



# THE BEST PART OF EVERYDAY

Three small white bowls of Vadilal ice cream are arranged around the text. The top bowl contains pistachio ice cream with green shavings. The bottom-left bowl contains vanilla ice cream with almond shavings. The bottom-right bowl contains chocolate ice cream with chocolate shavings.

**Annual Report 2017-18**

VADILAL ENTERPRISES LTD.

# PURE MILK PURE ICE CREAM



## BOARD OF DIRECTORS

### Non-executive & Non-Independent Directors

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

### Independent Directors

Jayantilal M. Shah  
Jignesh J. Shah  
Ashish H. Modi  
Preet P. Shah

### CHIEF EXECUTIVE OFFICER

Vishal Surti

### 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 : 079-30921200

### 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 : 079-30921200

## 33rd ANNUAL GENERAL MEETING

Day : Monday  
Date : 24th September, 2018  
Time : 2.00 p.m.  
Venue : **HT Parekh Convention Center,**  
1st Floor, Ahmedabad Management Association,  
ATIRA Campus, Dr. Vikram Sarabhai Marg,  
Ahmedabad, Gujarat 380015

### Content Sequence for reference:

|  |       |
|--|-------|
| 1. Shareholder Information   | 2-5   |
| 2. Notice of Annual General Meeting                                  | 6-10  |
| 3. Directors Report  | 11-32 |
| 4. Secretarial Audit Report  | 30-31 |
| <b>Standalone Financial Statement</b>                                |       |
| 5. Independent Auditors Report                                       | 33-37 |
| 6. Balance Sheet   | 38    |
| 7. Statement of Profit and Loss                                      | 39    |
| 8. Cash Flow Statement   | 40    |
| 9. Statement of Changes in Equity                                    | 41    |
| 10. Notes to Financial Statement and Significant Accounting Policies | 42-74 |
| <b>E-Communication registration form</b>                             | 75    |
| <b>Proxy Form and Attendance Slip</b>                                | 77-78 |

CIN No. : L51100GJ1985PLC007995

E-mail for Investor Grievances : [shareslogs@vadilalgroup.com](mailto:shareslogs@vadilalgroup.com)

Web : [www.vadilalgroup.com](http://www.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 : 079-30921200.
- The process and manner of e-voting is provided at the end of Annual General Meeting Notice.**

## SHAREHOLDER INFORMATION

**1. Name of Company:**

Vadilal Enterprises Limited

**2. Company CIN:**

L51100GJ1985PLC007995

**3. Book-Closure:**

Book-Closure from 15<sup>th</sup> September, 2018 to 24<sup>th</sup> September, 2018 (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, 2018 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 2018-2019 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.

**Pursuant to amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 transfer of shares from 5th December, 2018 shall be in dematerialized form. Therefore we are requesting you to kindly dematerialize your shares by opening an account with a Depository Participant (DP).**

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: mcsahmd@gmail.com / 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: 079-30921200

#### 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.

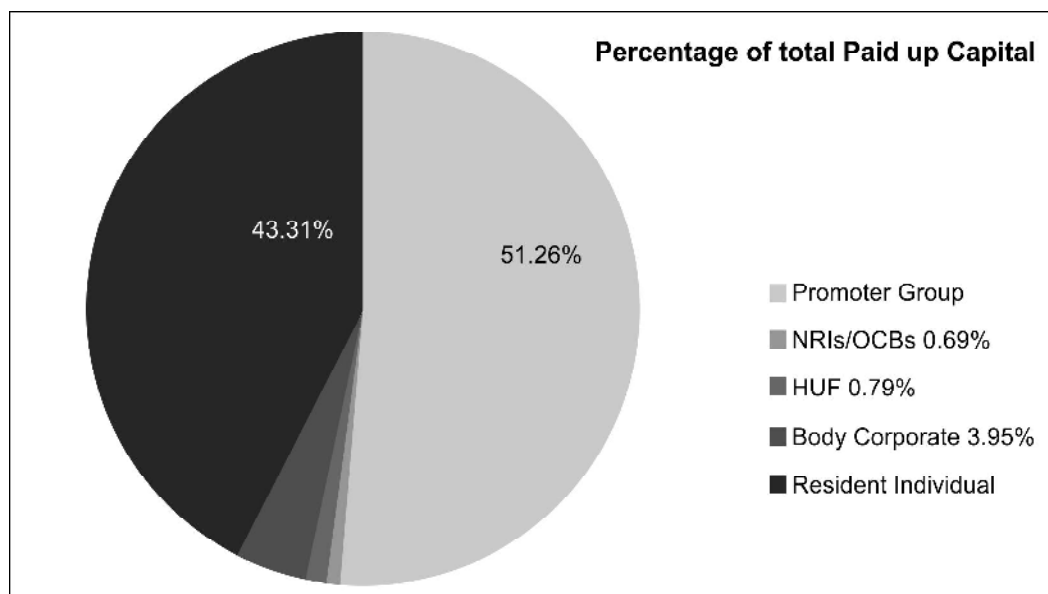
In terms of SEBI's circular dated 31<sup>st</sup> December, 2002, a Secretarial Audit is conducted on a quarterly basis by Practicing Company Secretary for the purpose of reconciliation of the total Admitted Equity Share Capital with the Depositories and in the physical form with the total issued public 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, 2018:

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares held | % of total Shares |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| Up to 500                 | 1391                | 93.60             | 146403             | 16.97             |
| 501 to 1000               | 31                  | 2.08              | 24016              | 2.79              |
| 1001 to 2000              | 12                  | 0.80              | 17516              | 2.03              |
| 2001 to 3000              | 10                  | 0.67              | 23498              | 2.72              |
| 3001 to 4000              | 5                   | 0.33              | 16463              | 1.91              |
| 4001 to 5000              | 9                   | 0.60              | 41793              | 4.84              |
| 5001 to 10000             | 11                  | 0.74              | 84065              | 9.75              |
| 10001 to 50000            | 14                  | 0.94              | 267589             | 31.01             |
| 50001 & above             | 3                   | 0.20              | 241325             | 27.98             |
| <b>Total</b>              | <b>1486</b>         | <b>100.00</b>     | <b>862668</b>      | <b>100.00</b>     |

#### 11. Categories of Shareholders as on 31<sup>st</sup> March, 2018:

| 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         | 34009                     | 3.95                                |
| 2   | NRI                      | 6035                      | 0.69                                |
| 3   | HUF                      | 6818                      | 0.79                                |
| 4   | Residential Individual   | 373629                    | 43.31                               |
|   | <b>Total (B) :</b>       | <b>420491</b>             | <b>48.74</b>                        |
|   | <b>Total</b>             | <b>862668</b>             | <b>100.00</b>                       |



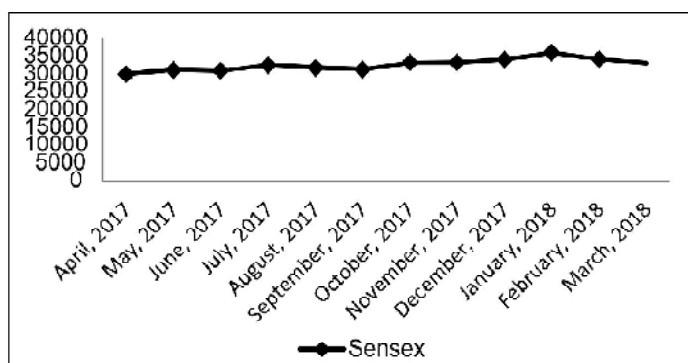
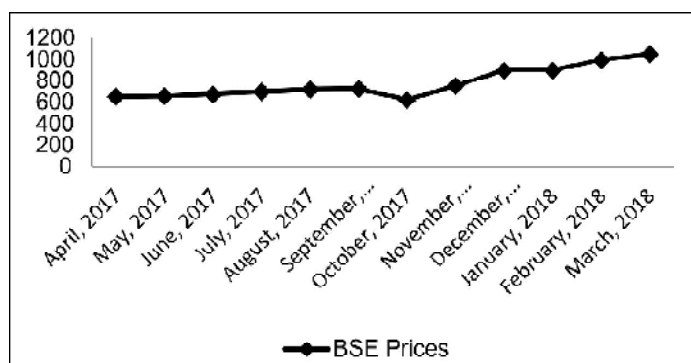
## 12. Share price performance in comparison to BSE Sensex based on data available on Stock exchange website:

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, 2017     | 740                   | 617.5 | 654    | 30184.22 | 29241.48 | 29918.4  |
| May, 2017       | 710                   | 638   | 658.4  | 31255.28 | 29804.12 | 31145.8  |
| June, 2017      | 712                   | 611   | 676.35 | 31522.87 | 30680.66 | 30921.61 |
| July, 2017      | 709.5                 | 620   | 700    | 32672.66 | 31017.11 | 32514.94 |
| August, 2017    | 769                   | 651   | 720    | 32686.48 | 31128.02 | 31730.49 |
| September, 2017 | 756                   | 654   | 724    | 32524.11 | 31081.83 | 31283.72 |
| October, 2017   | 750                   | 608   | 625    | 33340.17 | 31440.48 | 33213.13 |
| November, 2017  | 798.5                 | 595   | 755    | 33865.95 | 32683.59 | 33149.35 |
| December, 2017  | 915                   | 738   | 900    | 34137.97 | 32565.16 | 34056.83 |
| January, 2018   | 962                   | 855   | 899.7  | 36443.98 | 33703.37 | 35965.02 |
| February, 2018  | 1025.5                | 772   | 995.95 | 36256.83 | 33482.81 | 34184.04 |
| March, 2018     | 1101.55               | 910   | 1050   | 34278.63 | 32483.84 | 32968.68 |

- All the rates are in ₹

**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: 079-30921200  
Email: [shareslogs@vadilalgroup.com](mailto:shareslogs@vadilalgroup.com)

### 15. Shareholders holding shares in Physical mode:

Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 shareholders who are maintaining their shares in physical mode and whose ledger folios do not have/have incomplete details with respect to PAN and Bank particulars are mandatorily required to furnish below mentioned details to the Issuer Company/RTA for registration in their folio. Shareholders are hence requested to submit the following documents within 21 days of receipt of this communication to MCS Share Transfer Agent Limited 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380009.

- Self-attested copy of PAN Card of all the holders.
- Cancelled personalised cheque leaf (In absence of personalised cheque, self-attested copy of first page of pass book)
- Address proof (self-attested copy of Aadhaar-card)

### 16. 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 **33<sup>rd</sup> ANNUAL GENERAL MEETING** of the members of **VADILAL ENTERPRISES LIMITED** will be held on **Monday, 24th September, 2018 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 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, 2018, 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, 2018 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, 2018 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, 2018 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, 2018."

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Devanshu L. Gandhi (DIN: 00010146), 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**

### 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 30921200  
Date : 11th August, 2018.

### NOTES :

- 1) A Statement pursuant to Section 102(1) of the Companies Act, 2013 is not annexed to the notice as there is no special business to be transacted at the meeting.
- 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 **15th September, 2018 to 24th September, 2018 (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 31st March, 2018 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 **14th September, 2018** 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 **14th September, 2018**.
- 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, 2011, 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 and 31<sup>st</sup> March, 2017 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 1<sup>st</sup> November, 2018, 3rd 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 and 6<sup>th</sup> November, 2024 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) 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.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) 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.
- 15) Attendance Slip, Proxy form and route map of the venue of the meeting are provided at the end of the annual report.
- 16) Mr. Devanshu L. Gandhi (DIN: 0010146), 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. Devanshu R. Gandhi**

Mr. Devanshu L. Gandhi aged 51 years has been associated with the Company since its inception. He is Bachelor of Science degree holder and also have experience on hands for Ice-cream and Processed Food business. He looks after day-to-day affairs of the Company pertaining to the hereby-mentioned areas: Domestic Sales and Marketing of Ice-cream Division, Government Subsidies of Ice-cream plants and Revenue Expenses of Refrigeration Service Division. He is on the Board of following other Companies.

Mr. Devanshu L. Gandhi is a Member of the Audit Committee and the Stakeholders' Relationship Committee of the Company. He is also a Member of the following committees of other Companies. Mr. Devanshu L. Gandhi holds 109145 shares in Vadilal Enterprises Limited in his individual capacity.

Mr. Devanshu L. 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>➤ Vale Properties Private Limited</li> <li>➤ Byad Packaging Industries Private Limited</li> <li>➤ Esveegee Wires and Metals Private Limited</li> <li>➤ Numen Technologies Private Limited</li> </ul> | <b>Member of the Board Committees:</b> <p><b>Audit Committee :</b></p> <ul style="list-style-type: none"> <li>➤ Vadilal Industries Limited</li> <li>➤ Vadilal Enterprises Limited</li> <li>➤ Vadilal Chemicals Limited</li> </ul> <p><b>Stakeholders' Relationship Committee:</b></p> <ul style="list-style-type: none"> <li>➤ Vadilal Industries Limited</li> <li>➤ Vadilal Enterprises Limited</li> <li>➤ Vadilal Chemicals Limited</li> </ul> |
|---|--|

Mr. Devanshu L. Gandhi is not related to any Director of 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 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**

**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 30921200  
Date : 11th August, 2018.

**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 a 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. **17th September, 2018**

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. **17th September, 2018** 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)
  - Member may call CDSL toll free number 18002005533
  - If person is already registered with CDSL for e-voting then existing user id and password can be used for casting vote.
6. The Scrutinizer, after scrutinizing the votes cast at the meeting (poll) and through remote e-voting, will not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to Chairman. The results declared along with consolidated scrutinizer's report shall be placed on the website of the Company [www.vadilalgroup.com](http://www.vadilalgroup.com) and on the website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously be communicated to Stock Exchanges.
7. The instruction for shareholders voting electronically are as under:
- The voting period begins on **21st September, 2018 (9.00 a.m.) and ends on 23rd September, 2018 (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 **17th September, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:
 

|  |   |
|--|---|
|  | 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 Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul> |
| Dividend Bank Details OR Date of Birth (DOB) | <ul style="list-style-type: none"> <li>• 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.</li> </ul> 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).               |
  - After entering these details appropriately, click on “SUBMIT” tab.
  - Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - Click on the EVSN for the relevant **Vadilal Enterprises Limited** on which you choose to vote.
  - On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (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 cast their vote using CDSL’s mobile app “m-Voting” available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (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 a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Members are requested to note the following contact details for addressing e-voting grievances:

Name of Official – Mr. Rakesh Dalvi

Designation – Manager

Address - 25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound,  
NM Joshi Marg, Lower Parel (E), Mumbai - 400 013

E Mail ID -[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Phone No. - 1800225533

## DIRECTORS' REPORT

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

Your Directors have pleasure in presenting herewith the 33<sup>rd</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2018.

### FINANCIAL HIGHLIGHTS :

(₹ in Lacs)

| Sr. No. | Particulars  | Current Year ended on 31-03-2018 | Previous Year ended on 31-03-2017 |
|---------|--|----------------------------------|-----------------------------------|
| (a)     | Earnings before Interest, Tax, Depreciation and Amortization | 1332.68                          | 1155.66                           |
| (b)     | Finance Cost   | (250.00)                         | (158.09)                          |
| (c)     | Depreciation & Amortization Expense                          | (1060.95)                        | (948.47)                          |
| (d)     | <b>Profit/(Loss) before Tax</b>                              | <b>21.73</b>                     | <b>49.10</b>                      |
| (e)     | Tax Expense  |                                  |                                   |
|         | - Current Tax  | 2.39                             | 14.98                             |
|         | - Deferred Tax Expenses                                      | 4.54                             | 5.02                              |
|         | - Short / (Excess) Provision of Tax of Earlier years         | -                                | 13.49                             |
|         | Total Tax:   | 6.93                             | 33.49                             |
| (f)     | <b>Profit/(Loss) for the year</b>                            | <b>14.80</b>                     | <b>15.61</b>                      |
| (g)     | <b>Other Comprehensive income</b>                            |                                  |                                   |
|         | Item that will not be reclassified to Profit & Loss          |                                  |                                   |
|         | - Re-measurement of Defined Benefit Plans                    | (0.52)                           | 7.79                              |
|         | - Tax expenses of above items                                | 0.15                             | (2.41)                            |
|         | <b>Other Comprehensive income for the year</b>               | <b>(0.37)</b>                    | <b>5.38</b>                       |
| (i)     | <b>Total Comprehensive income for the year</b>               | <b>15.17</b>                     | <b>10.23</b>                      |

### STATE OF COMPANY'S AFFAIRS:

The Company has earned Revenue from Operations of ₹ 54585.94 lacs during the year ended on 31<sup>st</sup> March, 2018 as against ₹ 51794.51 lacs earned during the previous year ended on 31<sup>st</sup> March, 2017 giving a rise of 5.39% as compared to previous year.

After adding thereto the other income of ₹ 309.37 lakhs earned by the Company, the Company has earned total income of ₹ 54895.31 lakhs during the year under review. The Company has incurred total expenses of ₹ 54873.58 lakhs including Finance cost of ₹ 250.00 lakhs and Depreciation and Amortization expenses of ₹ 1060.95 lakhs, during the year under review.

The Company has earned profit before Tax of ₹ 21.73 lacs during the year under review as compared to Profit ₹ 49.10 lacs incurred during the previous year ended on 31<sup>st</sup> March, 2017. The Company has earned profit for the year of ₹ 14.80 lacs during the year ended on 31<sup>st</sup> March, 2018 after deducting Current Tax of ₹ 2.39 lacs and Deferred Tax of ₹ 4.54 lacs, as compared to Profit of ₹ 15.61 lacs incurred by the Company during the previous year ended on 31<sup>st</sup> March, 2017.

### 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, 2018 as compared to ₹ 0.80/- per share (@ 8.00%) dividend declared in the previous financial year ended on 31<sup>st</sup> March, 2017. 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.

