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**Vadilal Enterprises Ltd.**  
Annual Report 2018-2019

Vadilal<sup>®</sup>

# GOURMET

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Non-executive & Non-Independent Directors

Rajesh R. Gandhi, Chairman  
Devanshu L. Gandhi  
Mamta R. Gandhi

#### Independent Directors

Jayantilal M. Shah (up to 02/07/2019)  
Jignesh J. Shah (up to 18/06/2019)  
Ashish H. Modi  
Preet P. Shah

#### CHIEF EXECUTIVE OFFICER

Vishal Surti (up to 26/11/2018)  
Jinand Patel (Appointed w.e.f. 23/07/2019)  
Kamal Varma (Appointed w.e.f. 23/07/2019)

#### COMPANY SECRETARY

Darshan Shah

#### CHIEF FINANCIAL OFFICER

Rajesh Bhagat

#### AUDITORS

M/s. Deloitte Haskins & Sells LLP  
Chartered Accountants

#### BANKER

Bank of India

#### REGISTERED OFFICE

Colonnade Building, 10th Floor,  
Opp. Iscon Temple BRTS Bus Stand,  
Ambli-Bopal Road, Ahmedabad-380015  
Phone : 079-4808 1200  
Web : www.vadilalgroup.com

#### 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

#### SHARE DEPARTMENT

Colonnade Building, 10th Floor, Opp. Iscon Temple BRTS Bus Stand,  
Ambli-Bopal Road, Ahmedabad-380015 • Phone : 079-4808 1200.  
Email ID for Investor Grievance: shareslogs@vadilalgroup.com

#### Notes :

- Important Communication to Members :** The Ministry of Corporate Affairs has, pursuant to its Green Initiative in the Corporate Governance, allowed paperless compliances by Companies. It has issued circulars allowing the Companies to service notice/documents including Annual Report by email to its members. Many of the Shareholders have registered their emails pursuant to the said initiative. We thank those shareholders for the same. Those Shareholders, who have not registered their email addresses so far, may, as a support to those initiative, register their email addresses, in respect of electronic holdings, with the Depository through their respective Depository Participant. Members who hold shares in physical mode are requested to register their email address with MCS Share Transfer Agent Limited, Share Transfer Agent of the Company.
- Members are requested to send their all correspondence relating to Shares including transfer, transmission, change of address, issue of duplicate share certificates etc. to MCS Share Transfer Agent Limited, Registrar & Share Transfer Agent of the Company at 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009 (Phone: 079 - 26580461/62/63) or at the Share Department of the Company situated at 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad- 380015, Phone : 079-4808 1200.
- The process and manner of e-voting is provided at the end of Annual General Meeting Notice.

### 34th ANNUAL GENERAL MEETING

DAY	: Monday
DATE	: 30th September, 2019
TIME	: 02.00 p.m.
VENUE	: H T Parekh Convention Center, 1 <sup>st</sup> Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad, Gujarat- 380 015.

#### Content Sequence for reference:

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## SHAREHOLDER INFORMATION

**1. Name of Company:**

Vadilal Enterprises Limited

**2. Company CIN:**

L51100GJ1985PLC007995

**3. Book-Closure:**

Book-Closure from 21<sup>st</sup> September,2019 to 30<sup>th</sup> September,2019 (both days inclusive) for the purpose of payment of Dividend of Re. 0.80/- per share (@ 8%) for the year ended on 31<sup>st</sup> March, 2019 as recommended by the Board and if declared at the Meeting and to determine the members eligible for the said dividend.

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

**BSE LTD.**

Phiroze Jeejeebhoy, Towers Dalal Street, Mumbai- 400001.

Phone: 91-22-2272 1234 / 1233

The Annual Listing Fees up to the Financial Year 2019-2020 have been duly paid to the above Stock Exchange.

**5. Security Code :**

Bombay Stock Exchange Ltd. - 519152

ISIN Number - INE693D01018

**6. Dematerialisation of Shares :**

The Company, consequent to introduction of Depository System (DS), entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and has established an electronic connectivity with both the Depositories. Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL and CDSL. Annual custody/ issuer fee for the year 2018-19 has been paid by the Company to NSDL and CDSL

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

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

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

The Company has entrusted the work of Dematerialisation/Rematerialisation of shares to an outside Registrar, viz. MCS Share Transfer Agent Limited, Ahmedabad. As per SEBI Circular No. D&CC/FITTC/CIR-15/ 2002, dated 27-12-2002, the Company has assigned all the work related to Share Registry in terms of both physical and electronic to MCS Share Transfer Agent Limited, Ahmedabad. Hence, all Shareholders are requested to send/deliver the documents/correspondence including complaints relating to the Company's share transfer/demat/remat activity at:

**MCS Share Transfer Agent Limited**

201, Shatdal Complex, 2<sup>nd</sup> Floor, Opp. Bata Show Room,

Ashram Road, Ahmedabad - 380009.

Phone : 079-26580461/62/63

Fax : 079-26581296

Email: mcsstaahmd@gmail.com

**8. Fixed Deposit Department:**

Fixed Deposit Department of the Company is operated at the following address:

10<sup>th</sup> Floor Colonnade Building, Opp. Iscon Temple BRTS Bus Stand,

Ambli-Bopal Road, Ahmedabad-380015

Phone: 079-4808 1200.

## 9. Share Transfer System :

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

As required under Regulation 40(9) of SEBI (Listing Obligation and Disclosure Requirement), 2015, a certificate is obtained every six months from a Practicing Company Secretary, with regard to, inter alia, effecting transfer, transmission and consolidation within one month of their lodgment. The certificates are forwarded to BSE, where the equity shares are listed.

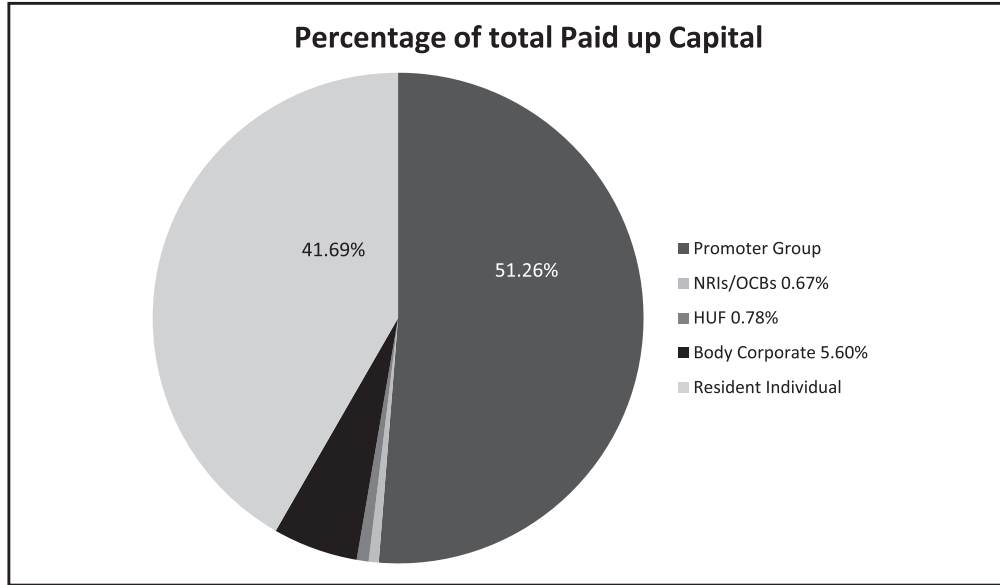
In terms of SEBI's circular dated 31<sup>st</sup> December, 2002, a Secretarial Audit is conducted on a quarterly basis by Practicing Company Secretary for the purpose of reconciliation of the total Admitted Equity Share Capital with the Depositories and in the physical form with the total issued public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

## 10. Distribution of Shareholding as on 31<sup>st</sup> March, 2019:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of total Shares
Up to 500	1384	93.83	143369	16.61
501 to 1000	29	1.96	23022	2.66
1001 to 2000	12	0.81	17516	1.89
2001 to 3000	11	0.74	23498	2.93
3001 to 4000	5	0.33	16463	1.95
4001 to 5000	6	0.40	41793	3.22
5001 to 10000	10	0.67	84065	9.27
10001 to 50000	15	1.01	267589	33.45
50001 & above	3	0.20	241325	27.97
<b>Total</b>	<b>1475</b>	<b>100.00</b>	<b>862668</b>	<b>100.00</b>

## 11. Categories of Shareholders as on 31<sup>st</sup> March, 2019:

Sr. No.	Category of Shareholders	No. of Equity Shares held	Percentage of total paid-up capital
<b>A : Promoters and Promoters' Group :</b>			
1	Directors	208698	24.19
2	Directors' relatives	102788	11.92
3	Group Companies	105407	12.22
4	HUFs	25284	2.93
	<b>Total (A) :</b>	<b>442177</b>	<b>51.26</b>
<b>B : Public :</b>			
1	Bodies Corporate	48312	5.60
2	NRI	5746	0.67
3	HUF	6713	0.78
4	Residential Individual	359720	41.69
	Total (B) :	420491	48.74
	<b>Total</b>	<b>862668</b>	<b>100.00</b>



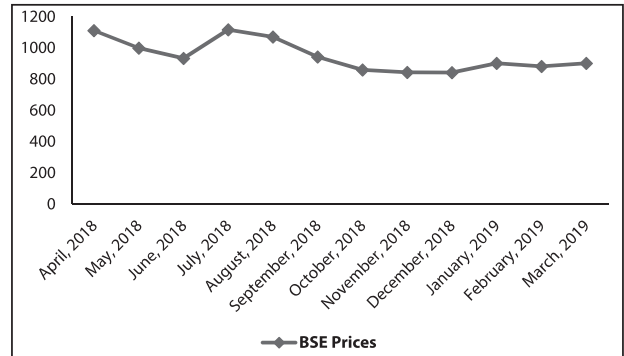
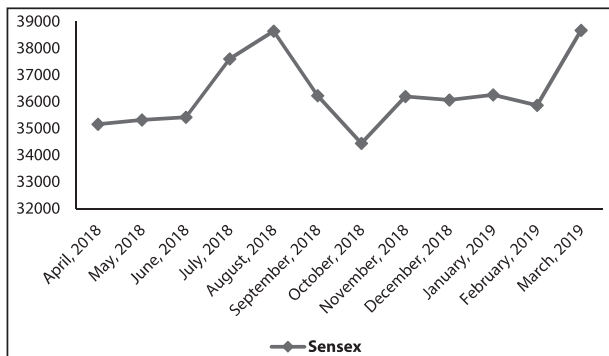
**12. Share price performance in comparison to BSE Sensex based on data available on Stock exchange website:**

The monthly high, low and 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	PRICE OF SHARE ON BSE			SENSEX		
	High	Low	Close	High	Low	Close
April, 2018	1265	1050	1111	35213.3	32972.56	35160.36
May, 2018	1198	974	1000	35993.53	34302.89	35322.38
June, 2018	1020	912.2	933.3	35877.41	34784.68	35423.48
July, 2018	1117	855	1117	37644.59	35106.57	37606.58
August, 2018	1180	986.4	1071	38989.65	37128.99	38645.07
September, 2018	1143	857.55	942.55	38934.35	35985.63	36227.14
October, 2018	950	815.55	860	36616.64	33291.58	34442.05
November, 2018	1056.8	817	844.3	36389.22	34303.38	36194.3
December, 2018	900	808	842	36554.99	34426.29	36068.33
January, 2019	950	839.7	902.5	36701.03	35375.51	36256.69
February, 2019	920	836	882.35	37172.18	35287.16	35867.44
March, 2019	1010	831	902.5	38748.54	35926.94	38672.91

• All the rates are in Rs.

**PRICE CHART**



**13. Consolidation of Folios:**

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

**14. Nomination facility:**

Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 the facility of nomination in the Shares of a Company is available. Your Company has already offered the facility of nomination to the members. Individual Shareholders can avail of the facility of nomination and may submit to the Company the prescribed **Form 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.

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

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

In case of any assistance, please contact share department at the address mentioned below.

**Share Department:**

10<sup>th</sup> Floor Colonnade Building,  
Opp. Iscon Temple BRTS Bus Stand,  
Ambli-Bopal Road,  
Ahmedabad-380015  
Phone: 079-4808 1200  
Email: [shareslogs@vadilalgroup.com](mailto:shareslogs@vadilalgroup.com)

**15. Means of Communication**

**Quarterly results:** The Company's quarterly / half-yearly / annual financial results are uploaded on the Stock Exchange website and published in 'Indian Express', 'Financial Express'. Simultaneously, they are also put on the Company's website and can be accessed at [www.vadilalgroup.com](http://www.vadilalgroup.com)

**BSE Corporate Compliance & Listing Centre ("Listing Centre"):** BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, statement of investor complaints, among others are also filed electronically on the Listing Centre and it is available for all the general public for viewing.

## NOTICE

**NOTICE** is hereby given that the **34<sup>th</sup> ANNUAL GENERAL MEETING** of the members of **VADILAL ENTERPRISES LIMITED** will be held on Monday, the 30<sup>th</sup> day of September, 2019 at 2.00 p.m. at H T Parekh Convention Center, C/O Ahmedabad Management Association, 1<sup>st</sup> Floor, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad, Gujarat - 380015, to transact the following business :

### ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited financial statement of the Company including statement of Profit & Loss for the year ended March 31, 2019, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon and in this regard, pass following resolution as **Ordinary resolution**:

**“RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

- 2) To declare dividend on Equity Shares for the financial year ended on March 31, 2019 and in this regard, pass following resolution as **Ordinary resolution**:

**“RESOLVED THAT** a dividend at the rate of ₹ 0.80 (Eighty Paise only) per equity share of ₹ 10/- (Ten rupees) each fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2019 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2019.”

- 3) 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 in this regard, pass following resolution as **Ordinary resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajesh R. Gandhi (DIN: 00009879), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By Order of the Board  
**For VADILAL ENTERPRISES LIMITED**

**RAJESH R. GANDHI**  
Chairman & Director  
DIN : 00009879

Date : August 23, 2019.

### Registered Office :

10<sup>th</sup> Floor, Colonnade Building,  
Opp. Iscon Temple BRTS Bus Stop,  
Bopal-Ambli Road, Bopal, Ahmedabad.  
CIN : L51100GJ1985PLC007995  
Email : [sharelogs@vadilalgroup.com](mailto:sharelogs@vadilalgroup.com)  
Website : [www.vadilalgroup.com](http://www.vadilalgroup.com)  
Phone : 079 4808 1200

### NOTES:

- 1) 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.
- 2) The Requirement to place the matter relating to appointment of Auditors for ratification by the members at every annual general meeting is done away with vide notification dated May 7, 2018 issued by ministry of corporate affairs. Accordingly no resolution is proposed for ratification of appointment of auditors who were appointed in annual general meeting held on 29<sup>th</sup> September, 2017
- 3) **A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office/ Share Department of the Company not less than forty-eight hours before the commencement of the Meeting.**

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



- 4) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 5) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6) (a) The Company has notified closure of Register of Members and Share Transfer Books from 21<sup>st</sup> September, 2019 to 30<sup>th</sup> September, 2019 (**both days inclusive**) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.  
 (b) Dividend of 0.80 per share (@ 8.00%) on Equity Shares for the year ended on 31<sup>st</sup> March, 2019 as recommended by the Board, if declared at the meeting, will be paid without deduction of tax at source :
  - # to those members, whose names appear on the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company/Share Transfer Agent on or before 20<sup>th</sup> September, 2019 or
  - # in respect of shares held in electronic form, to those "Beneficial Owners" whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 20<sup>th</sup> September, 2019.
- 7) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
- 8) **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically**
- 9) The amount of dividend for the financial year ended on 31<sup>st</sup> March, 2012, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 3<sup>rd</sup> November, 2019, 26<sup>th</sup> October, 2020, 29<sup>th</sup> October, 2021, 1<sup>st</sup> November, 2022, 1<sup>st</sup> November, 2023, 6<sup>th</sup> November, 2024 and 6<sup>th</sup> November, 2025 respectively.  
 Members, who have so far not encashed their dividend warrants for the said financial years, are requested to approach the Company for revalidation or duplicate dividend warrants. Thereafter, no claims shall lie against the said Fund or the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims.
- 10) The Shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/ Claimants are requested to claim their dividends from the Company within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF may claim the same by making an application to the IEPF Authority, in Form IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.
- 11) Members, who hold shares in dematerialised form, are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- 12) Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.
- 13) Relevant documents referred to in the accompanying Notice are open for inspection for the members at the Share Department of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.
- 14) Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.
- 15) Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its **registered office**, at least 10 days before the date of the meeting.
- 16) Attendance Slip, Proxy form and route map of the venue of the meeting are provided at the end of the annual report.
- 17) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agent Limited for assistance in this regard.

