ 325 lacs. The 'Revenue from Operations' for the year ended March 31, 2020 is debited by the said amount.

5) Two Promoter Directors of the Holding Company, working as non-executive directors during the year, are appointed as Managing Directors of the Holding Company with effect from March 25, 2020, by the Board of Directors. The financial results for the quarter and year ending March 31, 2020, includes managerial remuneration of ₹ 363.23 lacs payable to two managing directors, and is subject to approval by the shareholders/members at the ensuing Annual General Meeting.

Compensation to Key Managerial Personnel of the Group: (₹ in Lacs)

Nature of Benefits	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Short Term Employee Benefits	102.47	224.10
Post Employment Gratuity Benefits*	49.64	36.96
Total	**152.11**	**261.06**

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 have not been included in (d) 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, 2020	As at March 31, 2019
Gurantee Given				
Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence	To avail credit facility and corporate loan	2,901.00	3,927.00

NOTE - 44 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 ₹ 176.47 Lacs (Previous Year: ₹ 127.69 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 group 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, 2020	As at March 31, 2019
Obligations at the beginning of the year	**566.30**	**483.79**
Current service cost	35.83	31.91
Past service cost	-	-
Interest cost	44.00	37.40
Actuarial (gain) / loss-due to changes in Demographic Assumptions	-	-
Actuarial (gain) / loss-due to changes in Financial Assumptions	10.88	(1.56)
Actuarial (gain) / loss-due to Experience Adjustments	22.39	41.24
Benefits paid	(29.96)	(26.48)
Present value of benefit obligation at the end of the year	**649.44**	**566.30**

b) Movement in the fair value of defined plan assets are as follows : (₹ in Lacs)

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Plan assets at the beginning of the year at fair value	**265.08**	**272.48**
Interest Income	20.60	21.06
Return on plan assets excluding interest income	(2.32)	(4.03)
Contributions from the employer	91.97	2.05
Benefits paid	(29.96)	(26.48)
Plan assets at the end of the year at fair value	**345.36**	**265.08**

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, 2020	As at March 31, 2019
Present value of benefit obligation at the end of the period	649.44	566.30
Fair value of plan assets at the end of the period	(345.36)	(265.08)
Net liability / (assets) arising from defined benefit obligation	**304.07**	**301.22**

d) Amount recognised in the Statement of Profit and Loss as Employee Benefit Expenses (₹ in Lacs)

Gratuity	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	35.83	31.91
Net Interest Cost	23.40	16.33
Past Service Cost	-	-
Net impact on the Profit / (Loss) before tax	**59.23**	**48.24**
Gain / (Expense) recognised in Other Comprehensive Income		
Return on plan assets excluding actuarial return on plan assets	2.31	4.03
Actuarial (gains) / losses arising from changes in Demographic Assumptions	-	-
Actuarial (gains) / losses arising from changes in Financial Assumption	10.88	(1.56)
Experience (gains) / losses arising on Experience Adjustments	22.39	41.24
Net expense recognised in the Other Comprehensive Income before tax	**35.58**	**43.71**

e) The defined benefit obligations shall mature after year end March 31, 2020 as follows: (₹ in Lacs)

Gratuity	As at March 31, 2020
1st Following Year	138.52
2nd Following Year	32.12
3rd Following Year	34.50
4th Following Year	46.61
5th Following Year	22.58
Sum of Years 6 To 10	262.12
Sum of Years 11 and above	691.69

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 has 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, 2020	As at March 31, 2019
Projected Benefit Obligation on Current Assumptions	**649.44**	**566.30**
Delta Effect of +1% Change in Rate of Discounting	(43.53)	(36.30)
Delta Effect of -1% Change in Rate of Discounting	50.29	41.78
Delta Effect of +1% Change in Rate of Salary Increase	46.14	38.10
Delta Effect of -1% Change in Rate of Salary Increase	(36.39)	(34.13)
Delta Effect of +1% Change in Rate of Employee Turnover	0.47	3.08
Delta Effect of -1% Change in Rate of Employee Turnover	(0.50)	(3.44)

The sensitivity analysis above has 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, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	**6.84%**	**7.77%**
Salary Escalation Rate		
For next 1 year	0.00%	7.00%
Thereafter starting from 2nd year	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, 2020 based on actuarial valuation carried out by using Projected Unit Credit Method is ₹ 189.59 Lacs . (As at March 31, 2019 : ₹ 190.84 Lacs)

Compensated Absences	As at March 31, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	**6.84%**	**7.77%**
Salary Escalation Rate		
For next 1 year	0.00%	7.00%
Thereafter starting from 2nd year	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 - 45 A SCHEDULE OF GOVERNMENT GRANT: (REFER NOTE 23 & 29)

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance of Grant	**716.23**	**751.42**
Grant Received during the Year	-	20.49
Amortised to the statement of Profit & Loss	(55.65)	(55.68)
Closing balance of Grant	**660.58**	**716.23**
Current	51.33	55.69
Non Current	609.25	660.54
Total	**660.58**	**716.23**

NOTE - 45B SEGMENT INFORMATION:

The Group 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".