An ice cream makes everything better, be it an everyday occasion or life's most precious moments. Vadilal's range of ice creams and frozen desserts have always fulfilled this promise by making these special moments even more beautiful.

Increasing urbanization, rising disposable incomes and increasing “out of home food” consumption coupled with the ever-increasing availability of various foods in the markets close to residential areas are some of the reasons driving the ice cream industry.

To ensure maximum exposure 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 a 360-degree marketing and communication plan. As a share of voice, we are the largest marketing investment company.

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 to cater youth and all class or society.

Our consumer engagement initiative, Vadilal Freeze the Moment Contest Calendar launched in 2012 has become a successful annual event and is eagerly awaited by consumers every year.

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. As an example, last year we had a “surprise gift” available with every candy of Ice Trooper to delight our young customers.

We have worked on increasing the physical touch points with our consumers and executed it by putting in place a robust network of dealers, FOWs (Freezer On Wheels) and Ice Cream parlours.

The overall vision of the company is to increase the consumption of ice-cream at national level supported fully by appropriate promotion and communication strategies.

#### FINANCE :

During the year under review, the company has availed / reviewed various secured and unsecured loans from various Banks, Fls. During the year under review, the company has made regular repayment of Loan & interest and there is no any overdue payment to Banks and Fls. Company has maintained external rating from CARE Ratings, they have reviewed and enhanced the external rating of the company from BBB (Negative) to BBB (Stable)."

During the year under review, the Company has transferred ₹ 46403/- to Investors' Education and Protection Fund being the amount of Unpaid/Unclaimed Dividend for the Financial year – 2009-2010.

During the year under review, the Company has transferred the unclaimed interest on Fixed Deposit of ₹ 3980/- 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, 2017              | : | 93.77 |
| (b) Amount of deposits accepted or renewed during the year         |   |       |
| (i) Secured deposits   | : | 0     |
| (ii) Unsecured deposits  | : | 25.25 |
| Total (b) :  | : | 25.25 |
| (c) Amount of deposits repaid during the year                      | : | 20.09 |
| (d) Balance of deposits outstanding at the end of the year (a+b-c) |   | 98.93 |

- 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, 2018, 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, 2018, 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 :

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- The directors had prepared the annual accounts on a going concern basis;
- 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
- 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 – 41 to the financial statement which sets out related party transactions.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on 31<sup>st</sup> March, 2018, 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              |

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Devanshu L. Gandhi, Director (DIN: 00010146) of the Company, shall retire by rotation at this Annual General Meeting and being eligible, 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. Devanshu L. Gandhi is furnished in the Notes to the Notice of the Annual General Meeting.

#### NUMBER OF BOARD MEETINGS:

Total Eight meetings of the Board of Directors were held during the year i.e. on 10-4-2017, 25-5-2017, 26-8-2017, 14-9-2017, 12-10-2017, 27-11-2017, 2-12-2017 and 13-2-2018 and their attendance is as follows:

| Name of Director       | Attendance Particulars<br>(Total 8 Board Meetings held during the year) |
|------------------------|---|
| Mr. Rajesh R. Gandhi   | 8   |
| Mr. Devanshu L. Gandhi | 8   |
| Mrs. Mamta R. Gandhi   | 8   |
| Mr. Jignesh J. Shah    | 8   |
| Mr. Jayantilal M. Shah | 4   |
| Mr. Ashish H. Modi     | 6   |
| Mr. Preet P. Shah      | 7   |

#### 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, 2018 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                       |

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, 2018 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.

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

The Stakeholders' Relationship Committee of the Company comprises the following Directors of the Company, as on 31<sup>st</sup> March, 2018, 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 |



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. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Policy on appointment and remuneration of Directors is enclosed with the Directors' report and marked as **Annexure - C**.

#### **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 in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control selfassessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

#### **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 Auditors' Report on the Annual Accounts of the Company for the year ended on 31<sup>st</sup> March, 2018 does not contain any qualification / reservation / observation.

## SECRETARIAL AUDITOR:

Section 204 of the Companies Act, 2013 inter alia requires every listed company 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 – 2017-2018. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure - D** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 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 - E**.

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 period under review, 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 some of the parties to the petition are seeking to arrive at an amicable resolution of matter. The matter was lastly heard by the Hon'ble NCLT on 27-07-2018.

## 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, 2018 till the date of this report.
- During the year under review, there was no significant and/or material order passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.
- The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013 does not require.
- During the year under review, no Director or Managing Director of the Company has received any remuneration or commission from subsidiary of the Company in terms of provisions of Section 197(14) of the Companies Act, 2013.
- The disclosure in terms of Rule – 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.
- The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.
- The trademark "Vadilal" and its associated trademarks are owned by Vadilal International Pvt. Ltd. The Company is a licensee of the said Trademarks.

## 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  
For VADILAL ENTERPRISES LTD.**

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

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

Date : 11th August, 2018  
Place : Ahmedabad.

## ANNEXURE – A TO THE DIRECTORS' REPORT

FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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                         | 10 <sup>th</sup> Floor Colonnade Building,<br>Opp. Iscon Temple BRTS Bus Stand,<br>Ambli-Bopal Road, Ahmedabad-380 015.   |
| 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<br>201, Shatdal Complex, 2nd Floor,<br>Opp. Bata Show Room,<br>Ashram Road, Ahmedabad - 380 009.<br>Tel. Nos. : (079) 26580461/62/63<br>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                            | 99.49%                             |

#### 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-2017] |              |               |                   | No. of Shares held at the end of the year[As on 31-March-2018] |              |               |                   | % 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                 | I                              |
| <b>A. Promoters</b>         |  |              |               |                   |  |              |               |                   |                                |
| (1) Indian                  |  |              |               |                   |  |              |               |                   |                                |
| 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             | 0.00              | 0.00                           |
| c) State Govt(s)            | 0  | 0            | 0             | 0.00              | 0  | 0            | 0             | 0.00              | 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 | 296907   | 14979        | 311886        | 36.15             | 296507   | 14979        | 311486        | 36.11             | (0.04)                         |
| <b>Sub Total(A)(1)</b>      | <b>427598</b>  | <b>14979</b> | <b>442577</b> | <b>51.30</b>      | <b>427198</b>  | <b>14979</b> | <b>442177</b> | <b>51.26</b>      | <b>(0.04)</b>                  |

|   |               |               |               |              |               |               |               |              |               |
|---|---------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|---------------|
| <b>(2) Foreign</b>  |               |               |               |              |               |               |               |              |               |
| Individuals (Non-Residents<br>Individuals/<br>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<br/>Promoter (A)</b>   | <b>427598</b> | <b>14979</b>  | <b>442577</b> | <b>51.30</b> | <b>427198</b> | <b>14979</b>  | <b>442177</b> | <b>51.26</b> | <b>(0.04)</b> |
| <b>B. Public Shareholding</b>   |               |               |               |              |               |               |               |              |               |
| 1. Institutions   |               |               |               |              |               |               |               |              |               |
| 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<br>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>  |               |               |               |              |               |               |               |              |               |
| a) Bodies Corp.   |               |               |               |              |               |               |               |              |               |
| i) Indian   | 36225         | 600           | 36825         | 4.27         | 33409         | 600           | 34009         | 3.94         | (0.33)        |
| ii) Overseas  |               |               |               |              |               |               |               |              |               |
| b) Individuals  |               |               |               |              |               |               |               |              |               |
| i) Individual shareholders<br>holding nominal share<br>capital upto Rs. 1 lakh            | 224076        | 88466         | 312542        | 36.23        | 202251        | 85826         | 288077        | 3339         | (2.84)        |
| ii) Individual shareholders<br>holding nominal share<br>capital in excess of Rs 1<br>lakh | 53238         | 0             | 53238         | 6.17         | 85552         | 0             | 85552         | 9.91         | 3.74          |
| c) Others (specify)   |               |               |               |              |               |               |               |              |               |
| Non Resident Indians  | 8463          | 0             | 8463          | 0.98         | 6035          | 0             | 6035          | 0.70         | (0.28)        |
| 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<br>(HUF)   | 9023          | 0             | 9023          | 1.05         | 6818          | 0             | 6818          | 0.79         | (0.25)        |
| <b>Sub-total (B)(2):-</b>   | <b>331025</b> | <b>89066</b>  | <b>420091</b> | <b>48.70</b> | <b>334065</b> | <b>86426</b>  | <b>420491</b> | <b>48.74</b> | <b>0.04</b>   |
| <b>Total Public Shareholding<br/>(B)=(B)(1)+ (B)(2)</b>                                   | <b>331025</b> | <b>89066</b>  | <b>420091</b> | <b>48.70</b> | <b>334065</b> | <b>86426</b>  | <b>420491</b> | <b>48.74</b> | <b>0.04</b>   |
| <b>C. Shares held by<br/>Custodian for GDRs &amp;<br/>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>758623</b> | <b>104045</b> | <b>862668</b> | <b>100</b>   | <b>761263</b> | <b>101405</b> | <b>862668</b> | <b>100</b>   | <b>0</b>      |

# **B) Shareholding of Promoter-**

| Sr. No. | Shareholder's Name                | Shareholding at the beginning of the year (1-4-2017) |                                  |  | Shareholding at the end of the year (31-3-2018) |                                  |  | % 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        | 72347  | 8.39                             | 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      | Nitaaliashemali 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      | Naynaben Surendrabhai Chokshi     | 400  | 0.04                             | 0  | 0   | 0                                | 0  | (0.04)                                   |
| 19      | Kalpiti Rajesh Gandhi             | 70   | 0.01                             | 0  | 70  | 0.01                             | 0  | 0.00                                     |
| 20      | Dharini Ketan Khambhatta          | 0  | 0                                | 0  | 70  | 0.01                             | 0  | 0.01                                     |
| 21      | Khevna Raj Shah                   | 0  | 0                                | 0  | 70  | 0.01                             | 0  | 0.01                                     |
|         | <b>Total</b>                      | <b>442577</b>  | <b>51.30</b>                     | <b>0</b>   | <b>442177</b>                                   | <b>51.26</b>                     | <b>0</b>   | <b>(0.04)</b>                            |

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

| S<br>N | Particulars  | Shareholding at the beginning of the year<br>(As on 1-4-2017) |                                  | Cumulative Shareholding during the year<br>(from 1-4-2017 to 31-3-2018) |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No. of shares   | % of total shares of the company | No. of shares   | % of total shares of the company |
| 1      | <b>Mrs. Naynaben Surendrabhai Chokshi</b>  |   |                                  |   |                                  |
|        | At the beginning of the year   | 1826  | 0.04                             | 1826  | 0.04                             |
|        | Increase / Decrease in Promoters Shareholding during the year due to restructuring of promoters' group | (1826)  | (0.04)                           | 0   | 0                                |
|        | At the end of the year   | 0   | 0                                | 0   | 0                                |
| 2      | <b>Mr. Virendra Ramchandra Gandhi</b>  |   |                                  |   |                                  |
|        | At the beginning of the year   | 72347   | 8.39                             | 72347   | 8.39                             |
|        | Increase / Decrease in Promoters Shareholding during the year due to restructuring of promoters' group | (140)   | (0.02)                           | 72207   | 8.37                             |
|        | At the end of the year   | 72207   | 8.37                             | 72207   | 8.37                             |
| 3      | <b>Ms. Dharini Ketan Khambhatta</b>  |   |                                  |   |                                  |
|        | At the beginning of the year   | 0   | 0                                | 0   | 0                                |
|        | Increase / Decrease in Promoters Shareholding during the year due to restructuring of promoters' group | 70  | 0.01                             | 70  | 0.01                             |
|        | At the end of the year   | 70  | 0.01                             | 70  | 0.01                             |
| 4      | <b>Ms. Khevna Raj Shah</b>   |   |                                  |   |                                  |
|        | At the beginning of the year   | 0   | 0                                | 0   | 0                                |
|        | Increase / Decrease in Promoters Shareholding during the year due to restructuring of promoters' group | 70  | 0.01                             | 70  | 0.01                             |
|        | At the end of the year   | 70  | 0.01                             | 70  | 0.01                             |

**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<br>(As on 1-4-2017) |                                  | Increase/decrease in the shareholding during the year |                                  | Cumulative Shareholding during the year (from 1-4-2017 to 31-3-2018) |                                  |
|----|--|---|----------------------------------|---|----------------------------------|--|----------------------------------|
|    |  | No. of shares   | % of total shares of the company | No. of shares   | % of total shares of the company | No. of shares  | % of total shares of the company |
| 1  | Sanjiv Dhireshbhai Shah                          | 26782   | 3.10                             | 17400   | 2.02                             | 44182  | 5.12                             |
| 2  | Aparna Malav Patel, Abhijit Nimish Vasa          | 14131   | 1.64                             | 0   | 0.00                             | 14131  | 1.64                             |
| 3  | Abhijit Nimish Vasa, Anushi Hasmukhbhai Patel    | 12325   | 1.43                             | 0   | 0.00                             | 12325  | 1.43                             |
| 4  | Munshaw Enterprises Pvt Ltd                      | 11243   | 1.30                             | 0   | 0.00                             | 11243  | 1.30                             |
| 5  | Sandip Kantilal Shah*                            | 9076  | 1.05                             | -5922   | -0.69                            | 3154   | 0.37                             |
| 6  | Narsingh Pal Singh*                              | 8981  | 1.04                             | -3581   | -0.42                            | 5400   | 0.63                             |
| 7  | Mayur Mukundbhai Desai*                          | 8903  | 1.03                             | -8903   | -1.03                            | 0  | 0                                |
| 8  | Manoramaben Madhukar Munshaw                     | 8151  | 0.94                             | 0   | 0.00                             | 8151   | 0.94                             |
| 9  | Lavanya Madhukar Munshaw, Malav Arvindbhai Shah* | 6849  | 0.79                             | 0   | 0.00                             | 6849   | 0.79                             |
| 10 | Fenilbhai Rameshchandra Shah*                    | 6820  | 0.79                             | 0   | 0.00                             | 6820   | 0.79                             |

|    |  |      |        |       |        |       |        |
|----|--|------|--------|-------|--------|-------|--------|
| 11 | Kanchan Sunil Singhania, Sunil Banwarilal Singhania# | 0    | 0.00   | 14914 | 1.73   | 14914 | 1.73   |
| 12 | Javeri Fiscal Services Ltd#                          | 0    | 0      | 10677 | 1.24   | 10677 | 1.2377 |
| 13 | Shah Krinaben Sanjivbhai#                            | 4994 | 0.5789 | 4260  | 0.4938 | 9254  | 1.0727 |
| 14 | Shrey Sanjiv Shah#                                   | 0    | 0      | 8639  | 1.0014 | 8639  | 1.0014 |
| 15 | Abir Investments Private Limited#                    | 2320 | 0.27   | 6263  | 0.72   | 8583  | 0.9949 |

\* Ceased to be in the list of top 10 as on 31-03-2018. The same is reflected above since the shareholder was one of the top 10 shareholders as on 01-04-2017

# Not in the list of top 10 shareholders as on 01-04-2017. The same has been reflected above since the shareholder was one of the top 10 shareholder as on 31-03-2018

#### 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<br>(As on 1-4-2017) |                                  | Cumulative Shareholding during the Year<br>(from 1-4-2017 to 31-3-2018) |                                  |
|-----------|---|---|----------------------------------|---|----------------------------------|
|           |   | No. of shares   | % of total shares of the company | No. of shares   | % of total shares of the company |
| <b>1.</b> | <b>Mr. Rajesh R. Gandhi, 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                             |
| <b>2.</b> | <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                            |
| <b>3.</b> | <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                             |
| <b>4.</b> | <b>Mr. Vishal Surati, Chief Executive Officer</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 Bhaghat, 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  | 1484.64                          | -               | 93.77         | 1578.41            |
| ii) Interest due but not paid                              | -                                | -               | 0.76          | 0.76               |
| iii) Interest accrued but not due                          | 0.86                             | -               | 2.58          | 3.44               |
| <b>Total (i+ii+iii)</b>                                    | <b>1485.50</b>                   | <b>-</b>        | <b>97.11</b>  | <b>1582.61</b>     |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |               |                    |
| * Addition   | 1010.18                          | 45.00           | 34.61         | 1089.79            |
| * Reduction  | (662.24)                         | -               | (29.66)       | (691.90)           |
| <b>Net Change</b>  | <b>347.94</b>                    | <b>45.00</b>    | <b>4.95</b>   | <b>397.89</b>      |
| <b>Indebtedness at the end 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>     |

## 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                  | 28000               | 12000           | 24000             | 76000                 |
|     | 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>28000</b>        | <b>12000</b>    | <b>24000</b>      | <b>76000</b>          |
| 2   | Other Non-Executive Directors                           |                      |                        |                      |                        |                     |                 |                   |                       |
|     | Fee for attending board /committee meetings             | 28000                | 28000                  | 16000                | 0                      | 0                   | 0               | 0                 | 72000                 |
|     | 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>28000</b>         | <b>28000</b>           | <b>16000</b>         | <b>0</b>               | <b>0</b>            | <b>0</b>        | <b>0</b>          | <b>72000</b>          |
|     | <b>Total Managerial Remuneration (1+2)</b>              |                      |                        |                      |                        |                     |                 |                   | <b>148000 (Gross)</b> |
|     | <b>Overall Ceiling as per the Act 10% of Net Profit</b> | 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 | Mr. Rajesh Bhaghat, 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 | 1500000                                    | 415476                                      | 153264                              | 2068740 |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 3072000                                    | 836532                                      | 308592                              | 4217124 |
|    | (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)                      | 480000                                     | 132960                                      | 49056                               | 662016  |
|    | Total   | 5052000                                    | 1384968                                     | 510912                              | 6947880 |

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

## 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 29.09.2016, which is valid for a period of 10 years w.e.f. 1st October, 2016.   |
| d       | Salient terms of the contracts or arrangements or transaction including the value, if any | <ul style="list-style-type: none"> <li>- Purchase of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products and Processed Food Products 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.</li> <li>- 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</li> </ul> |
| e       | Date of approval by the Board   | The Agreement was approved by the Board at its meeting held on 8-8-2016. The details transactions of sale/purchase between VIL and VEL are placed at the Board Meetings on quarterly basis.   |
| f       | Amount paid as advances, if any.  | No.   |

## ANNEXURE – C TO THE DIRECTORS' REPORT

### NOMINATION AND REMUNERATION POLICY OF VADILAL ENTERPRISES LIMITED

#### Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

#### Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Ice-cream industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee at its meeting held on 29<sup>th</sup> May, 2014 and adopted by the Board of Directors at its meeting held on 29<sup>th</sup> May, 2014.