**18) The Following statement sets out all material facts relating to the Business mentioned in item No: 3**

Mr. Rajesh R. Gandhi (DIN: 00009879), Director of the Company, shall retire by rotation and being eligible, offer himself for re-appointment.

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

**Mr. Rajesh R. Gandhi**

Mr. Rajesh R. Gandhi aged 61 years is commerce graduate and 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 Audit Committee and Stakeholders' Relationship Committee of the Company. He is on the Board and member in committee of following other Companies. Mr. Rajesh R. Gandhi holds 78408 shares in Vadilal Enterprises Limited in his individual capacity.

Mr. Rajesh R. Gandhi is non-executive & non-independent director of the company and he is drawing only sitting fees for the Board and Committee meeting he attends in the Company.

<b>Directorship:</b> <ul style="list-style-type: none"><li>➤ Vadilal Industries Limited</li><li>➤ Vadilal International Private Limited</li><li>➤ Vadilal Chemicals Limited</li><li>➤ Vadilal Gases Limited</li><li>➤ Vadilal Marketing Private Limited</li><li>➤ Numen Technologies Private Limited</li><li>➤ Vale Properties Private Limited</li></ul>	<b>Member of the Board Committees:</b> <b>Audit Committee:</b> <ul style="list-style-type: none"><li>➤ Vadilal Industries Limited</li></ul> <b>Stakeholders' Relationship Committee:</b> <ul style="list-style-type: none"><li>➤ Vadilal Industries Limited</li><li>➤ Vadilal Chemicals Limited</li></ul>
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Mr. Rajesh Gandhi is husband of Mrs. Mamta Gandhi who is also Director in the Company.

**Voting through electronic means:**

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

**The process and manner of remote e-voting is being sent to all the members whose e-mail ids are registered with the Company/Depository Participant /Share Transfer Agent for communication purpose through electronic mode. For Members who have not registered their e-mail ids as above, the process and manner of e-voting is provided and enclosed alongwith this Notice.**

By Order of the Board  
**For VADILAL ENTERPRISES LIMITED**

**RAJESH R. GANDHI**  
Chairman & Director  
DIN : 00009879

Date : August 23, 2019.

**Registered Office :**

10<sup>th</sup> Floor, Colonnade Building,  
Opp. Iscon Temple BRTS Bus Stop,  
Bopal-Ambli Road, Bopal, Ahmedabad.  
CIN : L51100GJ1985PLC007995  
Email : [sharelogs@vadilalgroup.com](mailto:sharelogs@vadilalgroup.com)  
Website : [www.vadilalgroup.com](http://www.vadilalgroup.com)  
Phone : 079 4808 1200

## Process and manner for availing remote e-voting facility

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

1. The Process and manner of remote e-voting is being sent to all members whose e-mail ids are registered with the Company/ Depository Participants/Share Transfer Agents for communication purpose through electronic mode.
2. The members who have casted there vote by remote e-voting may also attend meeting but shall not entitled to cast their vote again.
3. The Board of Director has appointed Mr. Manoj Hurkat, of M/s. Manoj Hurkat & Associates Practicing Company Secretary, Ahmedabad as Scrutinizer to scrutinize the poll and remote e-voting process in fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
4. Voting rights shall be reckoned on the paid up value of shares registered in the name of the members/ beneficial owner (in case of electronic shareholding) as on cutoff date i.e. 23<sup>rd</sup> September, 2019
5. Any person, who acquires shares of the Company and becomes member of Company after dispatch of the notice of the AGM and holding shares on cut-off date i.e. 23<sup>rd</sup> September, 2019 may obtain the User ID and Password in manner mentioned below:
  - If e-mail address or mobile number of member is registered against folio number/DP ID/Client ID, then on homepage of [www.evotingindia.com](http://www.evotingindia.com), the member may click on "Forgot Password" and enter folio number/DP ID/Client ID and PAN to generate a password
  - Member may send request at [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com)
  - If person is already registered with CDSL for e-voting then excising user id and password can be used for casting vote.

### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27<sup>th</sup> September, 2019 (9.00 a.m.) and ends on 29<sup>th</sup> September, 2019 (5.00 p.m.) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Vadilal Enterprises Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - "m - Voting" for e voting. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, 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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## DIRECTORS' REPORT

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

Your Directors have pleasure in presenting herewith the 34<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2019.

### FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

Sr. No.	Particulars	Current Year ended on 31-03-2019	Previous Year ended on 31-03-2018
(a)	Earnings before Interest, Tax, Depreciation and Amortization	1579.64	1332.68
(b)	Finance Cost	(368.84)	(250.00)
(c)	Depreciation & Amortization Expense	(1195.35)	(1060.95)
(d)	<b>Profit/(Loss) before Tax</b>	<b>15.45</b>	<b>21.73</b>
(e)	Tax Expense		
	-- Current Tax	79.71	2.39
	-- Deferred Tax Expenses	(73.16)	4.54
	Total Tax:	6.55	6.93
(f)	<b>Profit/(Loss) for the year</b>	<b>8.90</b>	<b>14.80</b>
(g)	<b>Other Comprehensive income</b>		
	Item that will not be reclassified to Profit & Loss		
	- Re-measurement of Defined Benefit Plans (Net of Taxes)	(13.96)	0.37
	<b>Other Comprehensive income for the year</b>	<b>(13.96)</b>	<b>0.37</b>
(i)	<b>Total Comprehensive income for the year</b>	<b>(5.06)</b>	<b>15.17</b>

### STATE OF COMPANY'S AFFAIRS:

The Company has earned Revenue from Operations of ₹ 57314.39 lacs during the year ended on 31<sup>st</sup> March, 2019 as against ₹ 54585.94 lacs earned during the previous year ended on 31<sup>st</sup> March, 2018 giving a rise of 4.99% as compared to previous year.

After adding thereto, the other income of ₹ 284.20 lakhs earned by the Company, the Company has earned total income of ₹ 57598.59 lakhs during the year under review. The Company has incurred total expenses of ₹ 57583.14 lakhs including Finance cost of ₹ 368.84 lakhs and Depreciation and Amortization expenses of ₹ 1195.35 lakhs, during the year under review.

The Company has earned profit before Tax of ₹ 15.45 lacs during the year under review as compared to Profit ₹ 21.73 lacs incurred during the previous year ended on 31<sup>st</sup> March, 2018. The Company has earned profit for the year of ₹ 8.90 during the year ended on 31<sup>st</sup> March, 2019 after deducting Current Tax of ₹ 79.71 lacs and Deferred Tax of ₹ (73.16) lacs, as compared to Profit of ₹ 14.80 lacs incurred by the Company during the previous year ended on 31<sup>st</sup> March, 2018.

### DIVIDEND:

The Directors have recommended dividend of ₹ 0.80/- per share (@ 8.00%) on 8,62,668 Equity Shares of ₹10/- each of the Company for the financial year ended on 31<sup>st</sup> March, 2019 as compared to ₹ 0.80/- per share (@ 8.00%) dividend declared in the previous financial year ended on 31<sup>st</sup> March, 2018. If approved, the dividend will be paid without deduction of tax at source to the shareholders.

### TRANSFER TO RESERVE:

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

### MANAGEMENT DISCUSSION & ANALYSIS:

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

Ice creams are an integral part of any celebration. And Vadilal offers a range of ice creams and frozen desserts that enriches the celebrations. Increase in the percentage of urbanization, rise in the disposable incomes, and increase in the “out of home food” consumption coupled with the steep increase in the availability of multi cuisine restaurants in the residential areas are some of the reasons behind the thriving ice cream industry.

To ensure maximum visibility to the public in terms of marketing, we spend on an optimal mix of above the line (ATL) and below the line (BTL) activities. We utilize various communication touch points like TV, Print, Digital, Retail activity, Point of purchase (POP), Point of Sales (POS) etc. to get the brand message across. This year we have taken a giant leap into the field of advertising and marketing, Vadilal has a noticeable presence in IPL 2019 with their prime property up advertising for all the concerned Trade & Consumers along with a huge fan base of young Indians to consume. As a share of voice, we are the largest marketing investment company in Ice cream segment in competition with others players.

However, the advertising budgets are skewed more towards television as we have a nationwide reach now. Apart from traditional media platforms, we also enjoy commendable brand presence and preference in the digital space that cater to the youth and all class and society.

Our consumer engagement initiative, Vadilal Freeze the Moment Contest Calendar launched in 2012 became a successful annual event. With the sharp increase in the use of digital and social media, this year we spearheaded social media led campaigns to engage with the young consumers.

On the sales promotions front, we constantly engage our trade patrons through various schemes and offers. Vadilal also invests in consumer promotional activities from time to time. We are expecting to yield good results this year as we have been very calculative in pumping our assets into the market for the expansion of our business.

We are marching towards ₹1,000 Crore INR sales turnover by 2020 with strategic business planning & product innovation with extensive distribution with complete marketing efforts. Yet, the overall vision of the company remains the same, that is to increase the consumption of ice-cream at the national level supported by appropriate promotion and communication strategies.

#### FINANCE:

During the year under review, the company has not availed any Fresh secured and unsecured loans from various Banks, Fls.

During the year company has made regular repayment of Loan & interest thereon and there is no overdue payment to Banks and Fls.

During the year, the Banks have also reduced the Rate of Interest and the Company has approached to India Ratings and Research Pvt. Ltd (Rating Agency) and they have given Long-term issuer rating at 'IND A-' The Outlook is Positive for the company.

During the year under review, the Company has transferred ₹ 42348/- to Investors' Education and Protection Fund being the amount of Unpaid/Unclaimed Dividend for the Financial year – 2010-2011.

During the year under review, the Company has transferred the unclaimed interest on Fixed Deposit of ₹ 5803/- for the financial year ended on 31st March, 2011 to Investors' Education and Protection Fund.

#### DETAILS OF DEPOSITS:

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

(₹ in lakhs)

(a) Amount of existing deposits as at 1st April, 2018	:		98.93
(b) Amount of deposits accepted or renewed during the year			
(i) Secured deposits	:	0	
(ii) Unsecured deposits	:	36.00	
Total (b) :	:		36.00
(c) Amount of deposits repaid during the year	:		65.58
(d) Balance of deposits outstanding at the end of the year (a+b-c)			69.35

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

c. 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.

## **CONSOLIDATED FINANCIAL STATEMENTS:**

As on 31<sup>st</sup> March, 2019, the Company does not have any subsidiary, joint venture or associate Company and hence, the Company is not required to attach the Consolidated Financial Statements alongwith its Financial Statement, in terms of provisions 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.

## **Subsidiaries, Joint Ventures and Associate Companies:**

As on 31<sup>st</sup> March, 2019, the Company does not have any subsidiary, joint venture or associate company. Therefore Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is not require to be given.

During the year under review, none of the companies have become or ceased to be Company's subsidiaries, associates or joint ventures.

## **SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

## **CORPORATE GOVERNANCE:**

The provisions related to compliance with Corporate Governance of as mentioned in Regulation 16(2) of Chapter – IV of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("SEBI-LODR") are not applicable to the Company since the share capital of the company does not exceed ₹ 10.00 Crores and the net-worth of the Company does not exceed ₹ 25 Crores, as per the last audited Balance sheet of the Company.

However, being a Listed Company, the Company has always taken necessary measures to adhere to the best governance practices and norms.

## **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*.

## **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.

## **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 – B** in the prescribed Form – AOC-2 and the same forms part of this report. All related party transactions are placed before the Audit Committee of the Company for review and approval.

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

Your Directors draw attention of the members to Note – 39 to the financial statement which sets out related party transactions.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on 31<sup>st</sup> March, 2019, the Board of the Company comprises the following Directors:

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Rajesh R. Gandhi	Chairman & Director	Non-executive and Non-Independent
2.	Mr. Devanshu L. Gandhi	Director	Non-executive and Non-Independent
3.	Mrs. Mamta R. Gandhi	Director	Non-executive and Non-Independent
4.	Mr. Jayantilal M. Shah*	Director	Independent Director
5.	Mr. Jignesh J. Shah*	Director	Independent Director
6.	Mr. Ashish H. Modi	Director	Independent Director
7.	Mr. Preet P. Shah	Director	Independent Director

- Mr. Jignesh J. Shah & Mr. Jayantilal M. Shah Independent Directors have resigned from the Board of Director w.e.f. 19<sup>th</sup> June, 2019 & 3<sup>rd</sup> July, 2019 respectively the Board places on record their deep appreciation for the contribution during their tenure.

As on 31<sup>st</sup> March, 2019, the Key Managerial personal of the Company are as follows:

Sr. No.	Name of the Key Managerial Personal	Designation
1.	Mr. Vishal Surti (up to 26th November, 2018)	Chief Executive Officer
2.	Mr. Rajesh Bhagat	Chief Financial Officer
3.	Mr. Darshan Shah	Company Secretary & Compliance Officer

Further following Key Managerial Personal are appointed after 31<sup>st</sup> March, 2019 details of them are as follows:

Sr. No.	Name of the Key Managerial Personal	Designation
1.	Mr. Jinand Patel (w.e.f. 23rd July, 2019)	Chief Executive Officer
2.	Mr. Kamal Varma (w.e.f. 23rd July, 2019)	Chief Executive Officer

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, offer himself for re-appointment. The Members are requested to consider her re-appointment as Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

The brief resume/details relating to Mr. Rajesh R. Gandhi is furnished in the Notes to the Notice of the Annual General Meeting.

#### NUMBER OF BOARD MEETINGS:

Total 5 meetings of the Board of Directors were held during the year details of dates and their attendance is as follows:

Board meeting were held on 28.5.2018, 11.8.2018, 27.11.2018, 3.1.2019 and 12.2.2019

Name of Director	Attendance Particulars (Total 5 Board Meetings held during the year)
Mr. Rajesh R. Gandhi	5
Mr. Devanshu L. Gandhi	5
Mrs. Mamta R. Gandhi	5
Mr. Jignesh J. Shah	3
Mr. Jayantilal M. Shah	3
Mr. Ashish H. Modi	5
Mr. Preet P. Shah	3



## COMMITTEES OF DIRECTORS:

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

### A. AUDIT COMMITTEE :

The Audit Committee comprises the following Director of the Company, as on 31<sup>st</sup> March, 2019 namely:

Sr. No.	Name of the Member		Designation	Category
1	Mr. Jignesh J. Shah *	-	Chairman	Independent Director
2	Mr. Rajesh R. Gandhi	-	Member	Non-Executive and Non-Independent Director
3	Mr. Devanshu L. Gandhi	-	Member	Non-Executive and Non-Independent Director
4	Mr. Jayantilal M. Shah*	-	Member	Independent Director
5	Mr. Preet P. Shah	-	Member	Independent Director

Audit Committee meeting were held on 28.5.2018, 11.8.2018, 27.11.2018, 3.1.2019 and 12.2.2019

- Mr. Jignesh J. Shah & Mr. Jayantilal M. Shah Independent Directors have resigned from the Board of Director w.e.f. 19<sup>th</sup> June, 2019 & 3<sup>rd</sup> July, 2019 respectively.