NOTE - 46 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE:

a) CSR amount required to be spent by the Holding Company as per Section 135 of the Companies Act, 2013 is ₹ 68.43 Lacs for the year 2019-20. (P.Y. ₹ 52.47 Lacs).

b) Expenditure related to CSR is ₹ 20.36 Lacs (P.Y. ₹ 18.17 Lacs), details of the same is as under: (₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	20.36	18.17
Total	**20.36**	**18.17**

NOTE - 47

During the period between August, 2018, and July, 2019, 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 Note 3 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 – PD 1 and PD 2 and further as the allegations levelled were without any corroborative evidence, decided no further action was required on any of the allegation except for the ones stated in Note 48 below.

NOTE - 48

A) 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 referred to as "Promoter Directors" hereinafter) of the Holding Company has claimed potential personal expenses amounting to ₹ 25.33 lacs as official business expenses during the financial year 2017-18 to 2018-19.

B) 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.

NOTE - 49

The Board of the Holding Company, in their meeting dated March 30, 2019, had appointed an independent external consultant to perform procedures to ascertain whether the potential personal expenses in 48 (A) above have been claimed as business expenses.

Thereafter, as the previous statutory auditors had not accepted the Holding Company's representation on Note 47 and 48 above and issued a Disclaimer of Opinion on the financial results for the year ended March 31, 2019, the Promoter Directors in the meeting of the Board held on August 23, 2019, have voluntarily offered to appoint an independent law firm to conduct detailed inquiry in all the matters as reported in the statutory audit report with an aim of value preservation and enhancement in the interests of all stakeholders.

Pending the conclusion of the aforesaid inquiry, the statutory auditors have disclaimed their opinion on the financial statements for the year ended March 31, 2019, and the financial statements for the year ended March 31, 2020.

In the meeting of the Board of the Holding Company held on November 15, 2019, a committee of independent directors has been formed to appoint an independent law firm to conduct an inquiry/examination in the matters. On termination by the Board of the earlier appointment of external consultant dated March 30, 2019, the committee of independent directors thereafter, has appointed an independent law firm and chartered accountant firm to inquire/examine in all the matters as stated in Notes 47, 48(A), and 48(B), and advise the Board for further course of actions. Due to the outbreak of COVID-19, the inquiry/reports are delayed.

NOTE - 50

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Group's Management believes COVID-19 has significantly impacted business operations, primarily because the Group's business is seasonal in nature and the lockdowns have happened during the same period.

The Group has made a detailed assessment of the recoverability of the Group's assets such as Inventory, Receivables, etc. as at the Balance Sheet date, using reasonably available information, estimates and judgments and has determined that none of these balances require material adjustments to their carrying value.

However, the impact of global health pandemic might vary from those estimated as on the date of approval of these financial statements and the Group will continue to monitor any material changes to the future economic conditions.

The Holding Company has availed moratorium in respect of term loans (interest & installments) and interest on cash credit accounts from March 1, 2020 to August 31, 2020, and with the support of the lenders, believes in its ability to continue as a going concern and meeting its liabilities as and when they fall due in the foreseeable future.

NOTE - 51

Previous years' figures have been regrouped and rearranged wherever necessary to comply with requirement of Ind AS.

In terms of our report attached.
For Arpit Patel & Associates
Chartered Accountants
ICAI Firm registration number: 144032W

Arpit K Patel
Partner
Membership No.: 034032
Place : Ahmedabad
Date: June 26, 2020

For and on behalf of the Board of Directors

Rajesh R Gandhi
Managing Director
(DIN - 00009879)

Devanshu L Gandhi
Managing Director
(DIN - 00010146)

Kalpit R Gandhi
Director & Chief Financial Officer
(DIN 02843308)
Place : Ahmedabad
Date: June 26, 2020

Rashmi Bhatt
Company Secretary

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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Notes :

Notes :

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CONE
more then
4 Lakh

CANDY
more then
7 Lakh

CUP
more then
3 Lakh

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VADILAL INDUSTRIES LIMITED

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Ahmedabad - 380009. Ph. No.: 079-26564019-24.Email id :info@vadilalgroup.com.
Website : www.vadilalicecreams.com / www.vadilalgroup.com. CIN No: L91110GJ1982PLC005169