#### Effective Date:

This policy shall be effective from 29<sup>th</sup> May, 2014.

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

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

| Sr. No. | Name of the Member     |   | Designation | Category                                   |
|---------|------------------------|---|-------------|--|
| 1       | Mr. 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 Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

#### Definitions:

1. Board means Board of Directors of the Company.
2. Directors means Directors of the Company.
3. Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
4. Company means Vadilal ENTERPRISES Limited.
5. Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
6. Key Managerial Personnel (KMP) means -
  - (i) Chief Executive Officer and / or Managing Director;
  - (ii) Whole-time Director;
  - (iii) Chief Financial Officer;
  - (iv) Company Secretary;
  - (v) Such other officer as may be prescribed under the applicable statutory provisions /regulations.
7. Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires,

words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### **Applicability:**

The Policy is applicable to :

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

#### **General:**

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.
- The key features of this Company's policy shall be included in the Board's Report.

### **PART – A**

#### **MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE:**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

### **PART – B**

#### **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:**

##### **• Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### **• Term / Tenure:**

##### **1. Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **2. Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations and due to reasons of any fraud, mis-appropriation, cheating, siphoning away of funds, breach of duty, breach of trust, mis-management, financial or other irregularities found in the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **PART – C**

### **POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

- **General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st October in respect of a Whole-time Director and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. **Fixed pay:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break -up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. **Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non- Executive / Independent Director:**

1. **Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

**2. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**3. Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

**4. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

## ANNEXURE – D TO THE DIRECTORS' REPORT

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018

[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**  
Colonnade Building, 10<sup>th</sup> Floor,  
Opp. ISCON Temple BRTS Bus Stand,  
Ambli-Bopal Road, Bopal, Ahmedabad - 380 015,  
Gujarat, 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, 2018** ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (*Not Applicable to the Company during the Audit period*);
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (*Not Applicable to the Company during the Audit period*);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (*Not Applicable to the Company during the Audit period*);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*Not Applicable to the Company during the Audit period*);
  - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*Not Applicable to the Company during the Audit period*); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (*Not Applicable to the Company during the Audit period*);
- vi. 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 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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

**We further report that:**

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

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

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

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

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

During the period under review, 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 some of the parties to the petition are seeking to arrive at an amicable resolution of matter. The matter was lastly heard by the Hon'ble NCLT on 27-07-2018.

**Place : Ahmedabad**

**Date : 11-08-2018**

**Signature:**

**Premnarayan Tripathi, Designated Partner**

**SPAN & Co. Company Secretaries LLP**

**FCS 8851**

**COP: 10029**

**Note:**

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

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**Annexure-A**

To,

The Members

**Vadilal Enterprises Limited**

Colonnade Building, 10th Floor,

Opp. ISCON Temple BRTS Bus Stand,

Ambli-Bopal Road, Bopal, Ahmedabad - 380 015,

Gujarat, India.

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

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

**Place : Ahmedabad**

**Date : 11-08-2018**

**Signature:**

**Premnarayan Tripathi, Designated Partner**

**SPAN & Co. Company Secretaries LLP**

**FCS 8851**

**COP: 10029**

## ANNEXURE – E 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, 2018, 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 – 2017-2018 and the percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year – 2017-2018:**

| 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                                     | N.A.  | 20%  |
| Mr. Rajesh Bhagat, Chief Financial Officer                                     | N.A.  | 5%   |
| Mr. Darshan Shah, Company Secretary  | N.A.  | 13%  |

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 – 2017-2018 : 14.60%**
- c. **The number of permanent employees on the rolls of Company as on 31-3-2018: 610**
- d. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year – 2017-2018 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the year under review, the average annual increase was around 12.64%. 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.

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Vadilal Enterprises Limited

#### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Vadilal Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS included in these Ind AS financial statements has been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial information and the said opening balance sheet dated May 26, 2018 expressed an unmodified opinion.

Our opinion on the Standalone Ind AS Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter.

#### 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) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There 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.

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

(Kartikeya Raval)  
(Partner)  
(Membership No. 106189)

Place : Ahmedabad  
Date : May 28, 2018

## ANNEXURE “A”

**TO THE INDEPENDENT AUDITOR’S REPORT OF VADILAL ENTERPRISES LIMITED (Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of Vadilal Enterprises Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s 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 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.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting 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.

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

(Kartikeya Raval)  
(Partner)  
(Membership No. 106189)

Place : Ahmedabad  
Date : May 28, 2018

## ANNEXURE “B”

### TO THE INDEPENDENT AUDITOR’S REPORT OF VADILAL ENTERPRISES LIMITED (Referred to in paragraph (2) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) Immovable properties of building whose title deed has been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lender.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans to any bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’) hence reporting under clause (iii) of the Order is not applicable.
- (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. 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) Having regard to the nature of the Company’s business / activities, reporting under clause (vi) of the Order is not applicable.
- (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, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As informed to us, the provisions of Customs Duty and Excise Duty were not applicable to the Company during the year.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Goods and Service Tax and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes except as given below:

| Name of Statute                           | Nature of Dues   | Forum where Dispute is Pending                    | Period to which the Amount Relates | Amount Involved (Rs. In Lacs) | Amount Unpaid (Rs. In Lacs) |
|---|------------------|---|------------------------------------|-------------------------------|-----------------------------|
| Central Sales Tax, 1956 and Sales Tax Act | Sales Tax Demand | MEMBER COMMERCIAL TAX TRIBUNAL, BAREILLY          | 2008-09                            | 20.49                         | 13.51                       |
|   | Sales Tax Demand | MEMBER COMMERCIAL TAX TRIBUNAL, BAREILLY          | 2009-10                            | 26.50                         | 17.47                       |
|   | Sales Tax Demand | MEMBER COMMERCIAL TAX TRIBUNAL, BAREILLY          | 2010-11                            | 21.66                         | 4.88                        |
|   | Sales Tax Demand | ADDITIONAL COMMESIONOR- GRADE-2(APPEAL), BAREILLY | 2011-12                            | 3.65                          | 3.65                        |
|   | Sales Tax Demand | MEMBER COMMERCIAL TAX TRIBUNAL, BAREILLY          | 2012-13                            | 11.04                         | 6.62                        |
|   | Sales Tax Demand | ADDITIONAL COMMESIONOR- GRADE-2(APPEAL)           | 2011-12                            | 0.67                          | 0.67                        |

| Name of Statute      | Nature of Dues    | Forum where Dispute is Pending          | Period to which the Amount Relates | Amount Involved (Rs. In Lacs) | Amount Unpaid (Rs. In Lacs) |
|----------------------|-------------------|---|------------------------------------|-------------------------------|-----------------------------|
|                      | Sales Tax Demand  | ADDITIONAL COMMESIONOR- GRADE-2(APPEAL) | 2012-13                            | 0.87                          | 0.87                        |
|                      | Sales Tax Demand  | ADDITIONAL COMMESIONOR- GRADE-2(APPEAL) | 2014-15                            | 0.29                          | 0.29                        |
|                      | Sales Tax Demand  | ADDITIONAL COMMESIONOR- GRADE-2(APPEAL) | 2015-16                            | 1.04                          | 0.74                        |
| Income Tax Act, 1961 | Income Tax Demand | High court                              | A.Y. 1993-94                       | 24.97                         | 24.97                       |
|                      | Income Tax Demand | High court                              | A.Y. 1994-95                       | 19.14                         | 19.14                       |
|                      | Income Tax Demand | High court                              | A.Y. 1993-94 & 1994-95             | 6.48                          | 6.48                        |
|                      | Income Tax Demand | CIT(A)                                  | A.Y.2014-15                        | 2.59                          | 2.59                        |

- (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 financial institutions and banks. The Company has not borrowed from Government and also the Company has not issued debentures.
- (ix) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments). The Company has utilised the money raised by way of term loans during the year for the purpose for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us and based on our examinations of the records, no managerial remuneration is payable by the Company and hence reporting under clause (xi) of the Order is not applicable.
- (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 the Company is in compliance with Section 177 and 188 of the act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements 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 act 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 and Sells LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

(Kartikeya Raval)  
(Partner)  
(Membership No. 106189)

Place : Ahmedabad  
Date : May 28, 2018

# BALANCE SHEET AS AT MARCH 31, 2018

(₹ in lacs)

| Particulars                           | Note No. | As At March 31, 2018 | As At March 31, 2017 | As At April 1, 2016 |
|---------------------------------------|----------|----------------------|----------------------|---------------------|
| <b>I. ASSETS</b>                      |          |                      |                      |                     |
| <b>Non-Current Assets</b>             |          |                      |                      |                     |
| (a) Property, Plant And Equipment     | 3A       | 4,829.17             | 4,754.28             | 4,373.63            |
| (b) Capital Work-In-Progress          | 3B       | 857.06               | 165.74               | 514.77              |
| (c) Other Intangible Assets           | 3C       | 89.37                | 92.88                | 95.39               |
| (d) Financial Assets                  |          |                      |                      |                     |
| (i) Investments                       | 4        | 15.24                | 15.24                | 24.58               |
| (ii) Loans                            | 5        | 4.75                 | 0.83                 | 1.24                |
| (iii) Other Financial Assets          | 6        | 1,477.01             | 1,387.01             | 1,297.34            |
| (e) Deferred Tax Assets (Net)         | 7        | 184.69               | 194.35               | 196.97              |
| (f) Other Non-Current Assets          | 8        | 895.47               | 990.40               | 1,099.37            |
| <b>Total Non-Current Assets</b>       |          | <b>8,352.76</b>      | <b>7,600.73</b>      | <b>7,603.29</b>     |
| <b>Current Assets</b>                 |          |                      |                      |                     |
| (a) Inventories                       | 9        | 2,099.65             | 119.30               | 98.20               |
| (b) Financial Assets                  |          |                      |                      |                     |
| (i) Trade Receivables                 | 10       | 2,492.90             | 2,299.00             | 2,482.04            |
| (ii) Cash And Cash Equivalents        | 11       | 609.08               | 286.63               | 570.30              |
| (iii) Other Balances with Bank        | 12       | 5.63                 | -                    | 0.77                |
| (iv) Loans                            | 13       | 11.01                | 7.12                 | 9.08                |
| (v) Other Financial Assets            | 14       | 21.60                | 21.68                | 21.68               |
| (c) Current Tax Assets (Net)          | 15       | 21.36                | -                    | -                   |
| (d) Other Current Assets              | 16       | 696.34               | 220.92               | 235.95              |
| <b>Total Current Assets</b>           |          | <b>5,957.57</b>      | <b>2,954.65</b>      | <b>3,418.02</b>     |
| <b>Total Assets</b>                   |          | <b>14,310.33</b>     | <b>10,555.38</b>     | <b>11,021.31</b>    |
| <b>II. EQUITY AND LIABILITIES</b>     |          |                      |                      |                     |
| <b>Equity</b>                         |          |                      |                      |                     |
| (a) Equity Share Capital              | 17       | 86.27                | 86.27                | 86.27               |
| (b) Other Equity                      | 18       | 312.77               | 305.91               | 303.99              |
| <b>Total Equity</b>                   |          | <b>399.04</b>        | <b>392.18</b>        | <b>390.26</b>       |
| <b>Liabilities</b>                    |          |                      |                      |                     |
| <b>Non-Current Liabilities</b>        |          |                      |                      |                     |
| (a) Financial Liabilities             |          |                      |                      |                     |
| (i) Borrowings                        | 19       | 981.38               | 551.80               | 132.63              |
| (ii) Other Financial Liabilities      | 20       | 9.18                 | -                    | -                   |
| (b) Provisions                        | 21       | 17.62                | 45.49                | 45.16               |
| <b>Total Non-current Liabilities</b>  |          | <b>1,008.18</b>      | <b>597.29</b>        | <b>177.79</b>       |
| <b>Current Liabilities</b>            |          |                      |                      |                     |
| (a) Financial Liabilities             |          |                      |                      |                     |
| (i) Borrowings                        | 22       | 555.81               | 801.56               | 80.37               |
| (ii) Trade Payables                   | 23       | 4,707.67             | 2,686.90             | 4,553.13            |
| (iii) Other Financial Liabilities     | 24       | 7,247.06             | 5,635.94             | 5,440.18            |
| (b) Other Current Liabilities         | 25       | 221.40               | 306.81               | 276.88              |
| (c) Provisions                        | 26       | 171.17               | 126.40               | 102.70              |
| (d) Current Tax Liabilities (Net)     | 27       | -                    | 8.30                 | -                   |
| <b>Total Current Liabilities</b>      |          | <b>12,903.11</b>     | <b>9,565.91</b>      | <b>10,453.26</b>    |
| <b>Total Liabilities</b>              |          | <b>13,911.29</b>     | <b>10,163.20</b>     | <b>10,631.05</b>    |
| <b>Total Equity &amp; Liabilities</b> |          | <b>14,310.33</b>     | <b>10,555.38</b>     | <b>11,021.31</b>    |

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

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Kartikeya Raval  
Partner

Place : Ahmedabad  
Date : May 28, 2018

For and on behalf of the Board of Directors

Rajesh R. Gandhi  
Chairman & Director  
(DIN - 00009879)

Rajesh I. Bhagat  
Chief Financial Officer

Place : Ahmedabad  
Date : May 28, 2018

Devanshu L. Gandhi  
Director  
(DIN - 00010146)

Darshan Shah  
Company Secretary



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Particulars   | Note No. | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|----------|---------------------------|---------------------------|
| <b>I Revenue From Operations</b>                              | 28       | 54,585.94                 | 51,794.51                 |
| <b>II Other Income</b>  | 29       | 309.37                    | 187.58                    |
| <b>III Total Income (I+II)</b>                                |          | <b>54,895.31</b>          | <b>51,982.09</b>          |
| <b>IV Expenses:</b>   |          |                           |                           |
| Purchase of Stock-In-Trade                                    | 30       | 44,740.47                 | 42,345.28                 |
| Changes In Inventories of Stock-In-Trade                      | 31       | (1,956.13)                | (11.54)                   |
| Employee Benefits Expenses                                    | 32       | 2,772.46                  | 1,959.31                  |
| Finance Costs   | 33       | 250.00                    | 158.09                    |
| Depreciation and Amortization Expenses                        | 3        | 1,060.95                  | 948.47                    |
| Other Expenses  | 34       | 8,005.83                  | 6,533.38                  |
| <b>Total Expense (IV)</b>                                     |          | <b>54,873.58</b>          | <b>51,932.99</b>          |
| <b>V Profit Before Tax (III-IV)</b>                           |          | <b>21.73</b>              | <b>49.10</b>              |
| <b>VI Tax Expenses</b>  |          |                           |                           |
| (A) Current Tax   |          | 2.39                      | 14.98                     |
| (B) Deferred Tax Expenses                                     |          | 4.54                      | 5.02                      |
| (C) Short / (Excess) Provision of Tax of Earlier Years        |          | -                         | 13.49                     |
| <b>Total Tax Expenses</b>                                     |          | <b>6.93</b>               | <b>33.49</b>              |
| <b>VII Profit for the year (V-VI)</b>                         |          | <b>14.80</b>              | <b>15.61</b>              |
| <b>VIII Other Comprehensive Income</b>                        |          |                           |                           |
| Item that will not be reclassified to Profit or Loss          |          |                           |                           |
| - Remeasurement of Defined Benefit Plans                      |          | 0.52                      | (7.79)                    |
| - Tax Expense on Above Items                                  |          | (0.15)                    | 2.41                      |
| <b>Other Comprehensive Income for the year</b>                |          | <b>0.37</b>               | <b>(5.38)</b>             |
| <b>Total Comprehensive Income for the year (VII+VIII)</b>     |          | <b>15.17</b>              | <b>10.23</b>              |
| <b>Earnings per Share (of ₹ 10/- each) (not annualized) :</b> |          |                           |                           |
| - Basic   | 40       | 1.72                      | 1.81                      |
| - Diluted   |          | 1.72                      | 1.81                      |

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

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Kartikeya Raval  
Partner

Place : Ahmedabad  
Date : May 28, 2018

For and on behalf of the Board of Directors

Rajesh R. Gandhi  
Chairman & Director  
(DIN - 00009879)

Rajesh I. Bhagat  
Chief Financial Officer

Place : Ahmedabad  
Date : May 28, 2018

Devanshu L. Gandhi  
Director  
(DIN - 00010146)

Darshan Shah  
Company Secretary

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

### Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.