After above resignations audit committee was reconstituted on 23<sup>rd</sup> July, 2019 which is as follows:

Sr. No.	Name of the Member		Designation	Category
1	Mr. Preet P. Shah	-	Chairman	Independent Director
2	Mr. Rajesh R. Gandhi	-	Member	Non-Executive and Non-Independent Director
3	Mr. Ashish Modi	-	Member	Independent Director

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

Mr. Darshan Shah, who is a Company Secretary of the Company, is the Secretary to the Audit Committee.

### B. NOMINATION AND REMUNERATION COMMITTEE :

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

Sr. No.	Name of the Member		Designation	Category
1	Mr. Jignesh J. Shah*	-	Chairman	Independent Director
2	Mr. Devanshu L. Gandhi	-	Member	Non-executive and Non-Independent Director
3	Mr. Preet P. Shah	-	Member	Independent Director

The constitution of Nomination and Remuneration Committee fulfills the requirements of Section 178 of the Companies Act, 2013 and Rules made thereunder.

Nomination and Remuneration Committee meeting were held on 28.5.2018, 11.8.2018, 27.11.2018, and 12.2.2019

- Mr. Jignesh J. Shah & Mr. Jayantilal M. Shah Independent Directors have resigned from the Board of Director w.e.f. 19<sup>th</sup> June, 2019 & 3<sup>rd</sup> July, 2019 respectively.

After above resignations nomination and remuneration committee was reconstituted on 23<sup>rd</sup> July, 2019 which is as follows:

Sr. No.	Name of the Member		Designation	Category
1	Mr. Preet P. Shah	-	Chairman	Independent Director
2	Mr. Devanshu L. Gandhi	-	Member	Non-executive and Non-Independent Director
3	Mr. Rajesh R. Gandhi	-	Member	Non-executive and Non-Independent Director
4	Mr. Ashish Modi	-	Member	Independent Director

### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

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

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

On 23rd July, 2019 Stakeholders' Relationship Committee reconstituted as follows:

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

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

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.

### BOARD PERFORMANCE EVALUATION:

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

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

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

The Board 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.

### OTHER POLICIES AS PER THE REQUIREMENT OF COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT), 2015

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

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

The details of Conservation of Energy and Technology Absorption are not required to provide as the provisions of Section 134(1)(m) are not applicable to the Company due to the nature of the Company's business operations, being Marketing Company.

There is no any Foreign Exchange Earnings or outgo during the year under review.

### INTERNAL FINANCIAL CONTROLS

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

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

#### **AUDITORS:**

Under the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said section. In line with the requirements of Companies Act, 2013, Deloitte Haskins & Sells LLP, Chartered Accounts, Firm Registration No. 117366W/W 100018("Deloitte") was appointed as Statutory Auditors of the Company for a period of five consecutive years i.e. to hold office from the conclusion of the 32<sup>nd</sup> Annual General Meeting till the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting or as may be necessitated by the Act from time to time.

However, Section 40 of the Companies (Amendment) Act, 2017 which came into force w.e.f. 7<sup>th</sup> May, 2018, has omitted the requirement of rectification of the appointment of Statutory Auditors at every Annual General Meeting.

#### **AUDITORS' REPORT OF THE COMPANY:**

The Independent Auditors' Report dated 23<sup>rd</sup> August, 2019 on the financial statements of the Company for the year ended on 31<sup>st</sup> March, 2019 contains Disclaimer of Opinion together with the basis for the same made by the Auditors:

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

#### **SECRETARIAL AUDITOR:**

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

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

1. 100% Shareholding of Promoter Group is not maintained in dematerialization form: Shareholders are in the Process of dematerialization of Shares of Promoter Group.
2. Late submission of quarterly results as on 30-09-2018: The Company has replied to the Stock Exchanges and Company has paid penalty to the Stock Exchanges.

#### **COST AUDIT:**

The maintenance of cost records has not been specified by Central Government under section 148(1) of the Companies Act, 2013 for the business categories in which Company operates accordingly such accounts and records are not maintained.

#### **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 - D**.

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

#### **MATERIAL INFORMATION:**

During the financial year 2017-18, a Company Petition (being Company Petition No. 43 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. In connection to the said Company Petition No. 43 of 2017, the Petitioners and all the parties to the petition are seeking to arrive at an amicable resolution of matter. The matter was lastly heard by the Hon'ble NCLT on 1<sup>st</sup> August, 2019 and adjourned to 3<sup>rd</sup> September, 2019

#### **GENERAL:**

- During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31<sup>st</sup> March, 2019 till the date of this report.
- During the year under review, there was no significant and/or material order passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

- The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013 does not require.
- During the year under review, no Director or Managing Director of the Company has received any remuneration or commission from subsidiary of the Company in terms of provisions of Section 197(14) of the Companies Act, 2013.
- The disclosure in terms of Rule – 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.
- The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.
- Annual Return in Form DPT-3 as required under section 73(2) of the Companies Act, 2013 read with rule 16 of Companies (Acceptance of Deposits) Rule, 2014, as amended for the financial year 2018-19 was not filed; However the same shall be filed with penalty.

#### **INSURANCE:**

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

#### **TRADE RELATIONS:**

The Board desires to place on record its appreciation of the support and co-operation that your Company received from Distributors, Dealers, Stockiest, C&F Agents, Retailers and all others associated with your Company. It will be your Company's continued endeavor to build and nurture strong links with the trade, based on mutuality, respect and co-operation and consistent with the consumer interest.

#### **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

Date : August 23, 2019  
Place : Ahmedabad

**RAJESH R. GANDHI**  
CHAIRMAN & DIRECTOR  
DIN : 00009879

**DEVANSHU L. GANDHI**  
DIRECTOR  
DIN : 00010146

## ANNEXURE – A TO THE DIRECTORS’ REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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

### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L51100GJ1985PLC007995
2.	Registration Date	13-07-1985
3.	Name of the Company	VADILAL ENTERPRISES LIMITED
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	10th Floor Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015
6.	Whether listed company	Listed at BSE 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 (Marketing)	1050	98.59%

### 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
NIL					

### 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 01-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year (H-D)
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	A	B	C	D	E	F	G	H	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	25284	0	25284	2.93	25284	0	25284	2.93	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
d) Bodies Corp.	105407	0	105407	12.22	105407	0	105407	12.22	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Directors & their Relatives	296507	14979	311486	36.11	296507	14979	311486	36.11	0.00
<b>Sub Total(A)(1)</b>	<b>427198</b>	<b>14979</b>	<b>442177</b>	<b>51.26</b>	<b>427198</b>	<b>14979</b>	<b>442177</b>	<b>51.26</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year (H-D)
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	A	B	C	D	E	F	G	H	
<b>(2) Foreign</b>									
Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)</b>	<b>427198</b>	<b>14979</b>	<b>442177</b>	<b>51.26</b>	<b>427198</b>	<b>14979</b>	<b>442177</b>	<b>51.26</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	0	0	0	0	0	0	0	0	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
<b>a Bodies Corp.</b>									
i) Indian	33409	600	34009	3.94	47712	600	48312	5.60	1.66
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	202251	85826	288077	33.39	193282	73776	267058	30.95	-2.44
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	85552	0	85552	9.91	92662	0	92662	10.74	0.83
<b>c) Others (specify)</b>									
Non Resident Indians	6035	0	6035	0.70	5746	0	5746	0.66	-0.04
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0.00	0.00
Hindu Undivided Families (HUF)	6818	0	6818	0.79	6713	0	6713	0.77	-0.02
<b>Sub-total (B)(2):-</b>	<b>334065</b>	<b>86426</b>	<b>420491</b>	<b>48.74</b>	<b>346115</b>	<b>74376</b>	<b>420491</b>	<b>48.74</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>334065</b>	<b>86426</b>	<b>420491</b>	<b>48.74</b>	<b>346115</b>	<b>74376</b>	<b>420491</b>	<b>48.74</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>761263</b>	<b>101405</b>	<b>862668</b>	<b>100</b>	<b>773313</b>	<b>89355</b>	<b>862668</b>		<b>0</b>

**B) Shareholding of Promoter-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2018)			Shareholding at the end of the year (31-3-2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Virendra Ramchandra Gandhi HUF	11689	1.35	0	11689	1.35	0	0.00
2	Laxman R Gandhi HUF	11479	1.33	0	11479	1.33	0	0.00
3	Rajesh R Gandhi HUF	2116	0.25	0	2116	0.25	0	0.00
4	Vortex Ice Cream Pvt. Ltd.	43308	5.02	0	43308	5.02	0	0.00
5	Vadilal Marketing Private Limited	43299	5.02	0	43299	5.02	0	0.00
6	Byad Packaging Industries Pvt Ltd	18700	2.17	0	18700	2.17	0	0.00
7	Vadilal Chemicals Limited	100	0.01	0	100	0.01	0	0.00
8	Virendra Ramchandra Gandhi	72207	8.37	0	72207	8.37	0	(0.02)
9	Rajesh Ramchandra Gandhi	78408	9.09	0	78408	9.09	0	0.00
10	Devanshu Laxmanbhai Gandhi	109145	12.65	0	109145	12.65	0	0.00
11	Mamta Rajesh Gandhi	21145	2.45	0	21145	2.45	0	0.00
12	Janmajay Virendrabhai Gandhi	10613	1.23	0	10613	1.23	0	0.00
13	Ila V Gandhi	8957	1.04	0	8957	1.04	0	0.00
14	Deval Devanshu Gandhi	4710	0.55	0	4710	0.55	0	0.00
15	Nitaalishemali Piyush Surati	1826	0.21	0	1826	0.21	0	0.00
16	Ramchandra Ranchhodlal Gandhi	3400	0.39	0	3400	0.39	0	0.00
17	Sharmisthaben P Surati	865	0.10	0	865	0.10	0	0.00
18	Kalpiti Rajesh Gandhi	70	0.01	0	70	0.01	0	0.00
19	Dharini Ketan Khambhatta	70	0.01	0	70	0.01	0	0.00
20	Khevna Raj Shah	70	0.01	0	70	0.01	0	0.00
	<b>Total</b>	<b>442177</b>	<b>51.26</b>	<b>0</b>	<b>442177</b>	<b>51.26</b>	<b>0</b>	<b>0.00</b>

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

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2018)		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

No Change in Promoters holding during the year

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

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2018)		Increase/decrease in the shareholding during the year		Cumulative Shareholding during the year (from 1-4-2018 to 31-3-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sanjiv Dhiresbhai Shah	44182	5.12	270	0.03	44452	5.15
2	Nitinkumar Karsandas Patel#	0	0	19713	2.28	19713	2.28
3	Rajesh Jayantilal Shah#	7581	0.87	9002	1.04	16583	1.92
4	Sps Finquest Limited#	0	0	13050	1.51	13050	1.51
5	Kanchan Sunil Singhania	14914	1.73	-3000	-0.34	11914	1.38
6	Javeri Fiscal Services Ltd	10677	1.23	857	0.09	11534	1.33
7	Munshaw Enterprises Pvt Ltd	11243	1.30	0	0.00	11243	1.30
8	Shah Krinaben Sanjivbhai	9254	1.07	0	0	9254	1.07
9	Shrey Sanjiv Shah	8639	1.00	0	0	8639	1.00
10	Abir Investments Private Limited	8583	0.99	-24	-0.00	8559	0.99
11	Manoramaben Madhukar Munshaw*	8151	0.94	0	0	8151	0.94
12	Aparna Malav Patel*	14131	1.64	-14131	-1.64	0	0
13	Abhijit Nimish Vasa*	12325	1.43	-12325	-1.43	0	0

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

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

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 1-4-2018)		Cumulative Shareholding during the Year (from 1-4-2018 to 31-3-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Rajesh R. Gandhi, Director</b>				
	At the beginning of the year	78408	9.09	78408	9.09
	Increase / Decrease in Promoters Shareholding during the year	0	0	78408	9.09
	At the end of the year	78408	9.09	78408	9.09
2.	<b>Mr. Devanshu L. Gandhi, Director</b>				
	At the beginning of the year	109145	12.65	109145	12.65
	Increase / Decrease in Promoters Shareholding during the year due to transmission	0	0.00	109145	12.65
	At the end of the year	109145	12.65	109145	12.65
3.	<b>Mrs. Mamta R. Gandhi, Director</b>				
	At the beginning of the year	21145	2.45	21145	2.45
	Increase / Decrease in Promoters Shareholding during the year	0	0	21145	2.45
	At the end of the year	21145	2.45	21145	2.45



SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 1-4-2018)		Cumulative Shareholding during the Year (from 1-4-2018 to 31-3-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>4.</b>	<b>Mr. Vishal Surati, Chief Executive Office (Up to 26th November, 2018)</b>				
	At the beginning of the year	340	0.04	340	0.04
	Increase / Decrease in Promoters Shareholding during the year	0	0	340	0.04
	At the end of the year	340	0.04	340	0.04
<b>5.</b>	<b>Mr. Rajesh Bhagat, Chief Financial Officer</b>				
	At the beginning of the year	0	0	0	0
	Increase / Decrease in Promoters Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>6.</b>	<b>Mr. Darshan Shah, Company Secretary</b>				
	At the beginning of the year	0	0	0	0
	Increase / Decrease in Promoters Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0

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

₹ in Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1831.04	45.00	98.93	1974.97
ii) Interest due but not paid	-	-	0.69	0.69
iii) Interest accrued but not due	2.40	-	2.44	4.84
<b>Total (i+ii+iii)</b>	<b>1833.44</b>	<b>45.00</b>	<b>102.06</b>	<b>1980.50</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	1405.90	124.00	49.01	1578.91
* Reduction	(569.42)	(169.00)	(76.41)	(814.83)
<b>Net Change</b>	<b>836.48</b>	<b>(45.00)</b>	<b>(27.40)</b>	<b>764.08</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2660.42	0.00	69.35	2729.77
ii) Interest due but not paid	-	-	0.52	0.52
iii) Interest accrued but not due	9.50	-	4.80	14.30
<b>Total (i+ii+iii)</b>	<b>2669.92</b>	<b>0.00</b>	<b>74.67</b>	<b>2744.59</b>

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

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

N.A. As the Company does not have any Managing Director, Whole-time Director or Manager.

### B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors							Total Amount (Gross)
		Mr. Rajesh R. Gandhi	Mr. Devanshu L. Gandhi	Mrs. Mamta R. Gandhi	Mr. Jayantilal M. Shah	Mr. Jignesh J. Shah	Mr. Ashish Modi	Mr. Preet P. Shah	
1	Independent Directors								
	Fee for attending board / committee meetings	0	0	0	12000	12000	10000	12000	46000
	Commission	0	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12000</b>	<b>12000</b>	<b>10000</b>	<b>12000</b>	<b>46000</b>
2	Other Non-Executive Directors								
	Fee for attending board / committee meetings	20000	20000	10000	0	0	0	0	50000
	Commission	0	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0	0
	<b>Total (2)</b>	<b>20000</b>	<b>20000</b>	<b>10000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50000</b>
	<b>Total Managerial Remuneration (1+2)</b>								<b>96000 (Gross)</b>
	Overall Ceiling as per the Act 10% of Net Profit	NA							

No additional remuneration taken by the any of the director except sitting fees for attending Board or Committee meeting.

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

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Vishal Surati, Chief Executive Officer (27th November, 2018)	Mr. Rajesh Bhagat, Chief Financial Officer	Mr. Darshan Shah, Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1684000	456000	171660	2311660
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1889000	877080	344408	3110488
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others (Bonus, Insurance, Gratuity, Ex-gratia, Provident Fund)	539000	175920	55932	770852
	<b>Total</b>	<b>4112000</b>	<b>1509000</b>	<b>572000</b>	<b>6193000</b>

**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)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NA		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NA		
Punishment					
Compounding					

By Order of the Board of Directors

Date : August 23, 2019  
Place : Ahmedabad.

**RAJESH R. GANDHI**  
CHAIRMAN & DIRECTOR  
DIN : 00009879

**DEVANSHU L. GANDHI**  
DIRECTOR  
DIN : 00010146

## ANNEXURE – B - 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 Industries Limited (VIL), 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	- Purchase of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products and Processed Food Procuts by VEL from VIL 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

Date : August 23, 2019  
Place : Ahmedabad.

**RAJESH R. GANDHI**  
CHAIRMAN & DIRECTOR  
DIN : 00009879

**DEVANSHU L. GANDHI**  
DIRECTOR  
DIN : 00010146

## ANNEXURE -C -TO THE DIRECTORS' REPORT

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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

To,  
The Members  
**Vadilal Enterprises Limited,**  
Collonade Building, 10<sup>th</sup> Floor,  
Opp. Iscon Temple BRTS Bus Stand,  
Ambli Bopal Road –380015,  
Ahmedabad, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vadilal Enterprises Limited** (CIN: L51100GJ1985PLC007995) (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 **31<sup>st</sup> March, 2019** ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- 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 there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (*Not Applicable to the Company during the Audit period*);
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), up to September 10, 2018 and SEBI ICDR Regulations, 2018 w.e.f September 11, 2018 (*Not Applicable to the Company during the Audit period*);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (*Not Applicable to the Company during the Audit period*);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*Not Applicable to the Company during the Audit period*);
  - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*Not Applicable to the Company during the Audit period*); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (SEBI Buyback Regulations) up to September 10, 2018 and SEBI Buyback Regulations, 2018 w.e.f. September 11, 2018 (*Not Applicable to the Company during the Audit period*);
- vi. During the Audit Period, no law was applicable specifically to the Company.

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

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

1. As required under Reg. 31(2) of SEBI (LODR) Regulations, hundred percent shareholding of promoters and promoter group is not maintained in dematerialized form.
2. There was delay in submission of the Quarterly Financial Results and the Limited Review Report to BSE for the quarter ended 30<sup>th</sup> September, 2018 as required in terms of Reg. 33 of SEBI (LODR) Regulations. However, in this regard, the Company has received letter from the BSE imposing fine, which has been duly paid by the Company.

**We further report that:**

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

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

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

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

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

**Premnarayan Tripathi, Designated Partner**

SPAN & Co. Company Secretaries LLP

FCS 8851

COP: 10029

Date : August 23, 2019

Place : Ahmedabad

**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 Enterprises Limited,**  
Collonade Building, 10<sup>th</sup> Floor,  
Opp. Iscon Temple BRTS Bus Stand,  
Ambli Bopal Road –380015,  
Ahmedabad, 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.

Date : August 23, 2019  
Place : Ahmedabad

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

## ANNEXURE – D 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 31<sup>st</sup> March, 2019, are given below:

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

Name of the Managing Directors, Chief Financial Officers and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year
Mr. Vishal Surati, Chief Executive Officer (Up to 26th November, 2018)	N.A.	N.A.
Mr. Rajesh Bhagat, Chief Financial Officer	N.A.	9%
Mr. Darshan Shah, Company Secretary	N.A.	12%

The Company does not have any Managing Director or Whole-time Director or Manager. The Company does not pay any remuneration to the Non-executive Directors except sitting fees for attending Board and Committee Meetings.

- b. The percentage increase in the median remuneration of employees in the financial year -2018-2019 : 12.28%**
- c. The number of permanent employees on the rolls of Company as on 31-3-2019: 609**
- d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year -2018-2019 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
- During the year under review, the average annual increase was around 11% The Company does not have any Managing Director or Whole-time Director or Manager.
- In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.
- e.** The Company affirms remuneration is as per the remuneration policy of the Company.
- f.** The Statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company was in receipt of remuneration in excess of the limits set out in the said rules.

By Order of the Board of Directors

Date : August 23, 2019  
Place : Ahmedabad.

**RAJESH R. GANDHI**  
CHAIRMAN & DIRECTOR  
DIN : 00009879

**DEVANSHU L. GANDHI**  
DIRECTOR  
DIN : 00010146



## INDEPENDENT AUDITOR'S REPORT

### To The Members of Vadilal Enterprises Limited

#### Report on the Audit of the Financial Statements

##### Disclaimer of Opinion

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

We do not express an opinion on the accompanying 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 financial statements.

##### Basis for Disclaimer of Opinion

- 1) As more fully explained in note 43 to the financial statements, there are significant disputes on various financial, operational and governance matters between the Promoter Directors of the Company and the numerous allegations made against each other from August 2018 till July 2019 vide their respective communications to the Board of Directors of the Company. Furthermore, an erstwhile Independent Director in his resignation letter dated June 19, 2019, addressed to the Company, has raised concerns in respect of serious issues between the promoter directors of the Company and hostile environment in the meetings of the Board of Directors and its committees. We provided to the Audit Committee and Board of Directors our suggestions to have these allegations investigated by an independent external agency to determine whether any irregularities / non-compliances / illegalities have occurred in relation to the allegations. The promoter directors have communicated to Audit Committee and Board of Directors their withdrawal of all the above allegations on July 22, 2019, except for the matters referred in Paragraph 2 and 3 below.
- 2) As more fully explained in note 44(a) to the financial statements, the Board of Directors of the Company has initiated an independent investigation by an external consultant to assess the appropriateness of payments amounting to ₹ 53.39 lakhs which were approved by Promoter Director 1. As per the information and explanations given to us, the external consultants are currently conducting their investigations and they may make a determination on whether the payments were inappropriate / illegal and its consequential impact, if any, including on compliance of relevant laws / regulations.
- 3) As more fully explained in note 44(b) to the financial statements, allegations have been made by Promoter Director 1 with respect to appropriateness of payments aggregating to ₹ 45.90 lakhs approved by the Promoter Director 2 and / or by an individual who is not authorised to do so.
- 4) Further to the above, note 37 to the financial statements refers to the on-going litigations filed against the Company under Section 241 and 242 of the Companies Act, 2013 pertaining to prevention of oppression and mismanagement of the Company.

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

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

##### Emphasis of Matter

We draw attention to note 45 to the financial statements which describe the key terms of a contract entered into by the Company with Vadilal Industries Limited, a related party, for purchase of its goods.

##### Management's Responsibility for the financial statements

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

design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibility for the Audit of the financial statements**

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) The matter described in the Basis for Disclaimer of Opinion section above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an adverse opinion on the Company's internal financial controls over financial reporting for the reasons stated therein.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and according to the best of our information and according to the explanations given to us, the Company has not paid remuneration to its directors. Accordingly, the provision of section 197(16) of the Act is not applicable.
  - 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 effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. The Company has made provision, required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order which is subject to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above and the material weakness described in the Basis of Adverse Opinion in our separate Report on the Internal Controls over Financial Reporting.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kartikeya Raval**  
Partner  
(Membership No. 106189)  
UDIN: 19106189AAAAANF6098

Date : August 23, 2019  
Place : Ahmedabad

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

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

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified as at March 31, 2019 relating to inadequate entity level controls with regards to assessment and closure of the various financial, operational and governance related matters emanating out of the numerous allegations made by promoter directors and an erstwhile independent director against each other and their consequential impact, if any, on the financial statements of the Company.

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

### **Adverse Opinion**

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

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

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kartikeya Raval**  
Partner

(Membership No. 106189)

UDIN: 19106189AAAANF6098

Date : August 23, 2019

Place : Ahmedabad

### **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

Annexure referred to in paragraph 2 on Report on Other Legal and Regulatory Requirements' on our report of even date and to be read subject to the possible effects of the matters described in the Basis of Disclaimer of Opinion section above and the material weakness described in the Basis of Adverse Opinion in our separate Report on the Internal Controls over Financial Reporting.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the Management and an external agency appointed by the Company during the year and discrepancies noted on such verification have been properly dealt with the books of accounts. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) With respect to immovable properties of buildings, 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 provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management and external agencies appointed by the Company at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted, except filing of annual return in Form DPT-3 as required under section 73(2) of the Companies Act, 2013 read with rule 16 of Companies (Acceptance of Deposits) Rules, 2014, as amended, for the financial year 2018-19. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

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

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

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, cess, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Customs Duty, cess, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) Details of dues of Sales Tax, Goods and Services Tax and Income-tax which have not been deposited as on 31st March, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ In Lacs)	Amount Paid (₹ In Lacs)
Central Sales Tax Act, 1956 and Sales Tax Act of various states	Sales tax demand	Member Commercial Tax Tribunal, Bareilly	2008-2009	20.49	13.51
	Sales tax demand	Member Commercial Tax Tribunal, Bareilly	2009-2010	26.50	17.47
	Sales tax demand	Member Commercial Tax Tribunal, Bareilly	2010-2011	21.66	4.88
	Sales tax demand	Additional Commissioner - Grade-2 (Appeal), Bareilly	2011-2012	3.65	3.65
	Sales tax demand	Member Commercial Tax Tribunal, Bareilly	2012-2013	11.04	6.62
	Entry Tax Demand	In the High Court of Judicature for Rajasthan, Jaipur Bench, Jaipur	2013-2014	4.78	0
	Entry Tax Demand	In the High Court of Judicature for Rajasthan, Jaipur Bench, Jaipur	2014-2015	12.07	0
	VAT Demand	Additional Commissioner - Grade-2 (Appeal), Bareilly	2014-2015	0.29	0.29
	VAT Demand	Additional Commissioner - Grade-2 (Appeal), Bareilly	2015-2016	1.04	0.73
Goods & Services Tax Act, 2017	GST Demand	Additional Commissioner - Grade-2 (Appeal), Bareilly	2018-2019	0.51	0
Income Tax Act, 1961	Income Tax Demand	High court	A.Y. 1993-94	24.97	24.97
	Income Tax Demand	High court	A.Y. 1993-94 & 1994-95	6.48	6.48

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

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

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

(xi) According to the information and explanations given by the management, the Company has not paid any managerial remuneration during the period and hence reporting under clause 3(xi) of the Order is not applicable to the Company.

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

- (xiii) In our opinion and according to the information and explanations given to us, and considering the legal opinion obtained by Vadilal Industries Limited ("VIL"), a related party, on the compliances with the provisions of Companies Act, 2013, in respect of an agreement entered by the Company with VIL (Refer Note 45 to the financial statements), which opinion, inter-alia covers the compliances by the Company as well and which opinion, as per the information and explanations given to us, has been taken cognizance of by the Board of Directors of the Company (Refer note 45 to the financial statements), the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kartikeya Raval**  
Partner  
(Membership No. 106189)  
UDIN: 19106189AAAANF6098

Date : August 23, 2019  
Place : Ahmedabad

## BALANCE SHEET as at March 31, 2019

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant And Equipment	3A	6,022.93	4,829.17
(b) Capital Work-In-Progress	3B	856.48	857.06
(c) Other Intangible Assets	3C	117.98	89.37
(d) Financial Assets			
(i) Investments	4	15.77	15.24
(ii) Loans	5	2.49	4.75
(iii) Other Financial Assets	6	1,544.30	1,477.01
(e) Deferred Tax Assets (Net)	7	262.84	184.69
(f) Other Non-Current Assets	8	831.66	895.47
<b>Total Non-Current Assets</b>		<b>9,654.45</b>	<b>8,352.76</b>
<b>Current Assets</b>			
(a) Inventories	9	2,152.05	2,099.65
(b) Financial Assets			
(i) Trade Receivables	10	2,813.99	2,492.90
(ii) Cash And Cash Equivalents	11	163.05	590.33
(iii) Bank Balance Other Than (ii) Above	12	55.28	24.38
(iv) Loans	13	10.10	11.01
(v) Other Financial Assets	14	21.60	21.60
(c) Current Tax Assets (Net)	15	-	21.36
(d) Other Current Assets	16	608.69	696.34
<b>Total Current Assets</b>		<b>5,824.76</b>	<b>5,957.57</b>
<b>TOTAL ASSETS</b>		<b>15,479.21</b>	<b>14,310.33</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	17	86.27	86.27
(b) Other Equity	18	299.40	312.77
<b>Total Equity</b>		<b>385.67</b>	<b>399.04</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	1,337.46	981.38
(ii) Other Financial Liabilities	20	7.61	9.18
(b) Provisions	21	51.43	17.62
<b>Total Non-current Liabilities</b>		<b>1,396.50</b>	<b>1,008.18</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	809.99	555.81
(ii) Trade Payables	23		
- total outstanding dues of micro enterprises and small enterprises		1.57	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,609.31	4,707.67
(iii) Other Financial Liabilities	24	8,578.55	7,247.06
(b) Provisions	25	192.24	171.17
(c) Current Tax Liabilities (Net)	26	46.82	-
(d) Other Current Liabilities	27	458.56	221.40
<b>Total Current Liabilities</b>		<b>13,697.04</b>	<b>12,903.11</b>
<b>Total Liabilities</b>		<b>15,093.54</b>	<b>13,911.29</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>15,479.21</b>	<b>14,310.33</b>

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

For and on behalf of the Board of Directors

**Kartikeya Raval**

Partner

**Rajesh R. Gandhi**

Chairman

(DIN - 00009879)

**Devanshu L. Gandhi**

Director

(DIN - 00010146)

**Rajesh I. Bhagat**

Chief Financial Officer

Place : Ahmedabad

Date : August 23, 2019

**Darshan Shah**

Company Secretary

Place : Ahmedabad

Date : August 23, 2019



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

(₹ in Lacs)

Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>I</b> Revenue From Operations	28	57,314.39	54,585.94
<b>II</b> Other Income	29	284.20	309.37
<b>III Total Income (I+II)</b>		<b>57,598.59</b>	<b>54,895.31</b>
<b>IV Expenses:</b>			
Purchase of Stock-In-Trade	30	43,696.27	44,740.47
Changes In Inventories of Stock-In-Trade	31	(34.92)	(1956.13)
Employee Benefits Expenses	32	3,572.99	2,772.46
Finance Costs	33	368.84	250.00
Depreciation and Amortization Expenses	3	1,195.35	1,060.95
Other Expenses	34	8,784.61	8,005.83
<b>Total Expense (IV)</b>		<b>57,583.14</b>	<b>54,873.58</b>
<b>V Profit Before Tax (III-IV)</b>		<b>15.45</b>	<b>21.73</b>
<b>VI Tax Expenses</b>			
(A) Current Tax		79.71	2.39
(B) Deferred Tax Expenses		(73.16)	4.54
<b>Total Tax Expenses</b>		<b>6.55</b>	<b>6.93</b>
<b>VII Profit for the year (V-VI)</b>		<b>8.90</b>	<b>14.80</b>
<b>VIII Other Comprehensive Income</b>			
Item that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		(21.22)	0.52
- Tax Expense on Above Items		7.26	(0.15)
<b>Other Comprehensive Income for the year</b>		<b>(13.96)</b>	<b>0.37</b>
<b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>(5.06)</b>	<b>15.17</b>
<b>Earnings per Share (of ₹ 10/- each) (not annualized) :</b>			
- <b>Basic</b>	40	<b>1.03</b>	<b>1.72</b>
- <b>Diluted</b>		<b>1.03</b>	<b>1.72</b>

See accompanying notes to the financial statements  
 In terms of our report attached  
 For Deloitte Haskins & Sells LLP  
 Chartered Accountants