(₹ in lacs)

| Particulars  | Year Ended<br>March 31, 2018 | Year Ended<br>March 31, 2017 |
|--|------------------------------|------------------------------|
| <b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                              |                              |
| Profit before tax  | 21.73                        | 49.10                        |
| Adjustments for:   |                              |                              |
| Depreciation and Amortisation expense  | 1060.95                      | 948.47                       |
| Depreciation Fund written Back   | -                            | (0.96)                       |
| Loss/(Profit) on sale of Property, Plant & Equipment (net)                                     | (137.03)                     | 21.22                        |
| Dividend income  | -                            | (0.07)                       |
| Interest Income  | (134.71)                     | (136.05)                     |
| Finance Costs  | 250.00                       | 158.09                       |
| Provision for Doubtful Debts   | 75.58                        | 96.55                        |
| Bad Debts Written off  | 31.04                        | 4.69                         |
| Excess Provision /Credit Balance/Deposits Written Back   | (7.91)                       | (12.52)                      |
| Scrap Sale of Asset  | (27.91)                      | (19.12)                      |
|  | <b>1110.01</b>               | <b>1060.30</b>               |
| Operating Profit before Working Capital changes  | <b>1131.74</b>               | <b>1109.40</b>               |
| Changes in Working Capital:  |                              |                              |
| (Increase)/Decrease in Inventories   | (1980.35)                    | (21.10)                      |
| (Increase)/Decrease in Trade receivables, financial assets and other assets                    | (772.51)                     | 131.39                       |
| Increase/(Decrease) in Trade Payables, financial liabilities, other liabilities and provisions | 3364.71                      | (1587.64)                    |
| Cash generated from operations   | <b>611.85</b>                | <b>(1477.35)</b>             |
| Income Tax paid  | (26.78)                      | (24.98)                      |
| Net Cash generated from / (used in) from operating activities (A)                              | <b>1716.81</b>               | <b>(392.93)</b>              |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                              |                              |
| Capital Expenditure on Property, Plant & Equipment   | (1907.78)                    | (1087.53)                    |
| Proceeds from Sale of Property, Plant & Equipment  | 249.04                       | 108.80                       |
| Proceeds from Sale of Non current Investments  | -                            | 9.34                         |
| Interest received  | 134.71                       | 136.05                       |
| Dividend received  | -                            | 0.07                         |
| Net Cash generated from / (used in) from Investing Activities (B)                              | <b>(1524.03)</b>             | <b>(833.27)</b>              |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                              |                              |
| Proceeds from Long Term borrowings   | 1010.82                      | 634.81                       |
| Repayment of Long Term borrowings  | (377.09)                     | (247.07)                     |
| Repayment of Short Term borrowings   | (245.75)                     | 721.19                       |
| Interest paid  | (250.00)                     | (158.09)                     |
| Dividends paid (including tax on dividend)   | (8.31)                       | (8.31)                       |
| Net Cash generated from / (used in) from Financing Activities (C)                              | <b>129.67</b>                | <b>942.53</b>                |
| Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)                                   | <b>322.45</b>                | <b>(283.67)</b>              |
| Cash and cash equivalents at the beginning of the year (Note- 11)                              | <b>286.63</b>                | <b>570.30</b>                |
| Cash and cash equivalents at the end of the year (Note- 11)                                    | <b>609.08</b>                | <b>286.63</b>                |

### Notes :

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

Kartikeya Raval  
Partner

Place : Ahmedabad  
Date : May 28, 2018

For and on behalf of the Board of Directors

Rajesh R. Gandhi  
Chairman & Director  
(DIN - 00009879)

Rajesh I. Bhagat  
Chief Financial Officer

Place : Ahmedabad  
Date : May 28, 2018

Devanshu L. Gandhi  
Director  
(DIN - 00010146)

Darshan Shah  
Company Secretary

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| 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, 2016</b>              | 86.27                | 0.37            | 93.21                      | 212.50           | (2.09)             | 390.26       |
| Profit for the year                             |                      |                 |                            |                  | 15.61              | 15.61        |
| Other Comprehensive Income (Net of Income tax)  |                      |                 |                            |                  | (5.38)             | (5.38)       |
| <b>Total Comprehensive Income for the year</b>  |                      |                 |                            |                  | 10.23              | 10.23        |
| Payment of Dividend (Including tax on dividend) | -                    | -               | -                          | -                | 8.31               | 8.31         |
| <b>Balance as at March 31, 2017</b>             | -                    | -               | -                          | -                | 8.31               | 8.31         |
| <b>Balance as at April 1, 2017</b>              | 86.27                | 0.37            | 93.21                      | 212.50           | (0.17)             | 392.18       |
| Profit for the year                             |                      |                 |                            |                  | (0.17)             | 392.18       |
| Other Comprehensive Income (Net of Income tax)  |                      |                 |                            |                  | 14.80              | 14.80        |
| <b>Total Comprehensive Income for the year</b>  |                      |                 |                            |                  | 0.37               | 0.37         |
| Payment of Dividend (Including tax on dividend) | -                    | -               | -                          | -                | 15.17              | 15.17        |
| <b>Balance as at March 31, 2018</b>             | 86.27                | 0.37            | 93.21                      | 212.50           | 6.69               | 399.04       |

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Kartikeya Raval**  
Partner

Place : Ahmedabad  
Date : May 28, 2018

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

**Rajesh I. Bhagat**  
Chief Financial Officer

Place : Ahmedabad  
Date : May 28, 2018

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

**Darshan Shah**  
Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. COMPANY OVERVIEW:-

Vadilal Enterprises Limited is a public company domiciled in India 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, 2018 were approved and authorised for issue by the Board of Directors on May 28, 2018.

### 2. SIGNIFICANT ACCOUNTING POLICIES:-

#### a) Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 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 reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

- 1) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
- 2) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- 3) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

#### c) Use of Estimates

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

Estimates and underlying assumptions are reviewed on an 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 from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts & incentives and volume rebates.

##### 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 reporting period, 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.

##### **Transition to Ind AS**

For transition to Ind AS, the Company has elected to apply IndAS retrospectively to arrive at carrying value of all its property, plant and equipments.

#### 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 reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

##### **Derecognition of intangible assets**

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

##### **Useful lives of intangible assets**

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

##### **Transition to Ind AS**

For transition to Ind AS, the Company has elected to apply IndAS retrospectively to arrive at carrying value of all its property, plant and equipments.

#### 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 reporting period, 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 short-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 in any period presented.

**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 reporting period.

**Deferred tax**

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, 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 reporting period, 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 reporting period, 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 reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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 reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next financial year.

##### **i. Income taxes**

As described in Note 2(n), the Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

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

As described in Note 40, 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.

##### **iii. 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 reporting period. 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.

##### **iv. 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.

##### **v. 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.

##### **vi. Fair value measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Information about the fair value of various assets and liabilities are disclosed in note 36.

NOTE-3  
PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

| Particulars                            | Gross Block         |                           |                        | Depreciation and Amortisation |                     |               | Net Block            |                     |
|--|---------------------|---------------------------|------------------------|-------------------------------|---------------------|---------------|----------------------|---------------------|
|  | As at April 1, 2016 | Additions during the year | Gross Block Deductions | As at March 31, 2017          | As at April 1, 2016 | For the year  | As at March 31, 2017 | As at April 1, 2016 |
| <b>A Property, Plant and Equipment</b> |                     |                           |                        |                               |                     |               |                      |                     |
| - At Cost                              |                     |                           |                        |                               |                     |               |                      |                     |
| Building                               | 56.40               | -                         | -                      | 56.40                         | 32.22               | 0.68          | 32.90                | 24.18               |
| Plant and Machinery                    | 8,065.20            | 1,375.46                  | 554.67                 | 8,885.99                      | 3,809.75            | 888.51        | 4,634.79             | 4,255.45            |
| Computer & Periferal                   | 103.67              | 19.30                     | -                      | 122.97                        | 79.84               | 11.04         | 90.88                | 23.83               |
| Office Equipments                      | 68.09               | 11.15                     | 0.26                   | 78.98                         | 36.16               | 9.76          | 45.84                | 31.93               |
| Furniture and Fixtures                 | 40.52               | 3.90                      | -                      | 44.42                         | 23.55               | 4.39          | 27.94                | 16.97               |
| Vehicles                               | 158.90              | -                         | 43.26                  | 116.64                        | 138.63              | 4.83          | 102.36               | 21.27               |
| <b>Total</b>                           | <b>8,493.78</b>     | <b>1,409.81</b>           | <b>598.19</b>          | <b>9,305.40</b>               | <b>4,120.15</b>     | <b>919.21</b> | <b>4,551.12</b>      | <b>4,373.63</b>     |
| <b>B Capital Work-in-Progress</b>      |                     |                           |                        |                               |                     |               |                      |                     |
| <b>Total</b>                           | <b>514.77</b>       | <b>774.25</b>             | <b>1,123.28</b>        | <b>165.74</b>                 | -                   | -             | -                    | <b>514.77</b>       |
| <b>C Other Intangible Assets</b>       |                     |                           |                        |                               |                     |               |                      |                     |
| - At Cost                              |                     |                           |                        |                               |                     |               |                      |                     |
| Software & Development                 | 137.26              | 26.75                     | -                      | 164.01                        | 41.87               | 29.26         | 71.13                | 95.39               |
| <b>Total</b>                           | <b>137.26</b>       | <b>26.75</b>              | <b>-</b>               | <b>164.01</b>                 | <b>41.87</b>        | <b>29.26</b>  | <b>71.13</b>         | <b>95.39</b>        |

## NOTE-3

## PROPERTY, PLANT AND EQUIPMENT

| Particulars                            | (₹ in lacs)         |  |                 |                      |                     |                 |               |                      |
|--|---------------------|--|-----------------|----------------------|---------------------|-----------------|---------------|----------------------|
|  | As at April 1, 2017 | Gross Block<br>Additions during the year | Deductions      | As at March 31, 2018 | As at April 1, 2017 | For the year    | Deductions    | As at March 31, 2018 |
| <b>A Property, Plant and Equipment</b> |                     |  |                 |                      |                     |                 |               |                      |
| - At Cost                              |                     |  |                 |                      |                     |                 |               |                      |
| Building                               | 56.40               |  | 18.37           | 38.03                | 32.90               | 0.77            | 17.88         | 22.24                |
| Plant and Machinery                    | 8,885.99            | 1,117.02                                 | 365.08          | 9,637.93             | 4,251.20            | 978.41          | 281.61        | 4,948.00             |
| Computer & Periferal                   | 122.97              | 23.09                                    | -               | 146.06               | 90.88               | 16.11           | -             | 106.99               |
| Office Equipments                      | 78.98               | 11.33                                    | 0.24            | 90.07                | 45.84               | 14.01           | 0.07          | 59.78                |
| Furniture and Fixtures                 | 44.42               | 4.79                                     | -               | 49.21                | 27.94               | 10.20           | -             | 38.14                |
| Vehicles                               | 116.64              | 26.02                                    | -               | 142.66               | 102.36              | 3.73            | -             | 106.09               |
| <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>B Capital Work-in-Progress</b>      | <b>165.74</b>       | <b>1,808.34</b>                          | <b>1,117.02</b> | <b>857.06</b>        | <b>-</b>            | <b>-</b>        | <b>-</b>      | <b>857.06</b>        |
| <b>Total</b>                           | <b>165.74</b>       | <b>1,808.34</b>                          | <b>1,117.02</b> | <b>857.06</b>        | <b>-</b>            | <b>-</b>        | <b>-</b>      | <b>857.06</b>        |
| <b>C Other Intangible Assets</b>       |                     |  |                 |                      |                     |                 |               |                      |
| - At Cost                              |                     |  |                 |                      |                     |                 |               |                      |
| Software & Development                 | 164.01              | 34.21                                    | -               | 198.22               | 71.13               | 37.72           | -             | 108.85               |
| <b>Total</b>                           | <b>164.01</b>       | <b>34.21</b>                             | <b>-</b>        | <b>198.22</b>        | <b>71.13</b>        | <b>37.72</b>    | <b>-</b>      | <b>108.85</b>        |

2) Plant & Machinery includes Deep Freeze Machine & Freezers on Wheels given on cancellable operating lease. Gross Block ₹ 3,694.65 Lacs (as at March 31 ,2017. ₹ 3,562.93 lacs,as at April 1 ,2016 , ₹ 4,171.52 lacs ) Accumulated Depreciation ₹ 1,635.82 Lacs (as at March 31 ,2017 ₹ 1,100.08 lacs ,as at April 1 ,2016 ₹ 878.64 lacs) Net Carrying Amount ₹ 2,462.85 (as at March 31 ,2017 ₹ 3,292.88 lacs, as at April 1 ,2016 ₹ 3,292.88 lacs)

| Particulars | Face Value | As At          |             | As At          |             | As At         |             |
|-------------|------------|----------------|-------------|----------------|-------------|---------------|-------------|
|             |            | March 31, 2018 |             | March 31, 2017 |             | April 1, 2016 |             |
|             |            | Units          | (₹ in Lacs) | Units          | (₹ in Lacs) | Units         | (₹ in Lacs) |

**NOTE- 4**

**NON-CURRENT INVESTMENTS**

**A) Investment in Equity Instruments of Associate at FVTPL (Unquoted fully paid up) :**

|   |      |     |   |     |   |          |              |
|---|------|-----|---|-----|---|----------|--------------|
| Vadilal Forex & Consultancy Services Ltd. | ₹ 10 | NIL | - | NIL | - | 70,000   | 18.20        |
| Majestic Farm House Ltd                   | ₹ 10 | NIL | - | NIL | - | 1,15,200 | 5.76         |
|   |      |     | - |     | - |          | <b>23.96</b> |

**B) Investment in Equity Instruments of other companies at FVTPL(Unquoted fully paid up) : (Refer Note 2(b))**

|   |      |        |              |        |              |       |              |
|---|------|--------|--------------|--------|--------------|-------|--------------|
| (i) Gujarat Narmada Knitwear Limited          | ₹ 10 | NIL    | -            | 2,000  | -            | 2,000 | -            |
| (ii) Aminex Chemical Limited                  | ₹ 10 | NIL    | -            | 400    | -            | 400   | -            |
| (iii) Textile Traders Co-op.Bank Ltd          | ₹ 10 | NIL    | -            | NIL    | -            | 2,450 | 0.61         |
| (iv) Siddhi Co-op Bank Ltd                    | ₹ 10 | NIL    | -            | NIL    | -            | 40    | 0.01         |
| (v) Vadilal Forex & Consultancy Services Ltd. | ₹ 10 | 48,000 | 12.48        | 48,000 | 12.48        | NIL   | -            |
| (vi) Majestic Farm House Ltd                  | ₹ 10 | 55,200 | 2.76         | 55,200 | 2.76         | NIL   | -            |
|   |      |        | <b>15.24</b> |        | <b>15.24</b> |       | <b>0.62</b>  |
| <b>Total</b>                                  |      |        | <b>15.24</b> |        | <b>15.24</b> |       | <b>24.58</b> |

| Particulars  | (₹ in lacs)          |                      |                     |
|--|----------------------|----------------------|---------------------|
|  | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| <b>NOTE- 5 LOANS</b>   |                      |                      |                     |
| <b>NON CURRENT</b>   |                      |                      |                     |
| Loans to employees   | 4.75                 | 0.83                 | 1.24                |
| <b>Total</b>   | <b>4.75</b>          | <b>0.83</b>          | <b>1.24</b>         |
| Note: Refer note 39 for detailed disclosure on the fair value.         |                      |                      |                     |
| <b>NOTE- 6 OTHER FINANCIAL ASSETS</b>                                  |                      |                      |                     |
| <b>NON CURRENT</b>   |                      |                      |                     |
| Deposits with original maturity of more than 12 months (Refer Note 12) | 8.39                 | 15.88                | 40.13               |
| Security Deposits  | 1,468.62             | 1,371.13             | 1,257.21            |
| <b>Total</b>   | <b>1,477.01</b>      | <b>1,387.01</b>      | <b>1,297.34</b>     |
| Note: Refer note 39 for detailed disclosure on the fair value.         |                      |                      |                     |
| <b>NOTE- 7 DEFERRED TAX ASSETS (NET)</b>                               |                      |                      |                     |
| Deferred Tax Assets  | 508.14               | 537.15               | 562.73              |
| Deferred Tax Liabilities   | (323.45)             | (342.80)             | (365.76)            |
| <b>Total</b>   | <b>184.69</b>        | <b>194.35</b>        | <b>196.97</b>       |

| Movement during the year ended<br>March 31, 2017  | As at April<br>1, 2016 | Recognised/<br>(Reversed) in<br>statement of Profit<br>and Loss | Recognised/<br>(Reversed) in Other<br>Comprehensive<br>Income | Other<br>Adjustment | As at<br>March<br>31, 2017 |
|---|------------------------|---|---|---------------------|----------------------------|
| <b>Deferred Tax Liabilities/(Assets)</b>  |                        |   |   |                     |                            |
| Property, Plant and Equipment   | 64.04                  | 16.01   | -   | -                   | 80.05                      |
| Investments   | (6.21)                 | -   | -   | -                   | (6.21)                     |
| Expenditure allowed in the year of payment  | 57.75                  | (3.85)  | -   | -                   | 53.90                      |
| Provision for doubtful debts & advances   | 61.35                  | (11.23)   | -   | -                   | 50.12                      |
| Discounting of security deposit to present value<br>and corresponding impact on other expenses  | (359.55)               | 29.05   | -   | -                   | (330.50)                   |
| Discounting of security deposit to present value<br>and corresponding impact on interest income | 372.35                 | (28.93)   | -   | -                   | 343.42                     |
| Increase in borrowing cost pursuant to<br>application of EIR                                    | -                      | (3.67)  | -   | -                   | (3.67)                     |
| Others  | -                      | (2.40)  | 2.41  | (0.01)              | -                          |
| MAT Credit Entitlement (Net)  | 7.24                   | -   | -   | -                   | 7.24                       |
| <b>Total</b>  | <b>196.97</b>          | <b>(5.02)</b>   | <b>2.41</b>   | <b>(0.01)</b>       | <b>194.35</b>              |

(₹ in lacs)

| Movement during the year ended<br>March 31, 2018  | As at April<br>1, 2017 | Recognised/<br>(Reversed) in<br>statement of Profit<br>and Loss | Recognised/<br>(Reversed) in Other<br>Comprehensive<br>Income | Other<br>Adjustment* | As at<br>March<br>31, 2018 |
|---|------------------------|---|---|----------------------|----------------------------|
| <b>Deferred Tax Liabilities/(Assets)</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<br>and corresponding impact on other expenses  | (330.50)               | 28.51   | -   | -                    | (301.99)                   |
| Discounting of security deposit to present value<br>and corresponding impact on interest income | 343.42                 | (30.71)   | -   | -                    | 312.71                     |
| Increase in borrowing cost pursuant to<br>application of EIR                                    | (3.67)                 | (9.32)  | -   | -                    | (12.99)                    |
| Others  | -                      | 3.47  | (0.15)  | -                    | 3.32                       |
| MAT Credit Entitlement (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>              |

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

(₹ in lacs)

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| <b>NOTE - 8 OTHER ASSETS</b>                                |                         |                         |                        |
| <b>NON CURRENT</b>  |                         |                         |                        |
| <b>(Unsecured, Considered good unless otherwise stated)</b> |                         |                         |                        |
| Advance Income Tax (Net of Provisions)                      | 11.19                   | 16.51                   | 31.62                  |
| Capital advances  | 3.32                    | 0.65                    | 0.54                   |
| Prepaid Expenses  | 880.96                  | 973.24                  | 1,067.21               |
| <b>Total</b>  | <b>895.47</b>           | <b>990.40</b>           | <b>1,099.37</b>        |

(₹ in lacs)

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| <b>NOTE- 9 INVENTORIES</b>  |                         |                         |                        |
| <b>(At lower of cost and net realisable value)</b>  |                         |                         |                        |
| Raw Materials   | 3.49                    | 0.55                    | 0.50                   |
| Stock in Trade*   | 1,962.81                | 14.78                   | 5.00                   |
| Packing Materials   | 8.45                    | 3.28                    | 1.57                   |
| Stores, Spares and Consumables  | 124.90                  | 100.69                  | 91.13                  |
| <b>Total</b>  | <b>2,099.65</b>         | <b>119.30</b>           | <b>98.20</b>           |
| * Stock in trade includes goods in transit ₹ 148.76 Lacs (as at March 31, 2017 - NIL , as at April 1, 2016 - NIL) |                         |                         |                        |
| <b>NOTE- 10 TRADE RECEIVABLES</b>   |                         |                         |                        |
| Secured, Considered good  | 1,606.15                | 1,289.86                | 1,101.42               |
| Unsecured, Considered good  | 886.75                  | 1,009.14                | 1,380.62               |
| Unsecured, Considered doubtful  | 152.13                  | 145.47                  | 181.81                 |
|   | 2,645.03                | 2,444.47                | 2,663.85               |
| Less: Allowance for Doubtful Trade Receivables (expected credit loss allowance)                                   | 152.13                  | 145.47                  | 181.81                 |
| <b>Total</b>  | <b>2,492.90</b>         | <b>2,299.00</b>         | <b>2,482.04</b>        |
| <b>Breakup of Trade Receivables</b>   |                         |                         |                        |
| Trade receivables from Other than Related parties   | 2,490.73                | 2,298.31                | 2,471.48               |
| Trade receivables Related parties (refer note: 41)  | 2.17                    | 0.69                    | 10.56                  |
| <b>Total</b>  | <b>2,492.90</b>         | <b>2,299.00</b>         | <b>2,482.04</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 by customer. Limits attributed to customers are reviewed annually. There are no customers who represent more than 5% of the total balance of trade receivable.
- 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.
- Movement in Expected Credit Loss Allowance**

| Particulars  |               |               |               |
|--|---------------|---------------|---------------|
| Balance at the beginning of the year                       | 145.47        | 181.81        | 163.93        |
| Add: Allowance for the year                                | 108.85        | 115.40        | 101.46        |
| (Less): Actual Write off during the year( net of recovery) | (102.19)      | (151.74)      | (83.58)       |
| <b>Balance at the end of the year</b>                      | <b>152.13</b> | <b>145.47</b> | <b>181.81</b> |

- Borrowings are secured by first paripassu charge on stock ,book debts and other chargeable current assets. (Note 22)
- Refer Note 37 for information about credit risk and market risk of Trade receivables.

**NOTE- 11 CASH AND CASH EQUIVALENTS**

|                                      |               |               |               |
|--------------------------------------|---------------|---------------|---------------|
| Balances with banks :                |               |               |               |
| In Current Accounts                  | 583.62        | 270.74        | 544.25        |
| In Deposit Repayment Reserve Account | 15.77         | 4.78          | 0.78          |
| In Unclaimed Dividend Accounts       | 2.98          | 3.06          | 3.04          |
| Cash on hand                         | 6.71          | 8.05          | 22.23         |
| <b>Total</b>                         | <b>609.08</b> | <b>286.63</b> | <b>570.30</b> |

(₹ in lacs)

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| <b>NOTE- 12 OTHER BALANCES WITH BANKS</b>   |                         |                         |                        |
| Deposits with original maturity for more than three months  | 14.02                   | 15.88                   | 40.90                  |
|   | 14.02                   | 15.88                   | 40.90                  |
| Less : Deposits with Original Maturity of more than 12 months   |                         |                         |                        |
| Amount disclosed under Non - Current Financial Assets (Refer Note 6)                                      | 8.39                    | 15.88                   | 40.13                  |
| <b>Total</b>  | <b>5.63</b>             | <b>-</b>                | <b>0.77</b>            |
| <b>NOTE- 13 LOANS</b>   |                         |                         |                        |
| <b>CURRENT</b>  |                         |                         |                        |
| Loan to Employees   | 11.01                   | 7.12                    | 9.08                   |
| <b>Total</b>  | <b>11.01</b>            | <b>7.12</b>             | <b>9.08</b>            |
| <b>NOTE- 14 OTHER FINANCIAL ASSETS</b>  |                         |                         |                        |
| <b>CURRENT</b>  |                         |                         |                        |
| Interest Receivable (Refer note - 41)   | 21.60                   | 21.68                   | 21.68                  |
| <b>Total</b>  | <b>21.60</b>            | <b>21.68</b>            | <b>21.68</b>           |
| <b>NOTE- 15 CURRENT TAX ASSETS/(LIABILITIES) (NET)</b>  |                         |                         |                        |
| Income tax Payable (Net of Advance payment of Tax)  | 21.36                   | -                       | -                      |
| <b>Total</b>  | <b>21.36</b>            | <b>-</b>                | <b>-</b>               |
| <b>NOTE- 16 OTHER ASSETS</b>  |                         |                         |                        |
| <b>CURRENT</b>  |                         |                         |                        |
| Prepaid Expenses  | 126.21                  | 22.23                   | 6.40                   |
| Balances with Government Authorities  | 415.78                  | 43.72                   | 34.18                  |
| Advance Royalty   | 96.39                   | 96.39                   | 96.39                  |
| Advances recoverable in cash or in kind or for value to be received                                       | 71.82                   | 72.44                   | 112.84                 |
| Less: Provided for Doubtful Advance   | (13.86)                 | (13.86)                 | (13.86)                |
|   | 57.96                   | 58.58                   | 98.98                  |
| <b>Total</b>  | <b>696.34</b>           | <b>220.92</b>           | <b>235.95</b>          |
| <b>NOTE- 17 EQUITY SHARE CAPITAL</b>  |                         |                         |                        |
| <b>Authorised Share Capital:</b>  |                         |                         |                        |
| 20,00,000 (As at March 31, 2017: 20,00,000, As at April 1, 2016 : 20,00,000) equity shares of ₹ 10/- each | 200.00                  | 200.00                  | 200.00                 |
|   | <b>200.00</b>           | <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, 2017: 8,70,148, As at April 1, 2016 : 8,70,148) equity shares of ₹ 10/- each    | 87.01                   | 87.01                   | 87.01                  |
|   | <b>87.01</b>            | <b>87.01</b>            | <b>87.01</b>           |
| <b>Paid up Share Capital:</b>   |                         |                         |                        |
| 8,62,668 (As at March 31, 2017: 8,62,668, As at April 1, 2016 : 8,62,668) equity shares of ₹ 10/- each    | 86.27                   | 86.27                   | 86.27                  |
|   | <b>86.27</b>            | <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, 2018 |              | As at March 31, 2017 |              | As at April 1, 2016 |              |
|---|----------------------|--------------|----------------------|--------------|---------------------|--------------|
|   | No. of shares        | (₹ in Lacs)  | No. of shares        | (₹ in Lacs)  | No. of shares       | (₹ in Lacs)  |
| Outstanding at the beginning of the period  | 8,62,668             | 86.27        | 8,62,668             | 86.27        | 8,62,668            | 86.27        |
| Add: Issued shares during the year          | -                    | -            | -                    | -            | -                   | -            |
| Less: Buy-Back during the year              | -                    | -            | -                    | -            | -                   | -            |
| <b>Outstanding at the end of the period</b> | <b>8,62,668</b>      | <b>86.27</b> | <b>8,62,668</b>      | <b>86.27</b> | <b>8,62,668</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, 2018 |              | As at March 31, 2017 |              | As at April 1, 2016 |              |
|--|----------------------|--------------|----------------------|--------------|---------------------|--------------|
|  | No. of shares        | % of Holding | No. of shares        | % of Holding | No. of shares       | % of Holding |
| <b>Equity Shares of ₹ 10 each fully paid</b> |                      |              |                      |              |                     |              |
| 1 Devanshu Laxmanbhai Gandhi                 | 1,09,145             | 12.65%       | 1,09,145             | 12.65%       | 1,09,145            | 12.65%       |
| 2 Rajesh Ramchandra Gandhi                   | 78,408               | 9.09%        | 78,408               | 9.09%        | 78,408              | 9.09%        |
| 3 Virendra Ramchandra Gandhi                 | 72,347               | 8.39%        | 72,347               | 8.39%        | 72,347              | 8.39%        |
| 4 Vortex Ice-cream Pvt. Ltd.                 | 43,308               | 5.02%        | 43,308               | 5.02%        | 43,308              | 5.02%        |
| 5 Vadilal Marketing Pvt. Ltd.                | 43,299               | 5.02%        | 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.

(₹ in lacs)

| Particulars   | As at March 31, 2018 | As at March 31, 2017 |
|---|----------------------|----------------------|
| <b>NOTE- 18 OTHER EQUITY</b>  |                      |                      |
| <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                                    | (5.38)               | -                    |
| Remeasurement of Employee Benefit                                       | 0.37                 | (5.38)               |
| <b>Balance at the end of the year</b>                                   | <b>(5.01)</b>        | <b>(5.38)</b>        |
| <b>Surplus in the Statement of Profit and loss</b>                      |                      |                      |
| <b>Balance at the beginning of the year</b>                             | 5.21                 | (2.09)               |
| Add: Profit for the year  | 14.80                | 15.61                |
| Less : Payment of Dividend on equity shares (Including Tax on dividend) | 8.31                 | 8.31                 |
| Total Appropriations  | 8.31                 | 8.31                 |
| <b>Balance at the end of the year</b>                                   | <b>11.70</b>         | <b>5.21</b>          |
| <b>Total</b>  | <b>312.77</b>        | <b>305.91</b>        |



## Notes

- a) On October 01, 2016, a dividend of ₹ 0.80 per share (total dividend ₹ 8.31 lacs) was paid to holders of fully paid equity shares. On October 06, 2017, 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 May 28th, 2018, have proposed a final dividend of ₹ 0.80 per equity share for the financial year ended March 31, 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on September, 2018 and if approved would result in a cash outflow of approximately ₹ 8.31 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.

| (₹ in lacs)  |  |  |                                       |
|--|--|--|---------------------------------------|
| Particulars  | Non - Current                          |  |                                       |
|  | As at<br>March 31, 2018<br>(₹ in Lacs) | As at<br>March 31, 2017<br>(₹ in Lacs) | As at<br>April 1, 2016<br>(₹ in Lacs) |
| <b>NOTE- 19 BORROWING</b>                            |  |  |                                       |
| <b>NON CURRENT</b>                                   |  |  |                                       |
| <b>Secured-at amortised Cost</b>                     |  |  |                                       |
| Term Loans from Banks                                | 1,234.44                               | 620.17                                 | 6.54                                  |
| Less : Current maturity of long term loans (Note 24) | (343.64)                               | (142.05)                               | (4.49)                                |
|  | <b>890.80</b>                          | <b>478.12</b>                          | <b>2.05</b>                           |
| From Financial Institution (Secured)                 | 76.31                                  | 66.66                                  | 298.81                                |
| Less : Current maturity of long term loans (Note 24) | (19.08)                                | (66.66)                                | (232.15)                              |
|  | <b>57.23</b>                           | -                                      | <b>66.66</b>                          |
| From Others (Secured)                                | -                                      | -                                      | 10.39                                 |
| Less : Current maturity of long term loans (Note 24) | -                                      | -                                      | (10.39)                               |
|  | <b>948.03</b>                          | <b>478.12</b>                          | <b>68.71</b>                          |
| <b>Unsecured-at amortised Cost</b>                   |  |  |                                       |
| Fixed Deposits                                       | 90.38                                  | 80.57                                  | 63.92                                 |
| Less : Current maturity of long term loans (Note 24) | (57.03)                                | (6.89)                                 | -                                     |
|  | <b>33.35</b>                           | <b>73.68</b>                           | <b>63.92</b>                          |
| <b>Total</b>   | <b>981.38</b>                          | <b>551.80</b>                          | <b>132.63</b>                         |

## Repayment Schedule of Loans

| Sr. No. | Name of the Bank  | Outstanding as March 31, 2018 | Outstanding as March 31, 2017 | Outstanding as April 1, 2016 | Effective Rate of Interest | Terms of Repayment                                |
|---------|---|-------------------------------|-------------------------------|------------------------------|----------------------------|---|
|         |   | ₹ in Lacs                     | ₹ in Lacs                     | ₹ in Lacs                    |                            |   |
| 1       | Bank of India (Refer Note No.i)                         | 490.00                        | 630.00                        | -                            | 14.10%                     | Repayable in 42 Monthly installment of 11.67 Lacs |
| 2       | Bank of India (Refer Note No.i)                         | 739.64                        | -                             | -                            | 12.00%                     | Repayable in 50 Monthly installment of 16.67 Lacs |
| 3       | Vehicle Loan (Refer Note No. iii) HDFC Bank Limited     | -                             | 2.05                          | 6.54                         | 12.00%                     | Repaid by September, 2016                         |
| 4       | Vehicle Loan (Refer Note No. iii) HDFC Bank Limited     | 24.32                         | -                             | -                            | 12.00%                     | Repayable in 66 Monthly installment of 0.46 Lacs  |
| 5       | IBM India Pvt. Ltd. (Refer Note No.iv)                  | -                             | -                             | 10.39                        | 13.00%                     | Repaid by September, 2017                         |
| 6       | Tata Capital Financial Services Ltd. (Refer Note No.ii) | -                             | 66.66                         | 298.81                       | 11.50%                     | Repaid by July, 2017                              |
| 7       | Tata Capital Financial Services Ltd. (Refer Note No.ii) | 46.30                         | -                             | -                            | 11.50%                     | Repayable in 48 Monthly installment of 0.96 Lacs  |
| 8       | Tata Capital Financial Services Ltd. (Refer Note No.ii) | 30.00                         | -                             | -                            | 11.50%                     | Repayable in 48 Monthly installment of 0.93 Lacs  |
|         |   | <b>1330.26</b>                | <b>698.71</b>                 | <b>315.74</b>                |                            |   |
| 9       | Fixed Deposits  | 90.38                         | 80.57                         | 63.92                        | 9.5% to 11%                | 12 to 36 months based on period of deposits       |

\* Each EMI includes interest portion also.

- 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 Soccity, Navrangpura, Ahmedabad)
- 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.
- The Term Loans from BOI and TATA Capital service Limited are secured by Corporate Guarantee Vadilal Industries Ltd.
- Vehicle loans from HDFC Bank Limited are secured against hypothecation of specific vehicles of the Company.
- Equipment Lease and financing transaction for SAP project for ₹ 200 Lacs availed by compnay from IBM India Pvt, Ltd. is guaranteed by some of the Directotrs and group company.
- Refer Note 39 for information about liquidity risk.
- Amount stated in current maturity is disclosed under the head of "Other Current Financial Liabilities" (Note-24)

(₹ in lacs)

| Particulars                                 | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|----------------------|----------------------|---------------------|
| <b>NOTE- 20 OTHER FINANCIAL LIABILITIES</b> |                      |                      |                     |
| <b>NON CURRENT</b>                          |                      |                      |                     |
| Financial Guarantee Liabilities             | 9.18                 | -                    | -                   |
| <b>Total</b>                                | <b>9.18</b>          | <b>-</b>             | <b>-</b>            |
| <b>NOTE- 21 PROVISIONS</b>                  |                      |                      |                     |
| <b>NON CURRENT</b>                          |                      |                      |                     |
| <b>Employee Benefits</b>                    |                      |                      |                     |
| Gratuity ( Refer Note 42)                   | 17.62                | 45.49                | 45.16               |
| <b>Total</b>                                | <b>17.62</b>         | <b>45.49</b>         | <b>45.16</b>        |

(₹ in lacs)

| Particulars  | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| <b>NOTE- 22 BORROWINGS</b>                               |                         |                         |                        |
| <b>CURRENT</b>   |                         |                         |                        |
| <b>Secured-at amortised Cost</b>                         |                         |                         |                        |
| Working Capital Loans (Secured) (Refer Note - (i) Below) | 500.78                  | 785.93                  | -                      |
| <b>Unsecured-at amortised Cost</b>                       |                         |                         |                        |
| Inter Corporate Deposit                                  | 45.00                   | -                       | 64.32                  |
| Book Overdraft in current account with Banks             | 1.48                    | 2.43                    | -                      |
| Fixed Deposits from Public                               | 8.55                    | 13.20                   | 16.05                  |
| <b>Total</b>   | <b>555.81</b>           | <b>801.56</b>           | <b>80.37</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 Vadilal Industries Ltd.