For and on behalf of the Board of Directors

**Kartikeya Raval**  
 Partner

**Rajesh R. Gandhi**  
 Chairman  
 (DIN - 00009879)

**Devanshu L. Gandhi**  
 Director  
 (DIN - 00010146)

Place : Ahmedabad  
 Date : August 23, 2019

**Rajesh I. Bhagat**  
 Chief Financial Officer  
 Place : Ahmedabad  
 Date : August 23, 2019

**Darshan Shah**  
 Company Secretary

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

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	15.45	21.73
<b>Adjustments for:</b>		
Depreciation and Amortisation expense	1195.35	1060.95
Loss/(Profit) on sale of Property, Plant & Equipment (net)	42.42	(137.03)
Interest Income	(143.65)	(134.71)
Finance Costs	368.84	250.00
Change in Fair value of the Investment	(0.53)	-
Provision for Doubtful Debts	(2.16)	6.66
Excess Provision/Credit Balance/Deposits written back	(124.08)	(7.91)
Bad Debts Written off	68.35	99.96
Scrap Sale of Asset	(23.87)	(27.91)
	<b>1380.67</b>	<b>1110.01</b>
<b>Operating Profit before Working Capital changes</b>	<b>1396.12</b>	<b>1131.74</b>
Changes in Working Capital:		
(Increase)/Decrease in Inventories	(52.40)	(1980.35)
(Increase)/Decrease in Trade receivables, financial assets and other assets	(330.84)	(791.26)
Increase/(Decrease) in Trade Payables, financial liabilities, other liabilities and provisions	350.58	3364.71
	<b>(32.66)</b>	<b>593.10</b>
Income Tax paid	(8.74)	(26.78)
<b>Net Cash generated from operating activities (A)</b>	<b>1354.72</b>	<b>1698.06</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Property, Plant & Equipment & Intangible asset	(2501.17)	(1907.78)
Proceeds from Sale of Property, Plant & Equipment	65.49	249.04
Interest received	143.65	134.71
<b>Net Cash used in Investing Activities (B)</b>	<b>(2292.03)</b>	<b>(1524.03)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term borrowings	1,230.00	1010.82
Repayment of Long Term borrowings	(605.86)	(377.09)
Proceeds from /(Repayment of) Short Term borrowings	254.18	(245.75)
Interest paid	(359.98)	(250.00)
Dividends paid (including tax on dividend)	(8.31)	(8.31)
<b>Net Cash generated from Financing Activities (C)</b>	<b>510.03</b>	<b>129.67</b>
<b>Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>(427.28)</b>	<b>303.70</b>
<b>Cash and cash equivalents at the beginning of the year (Note- 11)</b>	<b>590.33</b>	<b>286.63</b>
<b>Cash and cash equivalents at the end of the year (Note- 11)</b>	<b>163.05</b>	<b>590.33</b>

### Notes :

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

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

For and on behalf of the Board of Directors

**Kartikeya Raval**

Partner

**Rajesh R. Gandhi**

Chairman  
(DIN - 00009879)

**Devanshu L. Gandhi**

Director  
(DIN - 00010146)

**Rajesh I. Bhagat**

Chief Financial Officer  
Place : Ahmedabad  
Date : August 23, 2019

**Darshan Shah**

Company Secretary

Place : Ahmedabad

Date : August 23, 2019

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

Particulars	Equity share Capital	Other Equity				Total other Equity	Total Equity
		Capital Reserve	Securities Premium Reserve	General Reserves	Retained Earning		
<b>Balance as at April 1, 2017</b>	<b>86.27</b>	<b>0.37</b>	<b>93.21</b>	<b>212.50</b>	<b>(0.17)</b>	<b>305.91</b>	<b>392.18</b>
Add: Profit for the year					14.80	14.80	14.80
Add/(Less): Other Comprehensive income (Net of Income tax)					0.37	0.37	0.37
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>15.17</b>	<b>15.17</b>	<b>15.17</b>
Payment of Dividend (Including tax on dividend)					8.31	8.31	8.31
	-	-	-	-	<b>8.31</b>	<b>8.31</b>	<b>8.31</b>
<b>Balance as at March 31, 2018</b>	<b>86.27</b>	<b>0.37</b>	<b>93.21</b>	<b>212.50</b>	<b>6.69</b>	<b>312.77</b>	<b>399.04</b>
Balance as at April 1, 2018	86.27	0.37	93.21	212.50	6.69	312.77	399.04
Add: Profit for the year					8.90	8.90	8.90
Add/(Less): Other Comprehensive income (Net of Income tax)					(13.96)	(13.96)	(13.96)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>(5.06)</b>	<b>(5.06)</b>	<b>(5.06)</b>
Payment of Dividend (Including tax on dividend)					8.31	8.31	8.31
	-	-	-	-	<b>8.31</b>	<b>8.31</b>	<b>8.31</b>
<b>Balance as at March 31, 2019</b>	<b>86.27</b>	<b>0.37</b>	<b>93.21</b>	<b>212.50</b>	<b>(6.68)</b>	<b>299.40</b>	<b>385.67</b>

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

For and on behalf of the Board of Directors

**Kartikeya Raval**  
Partner

**Rajesh R. Gandhi**  
Chairman  
(DIN - 00009879)

**Devanshu L. Gandhi**  
Director  
(DIN - 00010146)

Place : Ahmedabad  
Date : August 23, 2019

**Rajesh I. Bhagat**  
Chief Financial Officer  
Place : Ahmedabad  
Date : August 23, 2019

**Darshan Shah**  
Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. COMPANY OVERVIEW:-

Vadilal Enterprises Limited is a public company domiciled in India. The company has its registered office 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stop, Ambli Bopal Road, Bopal, Ahmedabad and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay stock exchange in India. The Company is engaged in the marketing and distribution of the ice cream, dairy products, frozen desserts and process food products of the brand "Vadilal" all over India except ice cream, dairy product and frozen desserts in Maharashtra, Goa, Karnataka, Kerala & Andhra Pradesh. The Financial Statements for the year ended March 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 23, 2019.

### 2. SIGNIFICANT ACCOUNTING POLICIES:-

#### a) Statement of compliance

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

#### b) Basis of Preparation of Financial Statements

The 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.

#### Application of New Accounting Pronouncements

The Company has applied following new accounting standards that were issued and were effective during the year. The effect of these accounting standards is described below:

#### 1. Revenue Recognition

##### Ind AS 115 - Revenue from Contracts with Customers

The core principle of the standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

##### The standard permits two possible methods of transition :

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

- a) The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from April 1, 2018 and it is detailed in note f.

- b) The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at April 1, 2018 on the contracts that are not completed contract as at that date. There was no impact of above on the opening balance sheet as at April 1, 2018 and on the Statement of Profit and Loss for the year ended March, 2019.

## **2. Restatement of Foreign Currency Transactions**

The Company has adopted Appendix B to Ind AS 21, foreign current transactions and advance considerations, with effect from April 1, 2018. The standard has been applied prospectively to all assets, expenses, and income initially recognised on or after April 1, 2018. These amendments do not have any impact on the financial statements.

## **3. Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance**

The amendment clarifies that where the government grant related to assets, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the assets. These amendments do not have any impact on the financial statements

## **4. Amendment to Ind AS 12, Income Taxes**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the financial statement of Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

## **5. Amendment to Ind AS 40, Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight. These amendments do not have any impact on the Company's financial statements.

## **6. Ind AS 112, Disclosure of Interest in Other Entities**

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale. These amendments do not have any impact on the financial statement of Company.

## **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 ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

## **d) Inventories**

Inventories are stated at lower of cost and net realizable value. Cost of inventories are determined on the basis of weighted average cost Method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

**e) Cash and cash equivalents**

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

**f) Revenue Recognition**

**Sale of goods**

Revenue is recognised upon transfer of control of goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April, 2018). Accordingly, the comparative information in the Statement of Profit and Loss is not restated. Impact on adoption of Ind AS 115 is not material.

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

**Depreciation**

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

Particulars	Estimated Useful Life
<b>Building</b>	
1.) Office Building - RCC Structure	58 Years
<b>Plant and Machinery</b>	
1.) Push Carts, Tricycles, & Insulated Iron / Plastic Boxes	5 years
2.) Specific assets of Parlour	3 Years
3.) Freezer on wheels	7 Years
4.) Deep Freeze	10 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.

**h) Intangible assets****Intangible assets acquired separately**

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

**Derecognition of intangible assets**

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

**Useful lives of intangible assets**

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

**i) Leasing**

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

**Company as a lessee**

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

**Company as a lessor**

Rental income from operating leases is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight line basis over the lease term.

**j) 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 period in which they arise.

**k) 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 period 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.

**l) 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 period in which they are incurred.

**m) Earnings per share**

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

**n) Taxation**

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

**Current Tax**

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

**Deferred tax**

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

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

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

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

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



**Current and deferred tax for the year**

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

**o) 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.

**p) Financial Instruments**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. 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 assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and 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.

**Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

**Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**q) 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. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## **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.

### **r) 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 the 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 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 financial year, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after 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.

### **s) 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 a material adjustment to the carrying amounts of assets and liabilities within next financial year.

**i. Discount rate used to determine the carrying amount of the Company's defined benefit obligation**

As described in Note 42, in determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

**ii. Useful lives of property, plant and equipment**

As described in Note 2(g), 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.

**iii. Allowances for doubtful debts**

As described in Note 10, 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 period in which such estimate has been changed.

**iv. 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.

**t) Standards issued but not yet effective**

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the company from April 1, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

**Ind AS 116 Lease Accounting:**

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases less than 12 months and leases for which the underlying asset is of low value. The standard also contains enhanced disclosure requirements for the lessees. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company has evaluated the impact of the adoption of Ind AS 116 and the same is not material.

**Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:**

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on April 1, 2019. The Company has evaluated the impact of the adoption of Ind AS 116 and the same is not material.

**Amendment to Ind AS 12, Income Taxes:**

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company will apply this amendment for annual reporting periods beginning on or after April 1, 2019. The Company has evaluated the impact of the adoption of Ind AS 12 and the same is not material.

**Amendment to Ind AS 23, Borrowing Costs:**

The amendment clarifies that an entity shall consider specific borrowings as general borrowing while calculating capitalization rate, once substantial activities necessary to prepare a qualifying asset for which specific borrowing was obtained is completed for its intended use or sale. The Company will apply this amendment for annual reporting periods beginning on or after April 1, 2019. The Company has evaluated the impact of the adoption of Ind AS 23 and the same is not material.

**NOTE-3 PROPERTY, PLANT AND EQUIPMENT**

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 1, 2017	Additions during the year	Deductions	As at March 31, 2018	As at April 1, 2017	Additions during the year	Deductions	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
	(₹ in Lacs)									
<b>A Property, Plant and Equipment</b>										
Building	56.40	-	18.37	38.03	32.90	0.77	17.88	15.79	22.24	23.50
Plant and Machinery	8,885.99	1,117.02	365.08	9,637.93	4,251.20	978.41	281.61	4,948.00	4,689.93	4,634.79
Computer & Periferal	122.97	23.09	-	146.06	90.88	16.11	-	106.99	39.07	32.09
Office Equipments	78.98	11.33	0.24	90.07	45.84	14.01	0.07	59.78	30.29	33.14
Furniture and Fixtures	44.42	4.79	-	49.21	27.94	10.20	-	38.14	11.07	16.48
Vehicles	116.64	26.02	-	142.66	102.36	3.73	-	106.09	36.57	14.28
<b>Total</b>	<b>9,305.40</b>	<b>1,182.25</b>	<b>383.69</b>	<b>10,103.96</b>	<b>4,551.12</b>	<b>1,023.23</b>	<b>299.56</b>	<b>5,274.79</b>	<b>4,829.17</b>	<b>4,754.28</b>
<b>B Capital Work-in-Progress</b>	165.74	1,808.34	1,117.02	857.06	-	-	-	-	857.06	165.74
<b>Total</b>	<b>165.74</b>	<b>1,808.34</b>	<b>1,117.02</b>	<b>857.06</b>	-	-	-	-	<b>857.06</b>	<b>165.74</b>
<b>C Other Intangible Assets</b>										
Software & Development	164.01	34.21	-	198.22	71.13	37.72	-	108.85	89.37	92.88
<b>Total</b>	<b>164.01</b>	<b>34.21</b>	-	<b>198.22</b>	<b>71.13</b>	<b>37.72</b>	-	<b>108.85</b>	<b>89.37</b>	<b>92.88</b>

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 1, 2018	Additions during the year	Deductions	As at March 31, 2019	As at April 1, 2018	Additions during the year	Deductions	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
	(₹ in Lacs)									
<b>A Property, Plant and Equipment</b>										
Building	38.03	-	-	38.03	15.79	0.64	-	16.43	21.60	22.24
Plant and Machinery	9,637.93	2,345.37	432.32	11,550.98	4,948.00	1,108.46	348.62	5,707.84	5,843.14	4,689.93
Computer & Periferal	146.06	18.04	-	164.10	106.99	19.77	-	126.76	37.34	39.07
Office Equipments	90.07	15.16	0.06	105.17	59.78	14.26	0.03	74.01	31.16	30.29
Furniture and Fixtures	49.21	35.60	-	84.81	38.14	9.75	-	47.89	36.92	11.07
Vehicles	142.66	21.84	5.81	158.69	106.09	5.34	5.51	105.92	52.77	36.57
<b>Total</b>	<b>10,103.96</b>	<b>2,436.01</b>	<b>438.19</b>	<b>12,101.78</b>	<b>5,274.76</b>	<b>1,158.21</b>	<b>354.12</b>	<b>6,078.85</b>	<b>6,022.93</b>	<b>4,829.17</b>
<b>B Capital Work-in-Progress</b>	857.06	2,344.79	2,345.37	856.48	-	-	-	-	856.48	857.06
<b>Total</b>	<b>857.06</b>	<b>2,344.79</b>	<b>2,345.37</b>	<b>856.48</b>	-	-	-	-	<b>856.48</b>	<b>857.06</b>
<b>C Other Intangible Assets</b>										
Software & Development	198.22	65.74	-	263.96	108.85	37.13	-	145.98	117.98	89.37
<b>Total</b>	<b>198.22</b>	<b>65.74</b>	-	<b>263.96</b>	<b>108.85</b>	<b>37.13</b>	-	<b>145.98</b>	<b>117.98</b>	<b>89.37</b>

Notes

1) For charges created on the aforesaid assets, refer Note 19 and 22.