#### NOTE- 23 TRADE PAYABLES

|                                     |                 |                 |                 |
|-------------------------------------|-----------------|-----------------|-----------------|
| Micro, Small and Medium Enterprises | -               | -               | -               |
| Others (Refer Note 41)              | 4,707.67        | 2,686.90        | 4,553.13        |
| <b>Total</b>                        | <b>4,707.67</b> | <b>2,686.90</b> | <b>4,553.13</b> |

#### Note on MSMED:

Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.

#### NOTE-24 OTHER FINANCIAL LIABILITIES

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| <b>CURRENT</b>                                   |                 |                 |                 |
| Current maturities of long-term debt (Note - 19) |                 |                 |                 |
| From Banks (Secured)                             | 343.64          | 142.05          | 4.49            |
| From Financial Institution (Secured)             | 19.08           | 66.66           | 232.15          |
| From Others (Unsecured)                          | -               | -               | 10.39           |
| Public Fixed Deposits                            | 57.03           | 6.89            | -               |
| Interest accrued                                 | 6.10            | 5.05            | 4.00            |
| Unclaimed Dividends*                             | 2.98            | 3.06            | 3.04            |
| Unclaimed Deposits and Interest accrued thereon  | 1.79            | 2.01            | 2.03            |
| Payable for Capital Goods                        | 925.89          | 255.68          | 588.76          |
| Financial Guarantee Liabilities                  | 1.57            | -               | -               |
| Security Deposits from Customers                 | 5,767.58        | 5,043.75        | 4,446.37        |
| Other Liabilities                                | 121.40          | 110.79          | 148.95          |
| <b>Total</b>                                     | <b>7,247.06</b> | <b>5,635.94</b> | <b>5,440.18</b> |

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

(₹ in lacs)

| Particulars  | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| <b>NOTE-25 OTHER LIABILITIES</b>                   |                         |                         |                        |
| <b>CURRENT</b>                                     |                         |                         |                        |
| Statutory dues payable                             | 159.51                  | 201.29                  | 178.10                 |
| Advances from customers                            | 61.89                   | 105.52                  | 98.78                  |
| <b>Total</b>                                       | <b>221.40</b>           | <b>306.81</b>           | <b>276.88</b>          |
| <b>NOTE- 26 PROVISIONS</b>                         |                         |                         |                        |
| <b>CURRENT</b>                                     |                         |                         |                        |
| <b>Provision for Employee Benefits:</b>            |                         |                         |                        |
| Gratuity (Refer Note 42)                           | 54.94                   | 47.65                   | 37.96                  |
| Compensated Absences                               | 116.23                  | 78.75                   | 64.74                  |
| <b>Total</b>                                       | <b>171.17</b>           | <b>126.40</b>           | <b>102.70</b>          |
| <b>NOTE- 27 CURRENT TAX LIABILITIES) (NET)</b>     |                         |                         |                        |
| Income tax Payable (Net of Advance payment of Tax) | -                       | 8.30                    | -                      |
| <b>Total</b>                                       | <b>-</b>                | <b>8.30</b>             | <b>-</b>               |

(₹ in lacs)

| Particulars   | Year Ended<br>March 31, 2018 | Year Ended<br>March 31, 2017 |
|---|------------------------------|------------------------------|
| <b>NOTE - 28 REVENUE FROM OPERATIONS</b>                          |                              |                              |
| <b>Sale of products</b>   |                              |                              |
| Finished goods (Refer Note 41)                                    | 58,526.78                    | 54,832.99                    |
| Less: Sales Commison, Trade Discount, Scheme Discount and Damages | 4,218.09                     | 3,357.14                     |
|   | 54,308.69                    | 51,475.85                    |
| <b>Income from Sale of Services</b>                               | 59.48                        | 74.48                        |
| <b>Other operating Income:</b>                                    |                              |                              |
| Sale of Scrap   | 27.91                        | 19.12                        |
| Commission Income   | -                            | 7.69                         |
| Rental Income from Machines                                       | 123.15                       | 167.53                       |
| Promotional Charges   | 66.71                        | 49.84                        |
| <b>Total</b>  | <b>54,585.94</b>             | <b>51,794.51</b>             |
| <b>NOTE - 29 OTHER INCOME</b>                                     |                              |                              |
| Interest income (Refer Note 41)                                   | 134.71                       | 136.05                       |
| Dividend income on long term investments                          | -                            | 0.07                         |
| Profit on Sale of Property, Plant and Equipment                   | 137.03                       | -                            |
| Depreciation Fund Written Back                                    | -                            | 0.96                         |
| Excess Provision /Credit Balance/Deposits Written Back            | 7.91                         | 12.52                        |
| Miscellaneous Income  | 29.72                        | 37.98                        |
| <b>Total</b>  | <b>309.37</b>                | <b>187.58</b>                |

(₹ in lacs)

| Particulars   | Year Ended<br>March 31, 2018 | Year Ended<br>March 31, 2017 |
|---|------------------------------|------------------------------|
| <b>NOTE – 30 PURCHASES OF STOCK IN TRADE</b>              |                              |                              |
| Purchases (as per details below) (Refer Note 41)          | 44,740.47                    | 42,345.28                    |
| <b>Total</b>  | <b>44,740.47</b>             | <b>42,345.28</b>             |
| <b>Details of Purchases of Stock in Trade</b>             |                              |                              |
| Ice Cream/Frozen Desserts                                 | 43,622.26                    | 41,325.56                    |
| Processed Food  | 488.72                       | 387.50                       |
| Dairy Products  | 488.87                       | 477.24                       |
| Others  | 140.62                       | 154.98                       |
| <b>Total</b>  | <b>44,740.47</b>             | <b>42,345.28</b>             |
| <b>NOTE - 31 CHANGES IN INVENTORIES OF STOCK IN TRADE</b> |                              |                              |
| Inventories at the beginning of the year                  |                              |                              |
| Finished Goods  | 18.61                        | 7.07                         |
|   | 18.61                        | 7.07                         |
| Inventories at the end of the year                        |                              |                              |
| Finished Goods  | 1,974.74                     | 18.61                        |
|   | 1,974.74                     | 18.61                        |
| <b>Net (Increase)/decrease</b>                            | <b>(1,956.13)</b>            | <b>(11.54)</b>               |
| <b>NOTE - 32 EMPLOYEE BENEFITS EXPENSES</b>               |                              |                              |
| Salaries And Wages  | 2,625.93                     | 1,848.28                     |
| Contribution To Provident and Other Funds (Refer Note 42) | 112.05                       | 87.55                        |
| Staff Welfare Expenses                                    | 34.48                        | 23.48                        |
| <b>Total</b>  | <b>2,772.46</b>              | <b>1,959.31</b>              |
| <b>NOTE – 33 FINANCE COSTS</b>                            |                              |                              |
| Interest expense  |                              |                              |
| On Term Loans   | 118.83                       | 86.27                        |
| On Working Capital Loans                                  | 30.25                        | 7.53                         |
| On Fixed Deposits From Public                             | 10.77                        | 10.84                        |
| On Others (Refer Note 41)                                 | 47.11                        | 34.28                        |
| Other Borrowing Cost                                      | 43.04                        | 19.17                        |
| <b>Total</b>  | <b>250.00</b>                | <b>158.09</b>                |
| <b>NOTE - 34 OTHER EXPENSES</b>                           |                              |                              |
| Consumption of Stores and Spares                          | 306.76                       | 246.15                       |
| Rent Expense *  | 1,029.11                     | 252.84                       |
| Repairs and Maintenance                                   |                              |                              |
| Repairs To Machine  | 44.29                        | 37.72                        |
| Repairs Others  | 72.69                        | 56.94                        |
| Communication Expense                                     | 103.84                       | 155.24                       |
| Traveling and Conveyance                                  | 536.85                       | 444.15                       |
| Royalty Expense (Note 41(b))                              | 282.74                       | 289.67                       |
| Freight and Forwarding Charges                            | 1,895.72                     | 1,780.74                     |
| Advertisement,Sales Promotion And Publicity Expenses      | 2,635.51                     | 2,476.16                     |

(₹ in lacs)

| Particulars                                    | Year Ended<br>March 31, 2018 | Year Ended<br>March 31, 2017 |
|--|------------------------------|------------------------------|
| Payment to auditor (Refer Details Below)       | 19.94                        | 17.86                        |
| Provision for Doubtful Debtors (Net)           | 6.66                         | (36.34)                      |
| Bad Debts Writtern-Off                         | 99.96                        | 137.58                       |
| Propert, Plant and Equipment Written Off (Net) | -                            | 21.22                        |
| C & F Commission                               | 433.94                       | 226.62                       |
| Directors' Sitting Fees                        | 1.46                         | 0.79                         |
| Other Expenses                                 | 536.36                       | 426.04                       |
| <b>Total</b>                                   | <b>8,005.83</b>              | <b>6,533.38</b>              |

\*The Company has taken various residential, office and godown premises under operating lease or leave and license agreements. These are generally not non-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.

#### Payment to Auditors

|                        |              |              |
|------------------------|--------------|--------------|
| As Auditor             |              |              |
| Audit Fees             | 12.66        | 7.75         |
| Tax Audit Fees         | 1.00         | 2.75         |
| In Other Capacity      |              |              |
| Certification Fees     | 2.90         | 3.74         |
| Taxation matters       | 2.85         | 2.98         |
| Out of Pocket expenses | 0.53         | 0.64         |
| <b>Total</b>           | <b>19.94</b> | <b>17.86</b> |

#### NOTE - 35 INCOME TAX

##### Income tax recognised in statement of Profit or Loss

##### Current tax:

|                                |             |              |
|--------------------------------|-------------|--------------|
| In respect of the Current year | 4.66        | 14.98        |
| In respect of the Prior years  | -           | 13.49        |
| MAT credit entitlement         | (2.27)      | -            |
| <b>Total Current Tax</b>       | <b>2.39</b> | <b>28.47</b> |

##### Deferred Tax:

|                                    |             |              |
|------------------------------------|-------------|--------------|
| In respect of the Current year     | 4.54        | 5.02         |
| <b>Total deferred tax</b>          | <b>4.54</b> | <b>5.02</b>  |
| <b>Total tax expense/(benefit)</b> | <b>6.93</b> | <b>33.49</b> |
| Effective income tax rate          | 31.89%      | 68.21%       |

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 :

|  |              |              |
|--|--------------|--------------|
| <b>Profit/ (loss) before tax</b>   | <b>21.73</b> | <b>49.10</b> |
| Income tax expense @30.90%   | <b>6.71</b>  | <b>15.17</b> |
| Tax pertaining to prior years  | -            | 13.49        |
| Non-recognition of deferred tax asset due to absence of probable certainty of reversal in future | 0.22         | 4.83         |
| <b>Tax expense for the year</b>  | <b>6.93</b>  | <b>33.49</b> |

The company's weighted average tax rates for the year ended March 31, 2018 and March 31, 2017 were 30.9 % and 30.9% respectively.

**Note : 36 Contingent Liabilities and commitments not provided for :**

(₹ in lacs)

| Sr. No. | Particulars  | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---------|--|----------------------|----------------------|---------------------|
| (a)     | <b>Commitments</b>   |                      |                      |                     |
| 1       | Capital Contracts remaining to be executed(net of advances)  | 750.9                | 281.21               | 625.99              |
| (b)     | <b>Contingent liabilities</b>  |                      |                      |                     |
| 1       | Sales Tax  | 86.79                | 151.12               | 140.77              |
| 2       | Others   | 1.00                 | 38.24                | 38.24               |
| 3       | Income Tax   | 53.17                | 53.55                | 56.69               |
| 4       | Guarantees given by the company against Term Loans given to companies in which Directors are interested is ₹ 250.00 Lacs (March 31, 2017 ₹ NIL; April 1, 2016 ₹ NIL) | 157.16               | -                    | -                   |
|         | <b>TOTAL</b>   | <b>1,049.02</b>      | <b>524.12</b>        | <b>861.69</b>       |

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

**Note : 37**

During the year, a Company Petition (being Company Petition No. 42 of 2017) has been filed against the Company, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013. In connection to the said Company Petition No. 42 of 2017, the Petitioners and some of the parties to the petition are seeking to arrive at an amicable resolution of matter.

**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, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|----------------------|----------------------|---------------------|
| Debt (note i)                                     | 1,956.94             | 1,568.96             | 460.03              |
| Less : Cash and cash Equivalents                  | 609.08               | 286.63               | 570.30              |
| <b>Net Debt</b>                                   | <b>1,347.86</b>      | <b>1,282.33</b>      | <b>(110.27)</b>     |
| <b>Total Equity excluding Revaluation Reserve</b> | <b>399.04</b>        | <b>392.18</b>        | <b>390.26</b>       |
| <b>Net Debt to Equity Ratio</b>                   | <b>337.78%</b>       | <b>326.97%</b>       | <b>(28.26%)</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, 2018              |                  |                  |
|--|-----------------------------------|------------------|------------------|
|  | Fair value Through Profit or loss | Amortised Cost   | Total            |
| <b>Financial Assets</b>                            |                                   |                  |                  |
| Cash and Cash Equivalents                          |                                   | 609.08           | 609.08           |
| Bank balances other than cash and cash Equivalents |                                   | 5.63             | 5.63             |
| 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   |                                   | 1,956.94         | 1,956.94         |
| Trade Payable                                      |                                   | 4,707.67         | 4,707.67         |
| Other Financial Liabilities                        |                                   | 6,836.49         | 6,836.49         |
| <b>Total</b>                                       |                                   | <b>13,501.10</b> | <b>13,501.10</b> |

(₹ in lacs)

| Particulars  | As at March 31, 2017              |                 |                 |
|--|-----------------------------------|-----------------|-----------------|
|  | Fair value Through Profit or loss | Amortised Cost  | Total           |
| <b>Financial Assets</b>                            |                                   |                 |                 |
| Cash and Cash Equivalents                          |                                   | 286.63          | 286.63          |
| Bank balances other than cash and cash Equivalents |                                   | -               | -               |
| Investments  | 15.24                             |                 | 15.24           |
| Trade receivables                                  |                                   | 2,299.00        | 2,299.00        |
| Other Financial Assets                             |                                   | 1,416.64        | 1,416.64        |
| <b>Total</b>                                       | <b>15.24</b>                      | <b>4,002.27</b> | <b>4,017.51</b> |
| <b>Financial Liabilities</b>                       |                                   |                 |                 |
| Borrowings   |                                   | 1,568.96        | 1,568.96        |
| Trade Payable                                      |                                   | 2,686.90        | 2,686.90        |
| Other Financial Liabilities                        |                                   | 5,420.34        | 5,420.34        |
| <b>Total</b>                                       |                                   | <b>9,676.20</b> | <b>9,676.20</b> |

(₹ in lacs)

| Particulars  | As at April 1, 2016               |                  |                  |
|--|-----------------------------------|------------------|------------------|
|  | Fair value Through Profit or loss | Amortised Cost   | Total            |
| <b>Financial Assets</b>                            |                                   |                  |                  |
| Cash and Cash Equivalents                          |                                   | 570.30           | 570.30           |
| Bank balances other than cash and cash Equivalents |                                   | 0.77             | 0.77             |
| Investments  | 24.58                             | -                | 24.58            |
| Trade receivables                                  |                                   | 2,482.04         | 2,482.04         |
| Other Financial Assets                             |                                   | 1,329.34         | 1,329.34         |
| <b>Total</b>                                       | <b>24.58</b>                      | <b>4,382.45</b>  | <b>4,407.03</b>  |
| <b>Financial Liabilities</b>                       |                                   |                  |                  |
| Borrowings   |                                   | 460.03           | 460.03           |
| Trade Payable                                      |                                   | 4,553.13         | 4,553.13         |
| Other Financial Liabilities                        |                                   | 5,193.15         | 5,193.15         |
| <b>Total</b>                                       | <b>-</b>                          | <b>10,206.31</b> | <b>10,206.31</b> |

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



| Particular  | Fair value hierarchy |   |   |   |
|---|----------------------|---|---|---|
|   | Fair value           | Quoted Price in active market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>As at March 31,2018</b>                        |                      |   |   |   |
| Investments at fair value through Profit and loss | 15.24                | -                                       | -                                       | 15.24                                     |
| <b>As at March 31,2017</b>                        |                      |   |   |   |
| Investments at fair value through Profit and loss | 15.24                | -                                       | -                                       | 15.24                                     |
| <b>As at April 01,2016</b>                        |                      |   |   |   |
| Investments at fair value through Profit and loss | 24.58                | -                                       | -                                       | 24.58                                     |

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

##### Exposure to interest rate risk

##### Interest rate sensitivity

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

| (₹ in lacs)          |                                      |               |
|----------------------|--------------------------------------|---------------|
| Particulars          | Increase/Decrease<br>in basic points | Effect on PBT |
| As at March 31, 2018 | 100 bps                              | 11.75         |
| As at March 31, 2017 | 100 bps                              | 5.66          |

#### B) Management of Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

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)         |                         |                         |                        |
|---------------------|-------------------------|-------------------------|------------------------|
| Particulars         | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
| 0-3 months          | 1,795.73                | 1,827.81                | 1,990.11               |
| 3-6 months          | 203.82                  | 76.21                   | 112.73                 |
| 6-12 months         | 216.56                  | 173.35                  | 128.61                 |
| More than 12 months | 276.79                  | 221.63                  | 250.59                 |
| <b>Total</b>        | <b>2,492.90</b>         | <b>2,299.00</b>         | <b>2,482.04</b>        |