**NOTE- 4 NON-CURRENT INVESTMENTS**

Particulars	Face Value	As At March 31, 2019		As At March 31, 2018	
		Units	(₹ in Lacs)	Units	(₹ in Lacs)
<b>A) Investment in Equity Instruments at FVTPL(Unquoted fully paid up) : (Refer Note 2(b) &amp; 39 (2))</b>					
(i) Vadilal Forex & Consultancy Services Limited.	₹ 10	48,000	12.83	48,000	12.48
(ii) Majestic Farm House Limited	₹ 10	55,200	2.94	55,200	2.76
			15.77		15.24
<b>Total</b>			<b>15.77</b>		<b>15.24</b>

**NOTE- 5 LOANS**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>NON CURRENT</b>		
Loans to employees	2.49	4.75
<b>Total</b>	<b>2.49</b>	<b>4.75</b>

**NOTE- 6 OTHER FINANCIAL ASSETS**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>NON CURRENT</b>		
Deposits with original maturity of more than 12 months (Refer Note 12)	8.39	8.39
Security Deposits	1,535.91	1,468.62
<b>Total</b>	<b>1,544.30</b>	<b>1,477.01</b>

**NOTE- 7 DEFERRED TAX ASSETS (NET)**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets	579.98	508.14
Deferred Tax Liabilities	(317.14)	(323.45)
<b>Total</b>	<b>262.84</b>	<b>184.69</b>

(₹ in Lacs)

Movement during the year ended March 31, 2018	As at April 1, 2017	Recognised/ (Reversed) in statement of Profit and Loss	Recognised/ (Reversed) in Other Comprehensive Income	Other Adjustment*	As at March 31, 2018
<b>Deferred Tax Assets/(Liabilities)</b>					
Property,Plant and Equipment	80.05	(6.79)			73.26
Investments	(6.21)				(6.21)
Expenditure allowed in the year of payment	53.90	8.24			62.14
Provision for doubtful debts & advances	50.12	2.06			52.18
Discounting of security deposit to present value and corresponding impact on other expenses	(330.50)	28.51			(301.99)
Discounting of security deposit to present value and corresponding impact on interest income	343.42	(30.71)			312.71
Increase in borrowing cost pursuant to application of EIR	(3.67)	(9.32)			(12.99)
Others	-	3.47	(0.15)		3.32
<b>Total</b>	<b>187.11</b>	<b>(4.54)</b>	<b>(0.15)</b>	<b>-</b>	<b>182.42</b>
MAT Credit Entitlements (Net)	7.24			(4.97)	2.27
<b>Total</b>	<b>194.35</b>	<b>(4.54)</b>	<b>(0.15)</b>	<b>(4.97)</b>	<b>184.69</b>

(₹ in Lacs)

Movement during the year ended March 31, 2019	As at April 1, 2018	Recognised/ (Reversed) in statement of Profit and Loss	Recognised/ (Reversed) in Other Comprehensive Income	Other Adjustment*	As at March 31, 2019
<b>Deferred Tax Assets/(Liabilities)</b>					
Property, Plant and Equipment	73.26	78.40			151.66
Investments	(6.21)	(0.68)			(6.89)
Expenditure allowed in the year of payment	62.14	(1.58)			60.56
Provision for doubtful debts & advances	52.18	3.48			55.66
Discounting of security deposit to present value and corresponding impact on other expenses	(301.99)	8.04			(293.95)
Discounting of security deposit to present value and corresponding impact on interest income	312.71	(10.95)			301.76
Increase in borrowing cost pursuant to application of EIR	(12.99)	3.96			(9.03)
Others	3.32	(7.51)	7.26		3.07
<b>Total</b>	<b>182.42</b>	<b>73.16</b>	<b>7.26</b>	<b>-</b>	<b>262.84</b>
MAT Credit Entitlements (Net)	2.27			(2.27)	-
<b>Total</b>	<b>184.69</b>	<b>73.16</b>	<b>7.26</b>	<b>(2.27)</b>	<b>262.84</b>

\*Other adjustments relates to utilization of MAT credit entitlement in accordance with the tax laws.

#### NOTE- 8 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>NON CURRENT</b>		
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Advance Income Tax (Net of Provisions amounting to ₹ 11.17 Lacs (PY ₹ 11.17 Lacs))	11.78	11.19
Capital advances	3.37	3.32
Security Deposits	32.60	-
Prepaid Expenses	783.91	880.96
<b>Total</b>	<b>831.66</b>	<b>895.47</b>

#### NOTE- 9 INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(At lower of cost and net realisable value)</b>		
Raw Materials	3.80	3.49
Stock in Trade*	1,988.49	1,962.81
Packing Materials	17.38	8.45
Stores, Spares and Consumables	142.38	124.90
<b>Total</b>	<b>2,152.05</b>	<b>2,099.65</b>

\* Stock in trade includes goods in transit ₹ 176.07 Lacs (As at March 31, 2018 ₹ 148.76)

The cost of inventories recognised as an expense includes ₹. 61.74 lacs (P.Y. ₹ 22.49 Lacs) in respect of write-downs of inventory to net realisable value and for obsolete, slow-moving and non-moving inventories.

**NOTE- 10 TRADE RECEIVABLES**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured, Considered good	1,823.50	1,606.15
Unsecured, Considered good	990.49	886.75
Unsecured, Considered doubtful	149.64	152.13
	2,963.63	2,645.03
Less: Allowance for Doubtful Trade Receivables (expected credit loss allowance)	149.64	152.13
<b>Total</b>	<b>2,813.99</b>	<b>2,492.90</b>
<b>Breakup of Trade Receivables</b>		
Trade receivables from Other than Related parties	2,811.82	2,490.73
Trade receivables Related parties (refer note: 41)	2.17	2.17
<b>Total</b>	<b>2,813.99</b>	<b>2,492.90</b>

**Notes :**

- The credit period ranges from 30 days to 180 days.
- Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits for customer. Limits attributed to customers are reviewed annually. There are no customers who represent more than 5% of the total balance of trade receivable.
- 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 a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

**4. Movement in Expected Credit Loss Allowance**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	152.13	145.47
Add: Allowance for the year	108.65	108.85
(Less): Actual Write off during the year( net of recovery)	(111.14)	(102.19)
<b>Balance at the end of the year</b>	<b>149.64</b>	<b>152.13</b>

- Borrowings are secured by first pari passu charge on stock, book debts and other chargeable current assets. (Note 22)
- Refer Note 39 for information about credit risk and market risk of Trade receivables.

**NOTE- 11 CASH AND CASH EQUIVALENTS**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks :		
In Current Accounts	158.87	583.62
Cash on hand	4.18	6.71
<b>Total</b>	<b>163.05</b>	<b>590.33</b>

**NOTE- 12 OTHER BALANCES WITH BANKS**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits with original maturity for more than three months	43.78	14.02
In Deposit Repayment Reserve Account	16.77	15.77
In Unclaimed Dividend Account	3.12	2.98
	<b>63.67</b>	<b>32.77</b>
Less : Deposits with Original Maturity of more than 12 months		
Amount disclosed under Non - Current Financial Assets (Refer Note 6)	8.39	8.39
<b>Total</b>	<b>55.28</b>	<b>24.38</b>

**NOTE- 13 LOANS**

(₹ in Lacs)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>CURRENT</b>		
Loan to Employees	10.10	11.01
<b>Total</b>	<b>10.10</b>	<b>11.01</b>

**NOTE- 14 OTHER FINANCIAL ASSETS**

(₹ in Lacs)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>CURRENT</b>		
Interest Receivable (Refer note - 41)	21.60	21.60
<b>Total</b>	<b>21.60</b>	<b>21.60</b>

**NOTE- 15 CURRENT TAX ASSETS/(LIABILITIES) (NET)**

(₹ in Lacs)

Particulars	As at	
	March 31, 2019	March 31, 2018
Income tax Receivable (Net of Provision for Income Tax)	-	21.36
<b>Total</b>	<b>-</b>	<b>21.36</b>

**NOTE- 16 OTHER ASSETS**

(₹ in Lacs)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>CURRENT</b>		
Prepaid Expenses	58.03	126.21
Balances with Government Authorities	376.89	415.78
Advance Royalty	96.66	96.39
Advances recoverable in cash or in kind or for value to be received	90.97	71.82
Less: Provided for Doubtful Advance	(13.86)	(13.86)
	77.11	57.96
<b>Total</b>	<b>608.69</b>	<b>696.34</b>

**NOTE- 17 EQUITY SHARE CAPITAL**

(₹ in Lacs)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Authorised Share Capital:</b>		
20,00,000 (As at March 31, 2018: 20,00,000) equity shares of ₹10/- each	200.00	200.00
	<b>200.00</b>	<b>200.00</b>
<b>Issued, Subscribed and Fully paid-up Share Capital</b>		
<b>Issued and Subscribed Share Capital:</b>		
8,70,148 (As at March 31, 2018: 8,70,148) equity shares of ₹10/- each	87.01	87.01
	<b>87.01</b>	<b>87.01</b>
<b>Paid up Share Capital:</b>		
8,62,668 (As at March 31, 2018: 8,62,668) equity shares of ₹10/- each	86.27	86.27
	<b>86.27</b>	<b>86.27</b>

**a) Reconciliation of the Equity shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Outstanding at the beginning of the period	862,668	86.27	862,668	86.27
Add: Issued shares during the year	-	-	-	-
Less: Buy-Back during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>862,668</b>	<b>86.27</b>	<b>862,668</b>	<b>86.27</b>



**b) Rights, Preferences and Restrictions attached to equity shares:**

The Company has issued only one class of equity shares having par value of ₹10 per share. Each holder of equity share 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 shareholders in the ensuing Annual General meeting.

All Shares rank equally with regard to the company's residual asset after distribution of all preferential amounts.

**c) Shares held by holding/ultimate holding company and/or their subsidiaries / associates**

The Company does not have any holding/ultimate holding company and/or their subsidiaries / associates.

**d) Details of shares held by each shareholder holding more than 5% shares in the company**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of Holding	No. of shares	% of Holding
<b>Equity Shares of ₹10 each fully paid</b>				
1 Devanshu Laxmanbhai Gandhi	109,145	12.65%	109,145	12.65%
2 Rajesh Ramchandra Gandhi	78,408	9.09%	78,408	9.09%
3 Virendra Ramchandra Gandhi	72,207	8.37%	72,347	8.39%
4 Axilrod Private Limited (Previously Known as Vortex Ice cream Private Limited)	43,308	5.02%	43,308	5.02%
5 Vadilal Marketing Private Limited	43,299	5.02%	43,299	5.02%

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 both legal and beneficial ownerships of shares.

**NOTE- 18 OTHER EQUITY**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Capital Reserve</b>		
Balance at the beginning of the year	0.37	0.37
Balance at the end of the year	<b>0.37</b>	<b>0.37</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	93.21	93.21
Balance at the end of the year	<b>93.21</b>	<b>93.21</b>
<b>General Reserve</b>		
Balance at the beginning of the year	212.50	212.50
Balance at the end of the year	<b>212.50</b>	<b>212.50</b>
<b>Other Comprehensive Income</b>		
Balance at the beginning of the year	(5.01)	(5.38)
Add: Remeasurement of Employee Benefit	(13.96)	0.37
Balance at the end of the year	<b>(18.97)</b>	<b>(5.01)</b>
<b>Surplus in the Statement of Profit and loss</b>		
Balance at the beginning of the year	11.70	5.21
Add: Profit for the year	8.90	14.80
Less :Payment of Dividend on equity shares (Including Tax on Dividend)	8.31	8.31
Total Appropriations	8.31	8.31
Balance at the end of the year	<b>12.29</b>	<b>11.70</b>
<b>Total</b>	<b>299.40</b>	<b>312.77</b>

**Notes**

- a) On October 06,2017 & October 05, 2018, the dividend of ₹ 0.80 per share (total dividend of ₹ 8.31 lacs) was paid to the holders of fully paid equity shares. The total dividend includes dividend distribution tax at applicable rates.
- b) The Board of Directors, in its meeting held on August 23, 2019, have proposed a final dividend of ₹ 0.80 per equity share for the financial year ended March 31, 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on September 30, 2019 and if approved would result in a cash outflow of approximately ₹ 8.32 lacs, including dividend distribution tax.

**c) Nature and Purpose of reserve**

**Capital reserve** The company has created capital reserve on account of forfeiture of Equity 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.

**General reserve** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**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	Non - Current	
	As at March 31, 2019	As at March 31, 2018
<b>NON CURRENT</b>		
<b>Secured-at amortised Cost</b>		
Term Loans from Banks	994.56	1,234.44
Less : Current maturity of long term loans (Note 24)	(347.53)	(343.64)
	<b>647.03</b>	<b>890.80</b>
From Financial Insitution (Secured)	969.37	76.31
Less : Current maturity of long term loans (Note 24)	(323.13)	(19.08)
	<b>646.24</b>	<b>57.23</b>
	<b>1,293.27</b>	<b>948.03</b>
<b>Unsecured-at amortised Cost</b>		
Fixed Deposits	61.34	90.38
Less : Current maturity of long term loans (Note 24)	(17.15)	(57.03)
	<b>44.19</b>	<b>33.35</b>
<b>Total</b>	<b>1,337.46</b>	<b>981.38</b>

**Repayment Schedule of Loans**

Sr. No.	Name of the Bank	Outstanding as at March 31, 2019	Outstanding as at March 31, 2018	Rate of Interest	Terms of Repayment
		₹ in Lacs	₹ in Lacs		
1	Bank of India (Refer Note No.i & iii)	350.00	490.00	12.00%	Repayable in 30 Monthly installment of 11.67 Lacs
2	Bank of India (Refer Note No.i & iii)	630.02	739.64	12.00%	Repayable in 38 Monthly installment of 16.67 Lacs
3	Vehicle Loan (Refer Note No. iv) HDFC Bank Limited	20.77	0.00	9.25%	Repayable in 58 Monthly installment of 0.45 Lacs
4	Vehicle Loan (Refer Note No. iv) HDFC Bank Limited	20.67	24.32	8.30%	Repayable in 54 Monthly installment of 0.46 Lacs
5	Tata Capital Financial Services Ltd. (Refer Note No.ii & iii)	969.37	76.30	12.25% to 13.25%	Repayable in 36 Monthly installment ranging from 0.96 Lacs to 8.32 Lacs
		<b>1990.83</b>	<b>1330.26</b>		
6	Fixed Deposits	61.34	90.38	9.5% to 11%	12 to 36 months based on period of deposits

\* Each EMI includes interest portion also.

- (i) Term Loan from Bank of India is secured by way of first hypothecation charge over movable Plant and Machinery Equipments of the company to be purchased out of term loan availed by company. The Term Loan is also secured on first charge by Equitable Mortgage of Immovable properties of the company situated at 1st Floor of Vadilal House, Shrimali Soceity, Navrangpura, Ahmedabad.
- (ii) Term Loan from TATA Capital Services Limited is secured by way of hypothecation charge over movable Plant and Machinery Equipment of the company to be purchased out of term loan availed by company.

- (iii) The Term Loans from BOI and TATA Capital service Limited are secured by Corporate Guarantee Vadilal Industries Ltd.
- (iv) Vehicle loans from HDFC Bank Limited are secured against hypothecation of specific vehicles of the Company.
- (v) Refer Note 39 for information about liquidity risk.
- (vi) Amount stated in current maturity is disclosed under the head of "Other Current Financial Liabilities" (Note-24)

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

Particulars of liabilities arising from financing activity.	Note No.	As at March 31, 2018	Net cash Flows	Other changes*	As at March 31, 2019
Borrowings :					
Long term borrowings	19	1,401.13	624.14		2,025.27
Short term borrowings	22	555.81	254.18		809.99
Interest accrued on borrowings	24	6.10	(6.10)	14.95	14.95

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

**NOTE- 20 OTHER FINANCIAL LIABILITIES**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>NON CURRENT</b>		
Financial Guarantee Liabilities	7.61	9.18
<b>Total</b>	<b>7.61</b>	<b>9.18</b>

**NOTE- 21 PROVISIONS**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>NON CURRENT</b>		
Employee Benefits		
Gratuity ( Refer Note 42)	51.43	17.62
<b>Total</b>	<b>51.43</b>	<b>17.62</b>

**NOTE- 22 BORROWINGS**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>CURRENT</b>		
<b>Secured-at amortised Cost</b>		
Working Capital Loans (Secured) (Refer Note - (i) Below)	669.57	500.78
<b>Unsecured-at amortised Cost</b>		
Inter Corporate Deposit	-	45.00
Book Overdraft in current account with Banks	132.42	1.48
Fixed Deposits from Public	8.00	8.55
<b>Total</b>	<b>809.99</b>	<b>555.81</b>

- (i) Working Capital facilities from Bank of India is secured by way of first hypothecation charge over stock, book debts and other chargeable current assets. It is also secured on first charge by way of Equitable mortgage of the immovable properties of the company situated at 1st Floor, "Vadilal house", Shrimali Society, Navrangpura, Ahmedabad.
- (ii) Working Capital facilities from Bank of India is secured by Corporate Guarantee from Vadilal Industries Ltd.