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

| (₹ in lacs)  |                         |                         |
|--|-------------------------|-------------------------|
| Particulars  | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
| Opening Allowances   | 145.47                  | 181.81                  |
| Add:- Additional Allowances made                           | 108.85                  | 115.40                  |
| (Less): Actual Write off during the year( net of recovery) | (102.19)                | (151.74)                |
| Closing Allowances   | <b>152.13</b>           | <b>145.47</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 2018

| (₹ in lacs)                        |                  |               |                   |                  |
|------------------------------------|------------------|---------------|-------------------|------------------|
| Particulars                        | < 1 year         | 1-5 years     | Beyond<br>5 years | Total            |
| <b>Financial Liabilities</b>       |                  |               |                   |                  |
| Borrowings                         | 975.56           | 981.38        |                   | 1,956.94         |
| Trade Payable                      | 4,707.67         | -             |                   | 4,707.67         |
| Other Financial Liabilities        | 6,827.31         | 6.29          | 2.89              | 6,836.49         |
| <b>Total Financial Liabilities</b> | <b>12,510.54</b> | <b>987.67</b> | <b>2.89</b>       | <b>13,501.10</b> |

**Exposure as at 31st March 2017**

| (₹ in lacs)                        |                 |               |                |                 |
|------------------------------------|-----------------|---------------|----------------|-----------------|
| Particulars                        | < 1 year        | 1-5 years     | Beyond 5 years | Total           |
| <b>Financial Liabilities</b>       |                 |               |                |                 |
| Borrowings                         | 1,017.16        | 551.80        | -              | 1,568.96        |
| Trade Payable                      | 2,686.90        | -             | -              | 2,686.90        |
| Other Financial Liabilities        | 5,420.34        | -             | -              | 5,420.34        |
| <b>Total Financial Liabilities</b> | <b>9,124.40</b> | <b>551.80</b> | <b>-</b>       | <b>9,676.20</b> |

**Exposure As at 1st April 2016**

| (₹ in lacs)                        |                  |               |                |                  |
|------------------------------------|------------------|---------------|----------------|------------------|
| Particulars                        | < 1 year         | 1-5 years     | Beyond 5 years | Total            |
| <b>Financial Liabilities</b>       |                  |               |                |                  |
| Borrowings                         | 327.40           | 132.63        | -              | 460.03           |
| Trade Payable                      | 4,553.13         | -             | -              | 4,553.13         |
| Other Financial Liabilities        | 5,193.15         | -             | -              | 5,193.15         |
| <b>Total Financial Liabilities</b> | <b>10,073.68</b> | <b>132.63</b> | <b>-</b>       | <b>10,206.31</b> |

**Financial Arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

| (₹ in lacs)  |                      |                      |                     |
|--|----------------------|----------------------|---------------------|
| Particulars  | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Expiring within one year (Bank overdraft and other facilities) | 465.17               | 102.35               | 280.00              |
| Expiring beyond one year (bank loans)                          | 1,217.39             | -                    | -                   |

**Note : 40 Earnings per Share (EPS) as per Indian Accounting Standard 33:**

| Particulars   | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|-----------------------------------|-----------------------------------|
| Profit for the year attributable to owners of the Company (₹ in Lacs) | 14.80                             | 15.61                             |
| No. of weighted average outstanding Equity Shares (in Lacs)           | 8.63                              | 8.63                              |
| Earning per Equity Share of ₹ 10/- each (Basic & Diluted)             | 1.72                              | 1.81                              |

**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               | 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     | Vadilal 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   |

**(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<br>(1)                   | Key Managerial Person<br>(2) | Relative of Key Managerial Person<br>(3) | Enterprises over which Key managerial personnel are able to exercise significant influence<br>(4) | Total<br>(5) |
|--------------------------------------|------------------------------|--|---|--------------|
| <b>(a) Sale of Goods</b>             |                              |  |   |              |
| Vadilal Soda Fountain                |                              |  | 90.88   | 90.88        |
|                                      |                              |  | (102.60)  | (102.60)     |
| <b>(b) Purchase of Goods</b>         |                              |  |   |              |
| Vadilal Industries Ltd.              |                              |  | 44,433.61   | 44,433.61    |
|                                      |                              |  | (47,366.27)   | (47,366.27)  |
| Vadilal Chemical Ltd.                |                              |  | 2.97  | 2.97         |
|                                      |                              |  | -   | -            |
| <b>(c) Rent Paid</b>                 |                              |  |   |              |
| Vadilal Industries Ltd.              |                              |  | -   | -            |
|                                      |                              |  | (0.90)  | (0.90)       |
| <b>(d) Interest Paid</b>             |                              |  |   |              |
| Vadilal Marketing Pvt Ltd.           |                              |  | -   | -            |
|                                      |                              |  | (5.36)  | -5.36        |
| Veronica Construction Pvt. Ltd.      |                              |  | 16.99   | 16.99        |
|                                      |                              |  | (24.57)   | (24.57)      |
| <b>e) Remuneration</b>               |                              |  |   |              |
| Nija Kalpit Gandhi                   |                              | 15.00                                    |   | 15.00        |
|                                      |                              | (10.73)                                  |   | (10.73)      |
| Vishal P Surati                      | 46.68                        |  |   | 46.68        |
|                                      | (35.57)                      |  |   | (35.57)      |
| Rajesh Bhagat                        | 13.62                        |  |   | 13.62        |
|                                      | (8.68)                       |  |   | (8.68)       |
| Darshan Shah                         | 4.86                         |  |   | 4.86         |
|                                      | (3.96)                       |  |   | (3.96)       |
| <b>(f) Interest Income</b>           |                              |  |   |              |
| Vadilal International Pvt.Ltd.       |                              |  | 24.00   | 24.00        |
|                                      |                              |  | (24.00)   | (24.00)      |
| <b>(g) Royalty Expense</b>           |                              |  |   |              |
| Vadilal International Pvt.Ltd.       |                              |  | 186.35  | 186.35       |
|                                      |                              |  | (193.28)  | (193.28)     |
| <b>(h) Loan or Deposits Received</b> |                              |  |   |              |
| Veronica Construction Pvt Ltd        |                              |  | 200.00  | 200.00       |
|                                      |                              |  | (243.00)  | (243.00)     |
| Vadilal Marketing Pvt Ltd.           |                              |  | -   | -            |
|                                      |                              |  | (105.00)  | (105.00)     |
| <b>(i) Loan or Deposits Repaid</b>   |                              |  |   |              |
| Veronica Construction Pvt Ltd        |                              |  | 200.00  | 200.00       |
|                                      |                              |  | -   | -            |
| Vadilal Marketing Pvt Ltd.           |                              |  | -   | -            |
|                                      |                              |  | (169.32)  | (169.32)     |

| (1)                                      | (2)  | (3) | (4)        | (5)        |
|--|------|-----|------------|------------|
| <b>(j) Loan Given</b>                    |      |     |            |            |
| Vishal P Surati                          | 1.09 |     |            | 1.09       |
|  | -    |     |            | -          |
| <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)    |
| <b>Trade Receivable :</b>                |      |     |            |            |
| Vadilal Soda Fountain                    |      |     | 2.17       | 2.17       |
|  |      |     | (0.69)     | (0.69)     |
| <b>Trade Payable :</b>                   |      |     |            |            |
| Vadilal Industries Ltd.                  |      |     | 2,442.63   | 2,442.63   |
|  |      |     | (1,654.99) | (1,654.99) |
| Vadilal Chemical Ltd.                    |      |     | 0.60       | 0.60       |
|  |      |     | -          | -          |
| Vadilal International Pvt. Ltd           |      |     | 43.99      | 43.99      |
|  |      |     | (49.38)    | (49.38)    |
| <b>Loan</b>                              |      |     |            |            |
| Vishal P Surati                          | 0.99 |     |            | 0.99       |
|  | -    |     |            | -          |
| <b>Investments:</b>                      |      |     |            |            |
| Vadilal Forex & Consultancy Pvt. Ltd.    |      |     | 12.48      | 12.48      |
|  |      |     | (12.48)    | (12.48)    |
| Majestic Farm House Ltd.                 |      |     | 2.76       | 2.76       |
|  |      |     | (2.76)     | (2.76)     |
| <b>Corporate Guarantee Given</b>         |      |     |            |            |
| Vadilal Industries Ltd.                  |      |     | 1,050.00   | 1,050.00   |
|  |      |     | -          | -          |
| <b>Corporate Guarantee Taken</b>         |      |     |            |            |
| Vadilal Industries Ltd.                  |      |     | 5,936.00   | 5,936.00   |
|  |      |     | (3,059.12) | (3,059.12) |

**Note : 1)** Transaction of Purchase / Sales and outstanding of Trade Payables / Receivable are inclusive of Taxes.

**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<br>year ended<br>March 31, 2018 | For the<br>year ended<br>March 31, 2017 |
|------------------------------|---|---|
| Short Term Employee Benefits | 70.50                                   | 63.02                                   |
| <b>Total</b>                 | <b>70.50</b>                            | <b>63.02</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 ₹ 74.97 Lacs (Previous Year: ₹ 60.93 Lacs).

#### Defined Benefit Plan:

The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines. The details of these defined benefit plans recognised in the financial statements are as under:

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

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

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

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

#### A. Movement in present value of defined benefit obligation are as follows :

(₹ in lacs)

| Particulars   | Gratuity                |                         |
|---|-------------------------|-------------------------|
|   | As at March<br>31, 2018 | As at March<br>31, 2017 |
| <b>Obligations/Fair value of Plan assets at the beginning of the year</b> | <b>157.04</b>           | <b>131.12</b>           |
| Current service cost  | 19.16                   | 15.75                   |
| Past Service cost   | 3.00                    | -                       |
| Interest cost   | 11.42                   | 10.23                   |
| Actuarial (gain)/loss arising from changes in demographic Assumptions     | -                       | (7.41)                  |
| Actuarial (gain)/loss arising from changes in financial Assumptions       | (8.11)                  | 7.84                    |
| Actuarial (gain)/loss arising from experience adjustments                 | 7.09                    | 6.38                    |
| Benefits Paid   | (7.83)                  | (6.87)                  |
| <b>Obligations/Fair value of Plan assets at the end of the year</b>       | <b>181.77</b>           | <b>157.04</b>           |

#### B. Movement in present value of fair value of plan assets are as follows :

(₹ in lacs)

| Particulars   | Gratuity                |                         |
|---|-------------------------|-------------------------|
|   | As at March<br>31, 2018 | As at March<br>31, 2017 |
| <b>Obligations/Fair value of Plan assets at the beginning of the year</b> | <b>63.89</b>            | <b>48.00</b>            |
| Interest Income   | 4.65                    | 3.74                    |
| Return on plan Assets excluding Interest income                           | (0.50)                  | (0.98)                  |
| Employer contributions  | 49.00                   | 20.00                   |
| Benefits Paid   | (7.83)                  | (6.87)                  |
| <b>Obligations/Fair value of Plan assets at the end of the year</b>       | <b>109.21</b>           | <b>63.89</b>            |

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

(₹ in lacs)

| Particulars  | Gratuity                |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
| Present value of benefit obligation at the end of the year   | 181.77                  | 157.04                  |
| Fair value of plan assets                                    | (109.21)                | (63.90)                 |
| <b>Net liability arising from defined benefit obligation</b> | <b>72.56</b>            | <b>93.14</b>            |

- D Amount recognised in the Statement of Profit and Loss as Employee Benefit Expenses**

(₹ in lacs)

| Particulars  | For the<br>ended year<br>March 31, 2018 | For the<br>ended year<br>March 31, 2017 |
|--|---|---|
|  |   |   |
| Current service Cost   | 19.16                                   | 15.75                                   |
| Past Service Cost  | 3.00                                    | -                                       |
| Net Interest Cost  | 6.77                                    | 6.48                                    |
| <b>Net impact on the Profit / (Loss) before tax</b>                            | <b>28.93</b>                            | <b>22.23</b>                            |
| <b>Remeasurement of the net defined benefit liability:</b>                     |   |   |
| Return on plan assets excluding actuarial return on plan assets                | 0.50                                    | 0.98                                    |
| Actuarial gains/(losses) arising from changes in demographic                   | -                                       | (7.41)                                  |
| Actuarial gains/(losses) arising from changes in financial assumption          | (8.11)                                  | 7.84                                    |
| Actuarial gains/(losses) arising on experience adjustments                     | 7.09                                    | 6.38                                    |
| <b>Net (Gain)/Loss recognised in the Other Comprehensive Income before tax</b> | <b>(0.52)</b>                           | <b>7.79</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, 2018 as follows:**

(₹ in lacs)

| Gratuity             |  | As at<br>March 31, 2018 |
|----------------------|--|-------------------------|
| 1st Following Year   |  | 27.70                   |
| 2nd Following Year   |  | 4.11                    |
| 3rd Following Year   |  | 14.76                   |
| 4th Following Year   |  | 16.03                   |
| 5th Following Year   |  | 16.18                   |
| Sum of Years 6 To 10 |  | 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 reporting period, while holding all other assumptions constant.

(₹ in lacs)

| Particulars  | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|--|-------------------------|-------------------------|
|  |                         |                         |
| <b>Projected Benefit Obligation on Current Assumptions</b> | <b>181.77</b>           | <b>157.04</b>           |
| Delta Effect of +1% Change in Rate of Discounting          | (14.14)                 | (14.26)                 |
| Delta Effect of -1% Change in Rate of Discounting          | 16.56                   | 16.78                   |
| Delta Effect of +1% Change in Rate of Salary Increase      | 15.73                   | 16.65                   |
| Delta Effect of -1% Change in Rate of Salary Increase      | (13.69)                 | (14.42)                 |
| Delta Effect of +1% Change in Rate of Employee Turnover    | 1.04                    | (0.08)                  |
| Delta Effect of -1% Change in Rate of Employee Turnover    | (1.24)                  | 0.04                    |

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity analysis, the present value of projected defined benefit obligation has been calculated using Projected Unit Credit Method at the end of the reporting period. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**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:

| (₹ in lacs)                   |   |                         |
|-------------------------------|---|-------------------------|
| Particulars                   | As at<br>March 31, 2018                     | As at<br>March 31, 2017 |
| <b>Financial Assumptions</b>  |   |                         |
| Discount rate                 | 7.78%                                       | 7.27%                   |
| 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<br>(2006-08) |                         |

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

**Compensated absences**

The liability towards compensated absences (leave encashment) for the year ended March 31, 2018 based on actuarial valuation carried out by using Projected Unit Credit Method is ₹ 109.21 Lacs. (As at march 31, 2017 : ₹ 73.62 Lacs)

| (₹ in lacs)                   |   |                         |
|-------------------------------|---|-------------------------|
| Particulars                   | As at<br>March 31, 2018                     | As at<br>March 31, 2017 |
| <b>Financial Assumptions</b>  |   |                         |
| Discount rate                 | 7.78%                                       | 7.27%                   |
| 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<br>(2006-08) |                         |

**Note : 43 First-time Ind-AS adoption reconciliation**

**Transition to Ind As – Reconciliation**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

1. Reconciliation of Balance Sheet as at April 1, 2016 (Transition Date) and March 31, 2017
2. Reconciliation of Profit for the year ended March 31, 2017
3. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017
4. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017
5. Adjustments to Statement of Cash flow
6. Notes on reconciliation



# 1 Reconciliation of Balance Sheet as at April 1, 2016

(₹ in lacs)

|  |      | As at April 01, 2016<br>Date of Transition |                 |                  |
|--|------|--|-----------------|------------------|
|  | Note | I GAAP                                     | Adjustment      | Ind AS           |
| <b>ASSETS</b>                            |      |  |                 |                  |
| <b>Non-Current Assets</b>                |      |  |                 |                  |
| (a) Property, Plant and Equipment        |      | 4,373.63                                   | -               | 4,373.63         |
| (b) Capital work-in-progress             |      | 514.77                                     | -               | 514.77           |
| (c) Other Intangible assets              |      | 95.39                                      | -               | 95.39            |
| (d) Financial Assets                     |      |  |                 |                  |
| (i) Investments                          | a    | 4.48                                       | 20.10           | 24.58            |
| (ii) Loans                               |      | 1.24                                       | -               | 1.24             |
| (iii) Other Financial Assets             | b    | 2,502.35                                   | (1,205.01)      | 1,297.34         |
| (e) Deferred Tax Assets (Net)            | f,g  | 190.39                                     | 6.58            | 196.97           |
| (f) Other Non-Current Assets             | b    | 32.16                                      | 1,067.21        | 1,099.37         |
| <b>Total Non-Current Assets</b>          |      | <b>7,714.41</b>                            | <b>(111.12)</b> | <b>7,603.29</b>  |
| <b>Current Assets</b>                    |      |  |                 |                  |
| (a) Inventories                          |      | 98.20                                      | -               | 98.20            |
| (b) Financial Assets                     |      |  |                 |                  |
| (i) Trade Receivables                    |      | 2,482.04                                   | -               | 2,482.04         |
| (ii) Cash & Cash Equivalents             |      | 570.30                                     | -               | 570.30           |
| (iii) Bank balance other than (ii) above |      | 0.77                                       | -               | 0.77             |
| (iv) Loans                               |      | 9.08                                       | -               | 9.08             |
| (v) Other Financial Assets               |      | 21.68                                      | -               | 21.68            |
| (c) Other Current Assets                 | b    | 139.55                                     | 96.40           | 235.95           |
| <b>Total Current Assets</b>              |      | <b>3,321.62</b>                            | <b>96.40</b>    | <b>3,418.02</b>  |
| <b>Total Assets</b>                      |      | <b>11,036.03</b>                           | <b>(14.72)</b>  | <b>11,021.31</b> |
| <b>EQUITY AND LIABILITIES</b>            |      |  |                 |                  |
| <b>Equity</b>                            |      |  |                 |                  |
| (a) Equity Share capital                 |      | 86.27                                      | -               | 86.27            |
| (b) Other Equity                         |      | 310.40                                     | (6.41)          | 303.99           |
| <b>Total Equity</b>                      |      |  |                 |                  |
| <b>Liabilities</b>                       |      | <b>396.67</b>                              | <b>(6.41)</b>   | <b>390.26</b>    |
| <b>Non-Current Liabilities</b>           |      |  |                 |                  |
| (a) Financial Liabilities                |      |  |                 |                  |
| (i) Borrowings                           |      | 132.63                                     | -               | 132.63           |
| (b) Provisions                           |      | 45.16                                      | -               | 45.16            |
| <b>Total Non-current Liabilities</b>     |      | <b>177.79</b>                              | <b>-</b>        | <b>177.79</b>    |
| <b>Current Liabilities</b>               |      |  |                 |                  |
| (a) Financial Liabilities                |      |  |                 |                  |
| (i) Borrowings                           |      | 80.37                                      | -               | 80.37            |
| (ii) Trade Payables                      |      | 4,553.13                                   | -               | 4,553.13         |
| (iii) Other Financial Liabilities        | c    | 5,448.49                                   | (8.31)          | 5,440.18         |
| (b) Other Current Liabilities            |      | 276.88                                     | -               | 276.88           |
| (c) Provisions                           |      | 102.70                                     | -               | 102.70           |
| <b>Total Current Liabilities</b>         |      | <b>10,461.57</b>                           | <b>(8.31)</b>   | <b>10,453.26</b> |
| <b>Total Equity &amp; Liabilities</b>    |      | <b>11,036.03</b>                           | <b>(14.72)</b>  | <b>11,021.31</b> |

# Reconciliation of Balance Sheet as at March 31, 2017

(₹ in lacs)

|  |      | As at March 31, 2017 |                 |                  |
|--|------|----------------------|-----------------|------------------|
|  |      | Date of Transition   |                 |                  |
|  | Note | I GAAP               | Adjustment      | Ind AS           |
| <b>ASSETS</b>                            |      |                      |                 |                  |
| <b>Non-Current Assets</b>                |      |                      |                 |                  |
| (a) Property, Plant and Equipment        |      | 4,754.28             | -               | 4,754.28         |
| (b) Capital work-in-progress             |      | 165.74               | -               | 165.74           |
| (d) Other Intangible assets              |      | 92.88                | -               | 92.88            |
| (e) Financial Assets                     |      |                      |                 |                  |
| (i) Investments                          | a    | 7.56                 | 7.68            | 15.24            |
| (ii) Loans                               |      | 0.83                 | -               | 0.83             |
| (iii) Other Financial Assets             | b    | 2,498.38             | (1,111.37)      | 1,387.01         |
| (f) Deferred Tax Assets (Net)            | f    | 191.33               | 3.02            | 194.35           |
| (g) Other Non-Current Assets             | b    | 17.19                | 973.21          | 990.40           |
| <b>Total Non-Current Assets</b>          |      | <b>7,728.19</b>      | <b>(127.46)</b> | <b>7,600.73</b>  |
| <b>Current Assets</b>                    |      |                      |                 |                  |
| (a) Inventories                          |      | 119.30               | -               | 119.30           |
| (b) Financial Assets                     |      |                      |                 |                  |
| (i) Trade Receivables                    |      | 2,299.00             | -               | 2,299.00         |
| (ii) Cash & Cash Equivalents             |      | 286.63               | -               | 286.63           |
| (iii) Bank balance other than (ii) above |      | -                    | -               | -                |
| (iv) Loans                               |      | 7.12                 | -               | 7.12             |
| (v) Other Financial Assets               |      | 21.68                | -               | 21.68            |
| (c) Other Current Assets                 | b    | 124.52               | 96.40           | 220.92           |
| <b>Total Current Assets</b>              |      | <b>2,858.25</b>      | <b>96.40</b>    | <b>2,954.65</b>  |
| <b>Total Assets</b>                      |      | <b>10,586.44</b>     | <b>(31.06)</b>  | <b>10,555.38</b> |
| <b>EQUITY AND LIABILITIES</b>            |      |                      |                 |                  |
| <b>Equity</b>                            |      |                      |                 |                  |
| (a) Equity Share capital                 |      | 86.27                | -               | 86.27            |
| (b) Other Equity                         |      | 325.09               | (19.18)         | 305.91           |
| <b>Total Equity</b>                      |      |                      |                 |                  |
| <b>Liabilities</b>                       |      | <b>411.36</b>        | <b>(19.18)</b>  | <b>392.18</b>    |
| <b>Non-Current Liabilities</b>           |      |                      |                 |                  |
| (a) Financial Liabilities                |      |                      |                 |                  |
| (i) Borrowings                           | e    | 563.68               | (11.88)         | 551.80           |
| (b) Provisions                           |      | 45.49                | -               | 45.49            |
| <b>Total Non-current Liabilities</b>     |      | <b>609.17</b>        | <b>(11.88)</b>  | <b>597.29</b>    |
| <b>Current Liabilities</b>               |      |                      |                 |                  |
| (a) Financial Liabilities                |      |                      |                 |                  |
| (i) Borrowings                           |      | 801.56               | -               | 801.56           |
| (ii) Trade Payables                      |      | 2,686.90             | -               | 2,686.90         |
| (iii) Other Financial Liabilities        |      | 5,635.94             | -               | 5,635.94         |
| (b) Other Current Liabilities            |      | 306.81               | -               | 306.81           |
| (c) Provisions                           |      | 126.40               | -               | 126.40           |
| (d) Current Tax Liabilities (Net)        |      | 8.30                 | -               | 8.30             |
| <b>Total Current Liabilities</b>         |      | <b>9,565.91</b>      | <b>-</b>        | <b>9,565.91</b>  |
| <b>Total Equity &amp; Liabilities</b>    |      | <b>10,586.44</b>     | <b>(31.06)</b>  | <b>10,555.38</b> |

## 2 Reconciliation of Profit for the year ended March 31, 2017

(₹ in lacs)

| Description   | Year Ended on<br>31st March, 2017 |
|---|-----------------------------------|
| (I) Net Profit as per previously applicable Indian GAAP               | 14.69                             |
| Increase/(Decrease) in Defined Benefit Cost                           | 5.38                              |
| Effect of measuring investments at Fair Value through Profit and Loss | (12.42)                           |
| Effect of measuring security deposit at fair value                    | (0.36)                            |
| Effect of amortisation of loan processing charges                     | 11.88                             |
| Deferred tax in respect of above adjustments                          | (3.56)                            |
| <b>Net Profit after tax as per Ind AS</b>                             | <b>15.61</b>                      |
| Total Comprehensive Income (Net of Tax)                               | (5.38)                            |
| <b>Total Comprehensive Income as per IND AS</b>                       | <b>10.23</b>                      |

## 3 Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017

(₹ in lacs)

| Description   | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---|-------------------------|------------------------|
| (I) Equity as per previously applicable Indian GAAP                   | 325.09                  | 310.40                 |
| Impact of measuring investments at Fair Value through Profit and Loss | 7.68                    | 20.10                  |
| Effect of measuring security deposit at fair value                    | (41.75)                 | (41.40)                |
| Effect of amortisation of loan processing charges                     | 11.88                   | -                      |
| Effect of Reclassification of Proposed Dividend                       | -                       | 8.31                   |
| Tax impact in respect of above adjustments                            | 3.01                    | 6.58                   |
| Equity as per IND-AS  | <b>305.91</b>           | <b>303.99</b>          |

## 4 Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

(₹ in lacs)

|   | Note | For the year ended March 31, 2017 |               |                  |
|---|------|-----------------------------------|---------------|------------------|
|   |      | I GAAP                            | Adjustment    | Ind AS           |
| <b>I REVENUE</b>  |      |                                   |               |                  |
| Revenue from Operations                                     |      | 51,794.51                         | -             | 51,794.51        |
| Other Income  | a,b  | 102.38                            | 85.20         | 187.58           |
| <b>Total Income (I)</b>                                     |      | <b>51,896.89</b>                  | <b>85.20</b>  | <b>51,982.09</b> |
| <b>II EXPENSES</b>  |      |                                   |               |                  |
| Purchase of traded goods                                    |      | 42,345.28                         | -             | 42,345.28        |
| (Increase) / decrease in traded goods                       |      | (11.54)                           | -             | (11.54)          |
| Employee benefit expense                                    | d    | 1,967.10                          | (7.79)        | 1,959.31         |
| Finance costs   | e    | 169.97                            | (11.88)       | 158.09           |
| Depreciation and amortization expense                       |      | 948.47                            | -             | 948.47           |
| Other expenses  | b    | 6,435.40                          | 97.98         | 6,533.38         |
| <b>Total Expenses (II)</b>                                  |      | <b>51,854.68</b>                  | <b>78.31</b>  | <b>51,932.99</b> |
| <b>III Profit before exceptional items and tax (I-II)</b>   |      | <b>42.21</b>                      | <b>6.89</b>   | <b>49.10</b>     |
| <b>IV Exceptional Items</b>                                 |      | -                                 | -             | -                |
| <b>V Profit before tax (III-IV)</b>                         |      | <b>42.21</b>                      | <b>6.89</b>   | <b>49.10</b>     |
| <b>VI Tax Expense:</b>                                      |      |                                   |               |                  |
| (1) Current tax   |      | 14.98                             | -             | 14.98            |
| (2) Deferred tax  |      | (0.95)                            | 5.97          | 5.02             |
| (3) Short provision of tax earlier year                     |      | 13.49                             | -             | 13.49            |
| <b>Total Tax Expenses</b>                                   |      | <b>27.52</b>                      | <b>5.97</b>   | <b>33.49</b>     |
| <b>VII Profit for the year</b>                              |      | <b>14.69</b>                      | <b>0.92</b>   | <b>15.61</b>     |
| <b>VIII Other Comprehensive Income</b>                      |      |                                   |               |                  |
| (a) Remeasurements of the defined benefit plans             |      | -                                 | 7.79          | 7.79             |
| (b) Tax Effect on above item                                |      | -                                 | (2.41)        | (2.41)           |
| <b>Other Comprehensive Income of the year (i-ii)</b>        |      | -                                 | <b>5.38</b>   | <b>5.38</b>      |
| <b>IX Total Comprehensive Income for the year(VII+VIII)</b> |      | <b>14.69</b>                      | <b>(4.46)</b> | <b>10.23</b>     |

## 5 Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2016 as compared with the previous GAAP.

## 6. Notes on Reconciliation

- (a) Under previous GAAP, investments in equity instruments were classified as Long term Investments. Long term investments were carried at cost less diminution in value for other than temporary decline in value of such investments. Under Ind AS 109, Investment in equity instruments of companies other than subsidiaries, joint ventures & associates are classified as FVTPL. On transition to Ind AS, these financial assets have been measured at fair value which is higher/lower than cost as per previous GAAP.
- (b) Under Ind AS, security deposit given against operating lease are presented at fair value by discounting it taking lease contract Period and the differential amount has been treated as advance rentals/advance royalty to be amortised as rent/royalty over the lease period.
- (c) Under previous GAAP, dividend recommended by board of directors on equity shares for the reporting period while approving financial statement, subject to its approval by members in general meeting, was being recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised as liability when declared by the members in a general meeting.
- (d) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods. However, the same does not result in difference in equity or total comprehensive income.
- (e) Under previous GAAP, upfront fees paid to the lenders is charged to statement of profit and loss as and when incurred. However, Ind AS - 109 "Financial instruments" requires long term debt to be recognised at amortised cost and upfront fees are charged on the basis of effective interest rate method.
- (f) Consequent to adoption of Ind AS from April 1, 2016, deferred tax at applicable rates has been recognised on effect of Ind AS adoption and transition on retained earnings as at April 1, 2016 and on impact on profit for the year ended March 31, 2017 for the adjustment carried out in the statement of profit and loss.

### Note : 44 Standards issued but not yet effective

#### Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

#### Ind AS 115 - Revenue from contracts with customers

The Ministry of Corporate Affairs (MCA), on March 28, 2018, notified Ind AS 115, Revenue from Contracts with Customers as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after April 1, 2018. The Company is evaluating the disclosure requirements of the amendments and its effect on the financial statements.

**Note : 45** Previous years' figures have been regrouped and rearranged wherever necessary to make them comply with IND AS.

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

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Kartikeya Raval**  
(Partner)

Place : Ahmedabad  
Date : May 28, 2018

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

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

**Rajesh I. Bhagat**  
Chief Financial Officer

Place : Ahmedabad  
Date : May 28, 2018

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

**Darshan Shah**  
Company Secretary



# VADILAL ENTERPRISES LIMITED

Registered Office : 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015  
CIN : L51100GJ1985PLC007995, Web: www.vadilalgroup.com, Email: sharelogs@vadilalgroup.com, Tel: +91 079 30921200

## 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 1st 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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# VADILAL ENTERPRISES LIMITED

Reg. Office : 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015  
CIN : L51100GJ1985PLC007995, Web: www.vadilalgroup.com, Email: sharelogs@vadilalgroup.com, Tel: +91 079 30921200

## 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.<br>*DP ID No. and<br>Client ID No. | No. of Shares<br>held |
|-------------------|---|-----------------------|
| Shareholder _____ |   |                       |
| Proxy _____       |   |                       |

I hereby record my presence at the **33<sup>rd</sup> Annual General Meeting** of the members of the Company on **Monday, the 24<sup>th</sup> September, 2018, 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

Tear here?



# VADILAL ENTERPRISES LIMITED

Reg. Office : 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015  
CIN : L51100GJ1985PLC007995, Web: www.vadilalgroup.com, Email: sharelogs@vadilalgroup.com, Tel: +91 079 30921200

## 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 \_\_\_\_\_

1. Name : \_\_\_\_\_

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

2. Name : \_\_\_\_\_

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

Equity Shares of the above named Company, hereby appoint

E-mail ID : \_\_\_\_\_

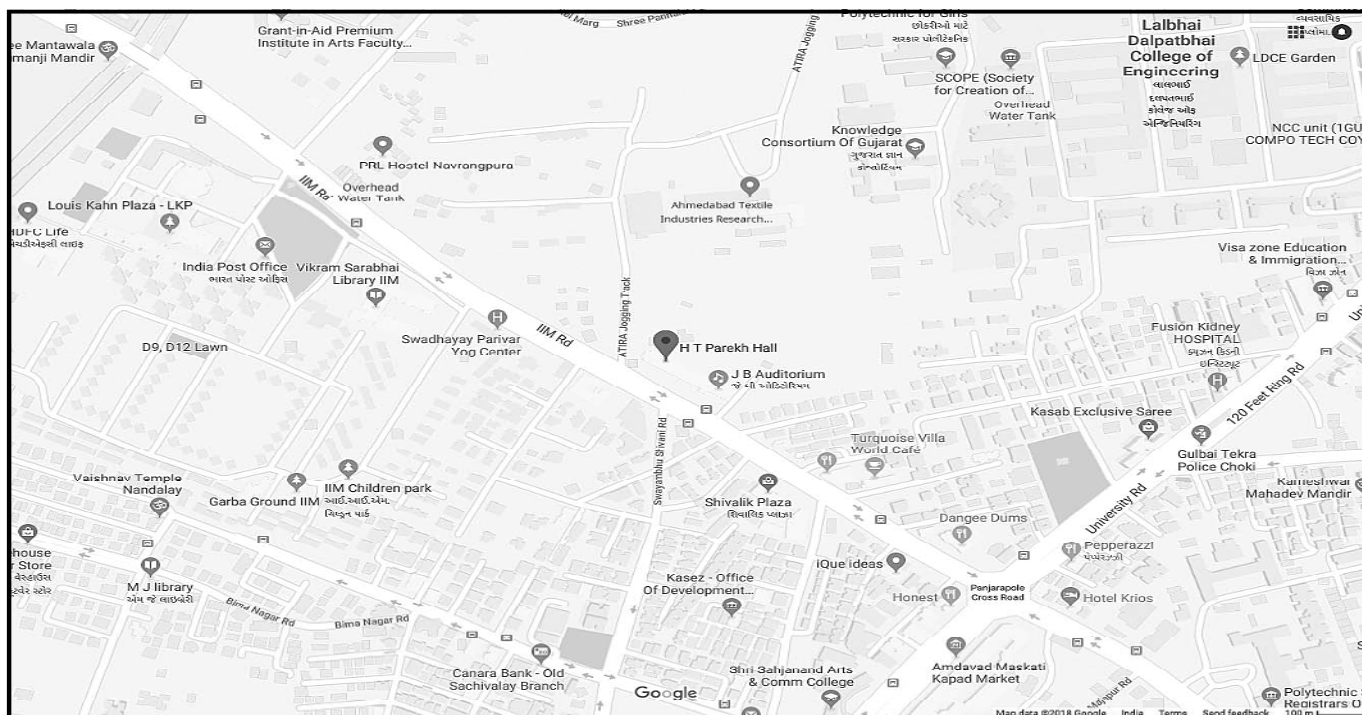
Signature : \_\_\_\_\_ or failing him/her

E-mail ID : \_\_\_\_\_

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 **33<sup>rd</sup> Annual General Meeting** of the Company, to be held on **Monday, the 24<sup>th</sup> September, 2018, 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 and at any adjournment thereof in respect of such resolutions as are indicated below:

See overleaf



| Resolution No. | Description  | For | Against |
|----------------|--|-----|---------|
| 1.             | To receive, consider and adopt the audited Statement of Profit & Loss for the year ended March 31, 2018, 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, 2018.   |     |         |
| 3.             | To appoint a Director in place of Mr. Devanshu L. Gandhi (DIN: 00010146) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment. |     |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Affix  
Revenue  
Stamp

Signature .....

**Notes:**

1. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on 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.



[illegible]

NOTES

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