**NOTE- 23 TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Micro, Small and Medium Enterprises	1.57	-
Others (Refer Note 41)	3,609.31	4,707.67
<b>Total</b>	<b>3,610.88</b>	<b>4,707.67</b>

**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.**

Particulars	As at March 31, 2019	As at March 31, 2018
A i) Principal amount remaining unpaid at the end of the accounting year	1.57	-
ii) Interest due on above	NIL	NIL
B The amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006, along with amount of payment made to the supplier beyond the appointed date during the accounting year	NIL	NIL
C The amount of interest accrued and remaining unpaid at the end of the financial year	NIL	NIL
D The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under MSMED Act, 2006	NIL	NIL
E The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	NIL	NIL

**NOTE-24 OTHER FINANCIAL LIABILITIES**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>CURRENT</b>		
Current maturities of long-term debt (Note - 19)		
From Banks (Secured)	347.53	343.64
From Financial Institution (Secured)	323.13	19.08
Public Fixed Deposits	17.15	57.03
Interest accrued	14.95	6.10
Unclaimed Dividends*	3.12	2.98
Unclaimed Deposits and Interest accrued thereon*	1.62	1.79
Payable for Capital Goods	1,112.00	925.89
Financial Guarantee Liabilities	1.57	1.57
Security Deposits from Customers & Others	6,623.03	5,767.58
Other Liabilities	134.45	121.40
<b>Total</b>	<b>8,578.55</b>	<b>7,247.06</b>

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

**NOTE- 25 PROVISIONS**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>CURRENT</b>		
Provision for Employee Benefits:		
Gratuity (Refer Note 42)	65.91	54.94
Compensated Absences	126.33	116.23
<b>Total</b>	<b>192.24</b>	<b>171.17</b>

**NOTE- 26 CURRENT TAX LIABILITIES) (NET)**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax Payable (Net of Advance payment of Tax)	46.82	-
<b>Total</b>	<b>46.82</b>	<b>-</b>

**NOTE-27 OTHER LIABILITIES**

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>CURRENT</b>		
Statutory dues payable	316.98	159.51
Advances from customers	141.58	61.89
<b>Total</b>	<b>458.56</b>	<b>221.40</b>

**NOTE - 28 REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Sale of products</b>		
Finished goods (Refer Note 41)	61,809.34	58,526.78
Less: Sales Commision, Trade Discount, Scheme Discount and Damages	4,776.19	4,218.09
	<b>57,033.15</b>	<b>54,308.69</b>
<b>Income from Sale of Services</b>	118.14	59.48
<b>Other operating Income:</b>		
Sale of Scrap	23.87	27.91
Commission Income	0.38	-
Rental Income from Machines	24.80	123.15
Promotional Charges	114.05	66.71
<b>Total</b>	<b>57,314.39</b>	<b>54,585.94</b>
<b>Reconciliation of revenue from contract with customer:</b>		
Revenue from contracts with customer as per the contract price	61,927.48	58,586.26
<b>Adjustments made to contract price on account of:</b>		
a) Discounts and Rebates	(4,776.19)	(4,218.09)
b) Other Operating Revenue	163.10	217.77
<b>Revenue from contracts with customer as per the Statement of Profit and Loss</b>	<b>57,314.39</b>	<b>54,585.94</b>

**NOTE - 29 OTHER INCOME**

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest income (Refer Note 41)	143.65	134.71
Gain on Fair valuation of Investment	0.53	-
Profit on Sale of Property, Plant and Equipment	-	137.03
Excess Provision /Credit Balance/Deposits Written Back	124.08	7.91
Miscellaneous Income	15.94	29.72
<b>Total</b>	<b>284.20</b>	<b>309.37</b>

**NOTE - 30 PURCHASES OF STOCK IN TRADE**

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchases (as per details below) (Refer Note 41)	43,696.27	44,740.47
<b>Total</b>	<b>43,696.27</b>	<b>44,740.47</b>
<b>Details of Purchases of Stock in Trade</b>		
Ice Cream/ Frozen Desserts	42,963.03	43,622.26
Processed Food	348.37	488.72
Dairy Products	323.41	488.87
Others	61.46	140.62
<b>Total</b>	<b>43,696.27</b>	<b>44,740.47</b>

**NOTE - 31 CHANGES IN INVENTORIES OF STOCK IN TRADE**

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Inventories at the beginning of the year</b>		
Finished Goods	1,974.75	18.62
	<b>1,974.75</b>	<b>18.62</b>
<b>Inventories at the end of the year</b>		
Finished Goods	2,009.67	1,974.75
	<b>2,009.67</b>	<b>1,974.75</b>
<b>Net (Increase)/decrease</b>	<b>(34.92)</b>	<b>(1,956.13)</b>

**NOTE - 32 EMPLOYEE BENEFITS EXPENSES**

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries And Wages	3,364.85	2,625.93
Contribution To Provident and Other Funds (Refer Note 42)	143.69	112.05
Staff Welfare Expenses	64.45	34.48
<b>Total</b>	<b>3,572.99</b>	<b>2,772.46</b>

**NOTE - 33 FINANCE COSTS**

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Interest expense</b>		
On Term Loans	256.56	118.83
On Working Capital Loans	35.09	30.25
On Fixed Deposits From Public	9.77	10.77
On Others (Refer Note 41)	38.71	47.11
Other Borrowing Cost	28.71	43.04
<b>Total</b>	<b>368.84</b>	<b>250.00</b>

**NOTE - 34 OTHER EXPENSES**

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Consumption of Stores and Spares	250.95	306.76
Rent Expense (Refer note (a) below)	1,433.86	1,029.11
Repairs and Maintenance		
Repairs To Machine	48.11	44.29
Repairs Others	71.19	72.69
Communication Expense	76.17	103.84
Traveling and Conveyance	526.52	536.85
Royalty Expense (Note 41(b))	325.67	282.74
Freight and Forwarding Charges	2,051.44	1,895.72
Advertisement, Sales Promotion And Publicity Expenses	2,779.27	2,635.51
Payment to Auditor (Refer note (b) below)	18.65	19.94
Provision for Doubtful Advances/Debtors (Net)	(2.16)	6.66
Property, Plant and Equipment Written Off (Net)	42.42	-
Bad Debts Written off (Net)	68.35	99.96
C & F Commission	555.90	433.94
Directors' Sitting Fees	1.00	1.46
Other Expenses	537.27	536.36
<b>Total</b>	<b>8,784.61</b>	<b>8,005.83</b>

(a) The Company has taken various residential, office and godown premises under operating lease or leave and license agreements. These are generally cancellable and range between 11 months to 36 months under leave and license or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits under certain agreements.

**(b) Payment to Auditors**

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>As Auditor</b>		
Audit Fees	16.00	12.66
Tax Audit Fees	-	1.00
<b>In Other Capacity</b>		
Limited review	2.40	1.90
Taxation matters	-	3.85
Out of Pocket expenses	0.25	0.53
<b>Total</b>	<b>18.65</b>	<b>19.94</b>

**NOTE - 35 INCOME TAX**

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Income tax recognised in statement of Profit or Loss</b>		
<b>Current tax:</b>		
In respect of the Current year	79.71	4.66
MAT credit entitlement	-	(2.27)
<b>Total Current Tax</b>	<b>79.71</b>	<b>2.39</b>
<b>Deferred Tax:</b>		
In respect of the Current year	(73.16)	4.54
<b>Total deferred tax</b>	<b>(73.16)</b>	<b>4.54</b>
<b>Total tax expense/(benefit)</b>	<b>6.55</b>	<b>6.93</b>
<b>Effective income tax rate</b>	<b>42.39%</b>	<b>31.89%</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 :

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit/ (loss) before tax	15.45	21.73
Income tax expense @33.384% (Previous Year @ 30.90% )	5.16	6.71
Non-recognition of deferred tax asset due to absence of probable certainty of reversal in future	1.39	0.22
<b>Tax expense for the year</b>	<b>6.55</b>	<b>6.93</b>

The company's weighted average tax rates for the year ended March 31, 2019 and March 31, 2018 were 33.384 % and 30.90% respectively.

**NOTE :36 COMMITMENTS AND CONTINGENT LIABILITIES :**

(₹ in Lacs)

Sr. No .	Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) Commitments</b>			
1	Capital Contracts remaining to be executed(net of advances)	1,258.82	750.90
<b>(b) Contingent liabilities</b>			
1	Sales Tax	102.03	86.79
2	Others (Claims made by customers against company)	226.00	1.00
3	Income Tax	31.45	53.17
4	Guarantees given by the company against Term Loans given to companies in which Directors are interested is ₹ 250.00 Lacs (March 31, 2018 ₹ 250.00 Lacs )	152.80	157.16
	<b>TOTAL</b>	<b>1,771.10</b>	<b>1,049.02</b>

Future Cash Outflow in respect of (b - 1,2,3) above are determined only on receipt of judgements/decisions pending at various forums/ authorities.

**NOTE :37** In FY 2017-18, a Company Petition was filed against the Company and some of its promoters, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013 pertaining to prevention of oppression and mismanagement of the Company. In the current financial year, no orders have been passed by the NCLT as the petitioners and all the parties to the petition have submitted to the NCLT that they are seeking to arrive at an amicable resolution of matter.

**NOTE :38 SEGMENT INFORMATION :**

The company is primarily engaged in the business segment of "Food Products" which is Ice cream/ Frozen Dessert/ Process Food/ Flavoured Milk and Dairy Products. Information reported to and evaluated regularly by the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of Operating Segment as defined under the Indian Accounting Standard 108, there is single reportable segment.

## NOTE :39 FINANCIAL INSTRUMENTS

### 1. Capital Management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. 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 22 off set by cash and bank balances) and total equity of the Company.

The company's risk management committee reviews the risk capital structure of the company on semi annual basis. As part of this review the company considers the cost of capital and the risk associated with each class of capital.

#### Gearing Ratio

(₹ in Lacs)

Particulars	As at	
	March 31, 2019	March 31, 2018
Debt (note i)	2,835.26	1,956.94
Less: Cash and cash Equivalents	163.05	590.33
<b>Net Debt</b>	<b>2,672.21</b>	<b>1,366.61</b>
Total Equity excluding Revaluation Reserve	385.67	399.04
<b>Net Debt to Equity Ratio</b>	<b>692.87%</b>	<b>342.47%</b>

- i) Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings (excluding financial guarantee contracts and contingent considerations) as described in notes 19 and 22.

### 2. Category-wise classification of financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2019		
	Fair value Through Profit or loss	Amortised Cost	Total
<b>Financial Assets</b>			
Cash and Cash Equivalents		163.05	163.05
Bank balances other than cash and cash Equivalents		55.28	55.28
Investments	15.77		15.77
Trade receivables		2,813.99	2,813.99
Other Financial Assets		1,578.49	1,578.49
<b>Total</b>	<b>15.77</b>	<b>4,610.81</b>	<b>4,626.58</b>
<b>Financial Liabilities</b>			
Borrowings		2,155.06	2,155.06
Trade Payable		3,610.88	3,610.88
Other Financial Liabilities		8,578.55	8,578.55
<b>Total</b>		<b>14,344.49</b>	<b>14,344.49</b>

(₹ in Lacs)

Particulars	As at March 31, 2018		
	Fair value Through Profit or loss	Amortised Cost	Total
<b>Financial Assets</b>			
Cash and Cash Equivalents		590.33	590.33
Bank balances other than cash and cash Equivalents		24.38	24.38
Investments	15.24		15.24
Trade receivables		2,492.90	2,492.90
Other Financial Assets		1,514.37	1,514.37
<b>Total</b>	<b>15.24</b>	<b>4,621.98</b>	<b>4,637.22</b>
<b>Financial Liabilities</b>			
Borrowings		1,546.37	1,546.37
Trade Payable		4,707.67	4,707.67
Other Financial Liabilities		7,247.06	7,247.06
<b>Total</b>		<b>13,501.10</b>	<b>13,501.10</b>



In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

(₹ in Lacs)

Particulars	Fair value	Fair value hierarchy		
		Quoted Price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at March 31, 2019</b>				
Investments at fair value through Profit and loss	15.77	-	-	15.77
<b>As at March 31, 2018</b>				
Investments at fair value through Profit and loss	15.24	-	-	15.24

### 3 Financial risk management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other financial assets. The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risks. The company's senior management has the overall responsibility for establishing and governing the company's risk management framework. The company has constituted a Risk management committee, which is responsible for developing and monitoring the company's risk management policies. The company's risk management policies are established to identify and analyse the risks faced by the company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the company.

#### A) Management of Market Risk

The company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- **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:

##### 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 financial year was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

#### Exposure to interest rate risk

##### Interest rate sensitivity

A change of 100 bps in interest rates would have following Impact on profit before tax.

(₹ in Lacs)

Particulars	Increase/Decrease in basic points	Effect on PBT
As at March 31, 2019	100 bps	16.36
As at March 31, 2018	100 bps	11.75

#### 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 financial year. 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:

1. Actual or expected significant adverse changes in business.
2. Actual or expected significant changes in the operating results of the counterparty.
3. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
4. Significant increase in credit risk on other financial instruments of the same counterparty.
5. 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)

Particular	As at	As at
	March 31, 2019	March 31, 2018
0-3 months	1,962.44	1,795.73
3-6 months	220.03	203.82
6-12 months	324.64	216.56
More than 12 months	306.88	276.79
<b>Total</b>	<b>2,813.99</b>	<b>2,492.90</b>

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

(₹ in Lacs)

Particular	As at	As at
	March 31, 2019	March 31, 2018
<b>Opening Allowances</b>	<b>152.13</b>	<b>145.47</b>
Add:- Additional Allowances made	108.65	108.85
(Less): Actual Write off during the year( net of recovery)	(111.14)	(102.19)
<b>Closing Allowances</b>	<b>149.64</b>	<b>152.13</b>

**No Significant changes in estimation techniques or assumptions were made during the year**

### 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 31st March 2019** (₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	1,497.80	657.26		2,155.06
Trade Payable	3,610.88	-		3,610.88
Other Financial Liabilities	7,890.74	6.29	1.32	8,578.55
<b>Total Financial Liabilities</b>	<b>12,999.42</b>	<b>663.55</b>	<b>1.32</b>	<b>14,344.49</b>

**Exposure as at 31st March 2018**

(₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
<b>Financial Liabilities</b>				
Borrowings	975.56	570.81		1,546.37
Trade Payable	4,707.67	-		4,707.67
Other Financial Liabilities	6,827.31	6.29	2.89	7,247.06
<b>Total Financial Liabilities</b>	<b>12,510.54</b>	<b>577.10</b>	<b>2.89</b>	<b>13,501.10</b>

**Financial Arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the financial year.

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Expiring within one year (Bank overdraft and other facilities)	330.43	465.17
Expiring beyond one year (bank loans)	8.73	1,217.39

As at March 31, 2019, the Company's current liabilities exceeded its current assets by ₹ 7,872.28 lacs. Of the total current liabilities aggregating to ₹ 13,697.04 lacs, ₹ 8,758.55 pertains to security deposits received from cancellable contracts with customers. Whilst, contractually the Company is liable to repay the amounts on cancellation of such contracts and consequently, these are presented as current liabilities, the Company does not expect a material amount of these deposits to be refunded owing to the continuity of the business and the past trends. Accordingly, the Company does not anticipate any material liquidity mismatch over the next one year.

**NOTE :40 EARNINGS PER SHARE (EPS) AS PER INDIAN ACCOUNTING STANDARD 33:**

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit for the year attributable to owners of the Company	8.90	14.80
No. of weighted average outstanding Equity Shares (in Lacs)	8.63	8.63
Earning per Equity Share of ₹ 10/- each (Basic & Diluted)	1.03	1.72

**NOTE :41 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 and their Relationship**

Sr. No.	Name	Description of Relationship
1	Rajesh R. Gandhi	Key Managerial Personnel
2	Devanshu L. Gandhi	Key Managerial Personnel
3	Vishal P. Surati (C.E.O. up to 26th November, 2018)	Key Managerial Personnel
4	Rajesh Bhagat	Key Managerial Personnel
5	Darshan Shah	Key Managerial Personnel
6	Vadilal Industries Ltd.	Enterprises over which Key managerial personnel are able to exercise significant influence
7	Vadilal Chemical Ltd.	Enterprises over which Key managerial personnel are able to exercise significant influence
8	Vadilal Soda Fountain.	Enterprises over which Key managerial personnel are able to exercise significant influence
9	Vadilal International Pvt Ltd.	Enterprises over which Key managerial personnel are able to exercise significant influence
10	Vadilal Marketing Private Ltd.	Enterprises over which Key managerial personnel are able to exercise significant influence
11	Valiant Construction Pvt. Ltd.	Enterprises over which Key managerial personnel are able to exercise significant influence
12	Veronica Construction Pvt. Ltd.	Enterprises over which Key managerial personnel are able to exercise significant influence
13	Nija K. Gandhi	Relative of Key Managerial personnel
14	Aakansha 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	Key Managerial Person	Relative of Key Managerial Person	Enterprises over which Key managerial personnel are able to exercise significant influence	Total
<b>(a) Sale of Goods</b>				
Vadilal Soda Fountain			79.49	79.49
			(90.88)	(90.88)
<b>(b) Purchase of Goods</b>				
Vadilal Industries Ltd. (Refer note 45)			41,580.15	41,580.15
			(44,433.61)	(44,433.61)
Vadilal Chemical Ltd.			7.65	7.65
			(2.97)	(2.97)
<b>(c) Interest Paid</b>				
Veronica Constrution Pvt. Ltd.			8.92	8.92
			(16.99)	(16.99)
<b>(d) Remuneration</b>				
Nija Kalpit Gandhi		15.00		15.00
		(15.00)		(15.00)
Vishal P Surati	41.12			41.12
	(46.68)			(46.68)
Rajesh Bhagat	15.09			15.09
	(13.62)			(13.62)
Darshan Shah	5.72			5.72
	(4.86)			(4.86)
Aakansha Gandhi		2.00		2.00
		-		-
<b>(e) Interest Income</b>				
Vadilal International Pvt.Ltd.			24.00	24.00
			(24.00)	(24.00)
<b>(f) Royalty Expense</b>				
Vadilal International Pvt.Ltd.			227.66	227.66
			(186.35)	(186.35)
<b>(g) Loan or Deposits Received</b>				
Veronica Construction Pvt Ltd			124.00	124.00
			(200.00)	(200.00)
<b>(h) Loan or Deposits Repaid</b>				
Veronica Construction Pvt Ltd			124.00	124.00
			(200.00)	(200.00)
<b>Balance outstanding at year end :</b>				
<b>Trade Deposit Given</b>				
Vadilal International Pvt.Ltd.			2,400.00	2,400.00
			(2,400.00)	(2,400.00)
<b>Interest Receivable</b>				
Vadilal International Pvt. Ltd			21.60	21.60
			(21.60)	(21.60)

Transaction	Key Managerial Person	Relative of Key Managerial Person	Enterprises over which Key managerial personnel are able to exercise significant influence	Total
<b>Trade Receivable :</b>				
Vadilal soda Fountain			2.17	2.17
			(2.17)	(2.17)
<b>Trade Payable :</b>				
Vadilal Industries Ltd.			1,192.53	1,192.53
			(2,442.63)	(2,442.63)
Vadilal Chemical Ltd.			1.57	1.57
			(0.60)	(0.60)
Vadilal International Pvt. Ltd			53.08	53.08
			(43.99)	(43.99)
<b>Loans:</b>				
Vishal P Surati	0.82			0.82
	(0.99)			(0.99)
<b>Corporate Guarantee Given</b>				
Vadilal Industries Ltd.			250.00	250.00
			(250.00)	(250.00)
<b>Corporate Guarantee Taken</b>				
Vadilal Industries Ltd.			3,927.00	3,927.00
			(5,936.00)	(5,936.00)
<b>Personal Gurantee Taken</b>				
Directors			1,400.00	1,400.00
			-	-

**Note:1)** Transaction of Purchase / Sales and outstanding of Trade Payables / Receivable are inclusive of Taxes. (where input tax credit is not available to the company)

**Note:2)** The trademark "Vadilal" and its associated trademarks are owned by Vadilal International Pvt. Ltd. The Company is a licensee of the said Trademarks.

#### Compensation to Key Managerial Personnel of the Company:

(₹ in Lacs)

Nature of Benefits	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Short Term Employee Benefits	21.46	70.50
<b>Total</b>	<b>21.46</b>	<b>70.50</b>

\* Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. Post-employment gratuity benefits of Key Managerial Personnel has not been included in (e) above.

#### NOTE :42 EMPLOYEE BENEFITS:

##### 1. 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 32 ₹87.69 Lacs (Previous Year: ₹ 74.97 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 financial year on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

**A. Movement in present value of defined benefit obligation are as follows : (₹ in Lacs)**

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
<b>Obligations/Fair value of Plan assets at the beginning of the year</b>	<b>181.77</b>	<b>157.04</b>
Current service cost	19.78	19.16
Past Service cost	-	3.00
Interest cost	14.14	11.42
Actuarial (gain)/loss arising from changes in demographic Assumptions	-	-
Actuarial (gain)/loss arising from changes in financial Assumptions	0.37	(8.11)
Actuarial (gain)/loss arising from experience adjustments	17.59	7.09
Benefits Paid	(16.52)	(7.83)
<b>Obligations/Fair value of Plan assets at the end of the year</b>	<b>217.13</b>	<b>181.77</b>

**B. Movement in present value of fair value of plan assets are as follows : (₹ in Lacs)**

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
<b>Obligations/Fair value of Plan assets at the beginning of the year</b>	<b>109.21</b>	<b>63.89</b>
Interest Income	8.50	4.65
Return on plan Assets excluding Interest income	(3.26)	(0.50)
Employer contributions	1.86	49.00
Benefits Paid	(16.53)	(7.83)
<b>Obligations/Fair value of Plan assets at the end of the year</b>	<b>99.78</b>	<b>109.21</b>

**C. The amount included in the balance sheet arising from the entities obligation in respect of defined benefit plan is as follows:**

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>Present value of benefit obligation at the end of the year</b>	<b>217.13</b>	<b>181.77</b>
Fair value of plan assets	(99.78)	(109.21)
<b>Net liability arising from defined benefit obligation</b>	<b>117.35</b>	<b>72.56</b>

**D Amount recognised in the Statement of Profit and Loss as Employee Benefit Expenses** (₹ in Lacs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Current service cost	19.78	19.16
Past Service Cost	-	3.00
Net Interest Cost	5.64	6.77
<b>Net impact on the Profit / (Loss) before tax</b>	<b>25.42</b>	<b>28.93</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding actuarial return on plan assets	3.27	0.50
Actuarial gains/(losses) arising from changes in demographic	-	-
Actuarial gains/(losses) arising from changes in financial assumption	0.37	(8.11)
Actuarial gains/(losses) arising on experience adjustments	17.59	7.09
<b>Net (Gain)/Loss recognised in the Other Comprehensive Income before tax</b>	<b>21.23</b>	<b>(0.52)</b>

**E 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.

**F The defined benefit obligations shall mature after year end 31st March, 2019 as follows:** (₹ in Lacs)

Gratuity	As at March 31, 2019	As at March 31, 2018
1st Following Year	23.12	27.70
2nd Following Year	17.99	4.11
3rd Following Year	20.44	14.76
4th Following Year	16.14	16.03
5th Following Year	7.40	16.18
Sum of Years 6 To 10	89.85	78.04

**G 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 financial year, while holding all other assumptions constant.

Particulars	As at March 31, 2019	As at March 31, 2018
Projected Benefit Obligation on Current Assumptions	217.13	181.77
Delta Effect of +1% Change in Rate of Discounting	(17.15)	(14.14)
Delta Effect of -1% Change in Rate of Discounting	20.08	16.56
Delta Effect of +1% Change in Rate of Salary Increase	19.22	15.73
Delta Effect of -1% Change in Rate of Salary Increase	(16.72)	(13.69)
Delta Effect of +1% Change in Rate of Employee Turnover	1.06	1.04
Delta Effect of -1% Change in Rate of Employee Turnover	(1.28)	(1.24)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the financial year 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 financial year. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**H 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, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

**The significant actuarial assumptions were as follows:**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial Assumptions</b>		
Discount rate	7.76%	7.78%
Salary Escalation Rate	7.00%	7.00%
<b>Attrition Rate</b>		
For Service (4 years & below)	15.00%	15.00%
For Service (5 years & above)	2.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

**2. Other long term employee benefits :**

**Compensated absences**

The liability towards compensated absences (leave encashment) for the year ended March 31, 2019 based on actuarial valuation carried out by using Projected Unit Credit Method is ₹ 120.22 Lacs . (As at march 31, 2018 : ₹ 109.21 Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial Assumptions</b>		
Discount rate	7.76%	7.78%
Salary Escalation Rate	7.00%	7.00%
<b>Attrition Rate</b>		
For Service (4 years & below)	15.00%	15.00%
For Service (5 years & above)	2.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

**NOTE :43**

During the year, 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 on primarily relating to operations and management of the Company on a range of matters including payments to a vendor without services being received, procurement of equipments at prices higher than comparable low market rates, dissemination of Company’s confidential data / information to outsiders, demand for re-examination of books of account of past periods, legitimacy of salaries paid to relatives of the promoter directors, payments made to certain vendors without appropriate approvals and independence of Independent Directors, amongst others. Subsequent to the year-end, on July 23, 2019, the Promoter Directors have jointly communicated to the Board that they withdraw all the aforesaid allegations / counter-allegations on each other unconditionally and without any reservations except for the ones stated in Note 44 below. The Board of Directors in their meeting on July 23, 2019, evaluated the basis of withdrawal of the joint communications of both the promoter directors and further as the allegations levied were without any corroborative evidence, decided no further action was required on any of the allegation except for the ones stated in Note 44 below.

**NOTE :44**

- One of the Promoter Directors of the Company has suspected that another Promoter Director of the Company has approved certain inappropriate payments amounting to ₹ 53.39 lacs during the financial years 2013-14 to financial year 2018-19. The Board of Directors (“the Board”) of the Company, in their meeting held on May 28, 2019 have approved the appointment of external legal firm to hand hold the Board through the process of inquiry into allegations including compliance with applicable laws and regulations. As on the date of approval of these financial results by the Board, the independent external legal firm are yet to provide their report to the Board to enable them to take further action in this matter. The Company is of the opinion that the outcome of findings will not have any material impact on the financial statements of the respective financial years.
- Furthermore, in a meeting of the Board of Directors held on May 28, 2019, one of the Promoter Directors, has submitted details of expenses aggregating to ₹ 45.90 lakhs incurred from the period from FY 2013-14 to FY 2017-18 to the Board, wherein he has alleged that either the transactions are inappropriate in nature and/or approved by unauthorized personnel.

As the statutory auditors have not accepted Company’s representation on note no. 43 and 44 (a) & (b) above and issued a disclaimer of opinion on the financial statements, the promoter directors in the board meeting held on August 23, 2019 have voluntarily offered to appoint an independent law firm to conduct an inquiry in all the matters as reported in the statutory audit report with an aim of value preservation and enhancement in the interests of all stakeholders.



**NOTE :45**

On September 29 2016, an agreement was signed between the Company and Vadilal Industries Limited (“VIL”), a related party, for purchase of ice-creams and other products for onward sale in the domestic market. The agreement was approved by the Board of Directors of the Company in their meeting held on August 8, 2016 and subsequently approved by the shareholders in their meeting held on September 27, 2016. As per the agreement, the pricing of the products to be purchased shall be determined at the discretion of VIL. One erstwhile independent director of the Company, who had approved the contract in the meeting of the Board of Directors as referred above, in his resignation letter and a promoter shareholder have sighted their concerns on the terms and conditions of the contract. The pricing pattern has remained consistent over these past years. The Company’s management has considered an opinion obtained by VIL from a retired Supreme Court Judge who has opined that the contract is valid under the Indian Contract Act, 2013 and that it was approved by the then Audit Committee, the then Board of Directors and the then shareholders in accordance with the requirements of the Companies Act, 2013 and the Listing Regulations. Based on this opinion, the Board of Directors have concluded that the transactions pursuant to the contract are in accordance with the applicable laws.

**NOTE :46**

Previous years’ figures have been regrouped and rearranged wherever necessary to make them comply with IND AS.

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

**Rajesh R. Gandhi**  
Chairman  
(DIN - 00009879)

**Rajesh I. Bhagat**  
Chief Financial Officer  
Place : Ahmedabad  
Date : August 23, 2019

**Devanshu L. Gandhi**  
Director  
(DIN - 00010146)

**Darshan Shah**  
Company Secretary

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## VADILAL ENTERPRISES LIMITED

Reg. Office : 10<sup>th</sup> Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015  
CIN : L51100GJ1985PLC007995, Web: www.vadilalgroup.com, Email: shareslogs@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 communications 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 extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of Vadilal Enterprises 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,

**Darshan Shah**  
Company Secretary

### E-COMMUNICATION REGISTRATION FORM

Folio No. / DP ID and Client ID : \_\_\_\_\_

Name of the 1<sup>st</sup> Registered Holder : \_\_\_\_\_

Name of the Joint Holder[s] : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail ID (to be registered) : \_\_\_\_\_

I / We Shareholder(s) of Vadilal Enterprises 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 any change in the e-mail address.

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### ATTENDANCE SLIP

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

Name	Regd Folio No. *DP ID No. and Client ID No.	No. of Shares held
Shareholder _____ _____		
Proxy _____		

I hereby record my presence at the **34<sup>th</sup> Annual General Meeting** of the members of the Company on Monday, the **30<sup>th</sup> September, 2019, at 2.00 p.m.**, at **HT Parekh Convention Center**, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015.

\* Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
Signature of Shareholder(s)/Proxy

## VADILAL ENTERPRISES LIMITED

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**Form No. Mgt-11**

### Form of Proxy

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) _____ _____
Registered Address : _____
E-mail ID _____ Folio No. / DP ID and Client ID _____

I/We, being the Member(s) of \_\_\_\_\_ Equity Shares of the above named Company, hereby appoint

1. Name : \_\_\_\_\_ E-mail ID : \_\_\_\_\_  
Address : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him/her
2. Name : \_\_\_\_\_ E-mail ID : \_\_\_\_\_  
Address : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the **34<sup>th</sup> Annual General Meeting** of the Company, to be held on Monday, the **30<sup>th</sup> September, 2019, at 2.00 p.m.** at **HT Parekh Convention Center**, 1<sup>st</sup> Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

## ROUTE MAP FOR THE AGM VENUE



Resolution No.	Resolution	For	Against
1	To receive, consider and adopt the audited Statement of Profit & Loss for the year ended March 31, 2019, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.		
2	To declare dividend on Equity Shares for the financial year ended on March 31, 2019.		
3	To appoint a Director in place of Mr. 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 herself forre-appointment.		

Affix  
Revenue  
Stamp

**Notes:**

Signature .....

1. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
2. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015, not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

Vadilal<sup>®</sup>

Flingo

ICE CREAM



COOKIE  
DISC CONE



Belgian  
Chocolate



Chocolate  
Disc Cone



Strawberry  
Swirl Cake



Choco Raspberry  
Crush

Creative visualisation only





*Vadilal*<sup>®</sup>

VADILAL ENTERPRISES LTD.

10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand,  
Ambli-Bopal Road, Bopal, Ahmedabad- 380015.