



Vadilal Enterprises Ltd.

Annual Report 2019-2020

**ANNUAL
ACHIEVEMENT
LEDGER**

Vadilal[®]



Creative Visualisation only



BADABITE
Ice Cream

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive & Non-Independent Directors

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

Independent Directors

Jayantilal M. Shah (up to 02/07/2019)
Jignesh J. Shah (up to 18/06/2019)
Ashish H. Modi
Preet P. Shah
Chetan M. Tamboli (w.e.f. 27/08/2020)

CHIEF EXECUTIVE OFFICER

Jinand Patel (Appointed w.e.f. 23/07/2019)
Kamal Varma (Appointed w.e.f. 23/07/2019)

COMPANY SECRETARY

Darshan Shah

CHIEF FINANCIAL OFFICER

Rajesh Bhagat

AUDITORS

M/s. Arpit Patel & Associates
Chartered Accountants

BANKER

Bank of India

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

(For physical & demat)
MCS Share Transfer Agent Limited,
201, Shatdal Complex, 2nd Floor,
Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009.
Phone : 079-26580461/62/63 • Fax : 079-26581296

SHARE DEPARTMENT

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

35th ANNUAL GENERAL MEETING	
DAY	: Wednesday
DATE	: 30th September, 2020
TIME	: 02.00 p.m.
THROUGH	: Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")

Content Sequence for reference:

1. Shareholder Information 2-5
2. Notice of Annual General Meeting..... 6-14
3. Directors Report 15-29
4. Secretarial Audit Report 30-31

Financial Statement

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..... 42
10. Notes to Financial Statement and Significant Accounting Policies..... 43-71

Notes :

1. **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.
2. Members are requested to send their all correspondence relating to Shares including transfer, transmission, change of address, issue of duplicate share certificates etc. to MCS Share Transfer Agent Limited, Registrar & Share Transfer Agent of the Company at 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009 (Phone: 079 - 26580461/62/63) or at the Share Department of the Company situated at 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad- 380015, Phone : 079-4808 1200.
3. 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 21st September, 2020 to 30th September, 2020 (both days inclusive) for the purpose of annual general meeting for the year ended on 31st March, 2020.

4. Stock Exchanges where the Shares are listed :

BSE LTD.

Phiroze Jeejeebhoy, Towers Dalal Street, Mumbai- 400001.

Phone: 91-22-2272 1234 / 1233

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

5. Security Code :

Bombay Stock Exchange Ltd. - 519152

ISIN Number - INE693D01018

6. Dematerialisation of Shares :

The Company, consequent to introduction of Depository System (DS), entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and has established an electronic connectivity with both the Depositories. Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL and CDSL. Annual custody/ issuer fee for the year 2020-2021 has been paid by the Company to NSDL and CDSL

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

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

7. Registrar & Share Transfer Agent:

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

MCS Share Transfer Agent Limited

201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room,

Ashram Road, Ahmedabad - 380009.

Phone : 079-26580461/62/63

Fax : 079-26581296

Email: mcsstaahmd@gmail.com

8. Fixed Deposit Department:

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

10th Floor Colonnade Building, Opp. Iscon Temple BRTS Bus Stand,

Ambli-Bopal Road, Ahmedabad-380015

Phone: 079-4808 1200.

9. Share Transfer System :

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

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

In terms of SEBI's circular dated 31st 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.

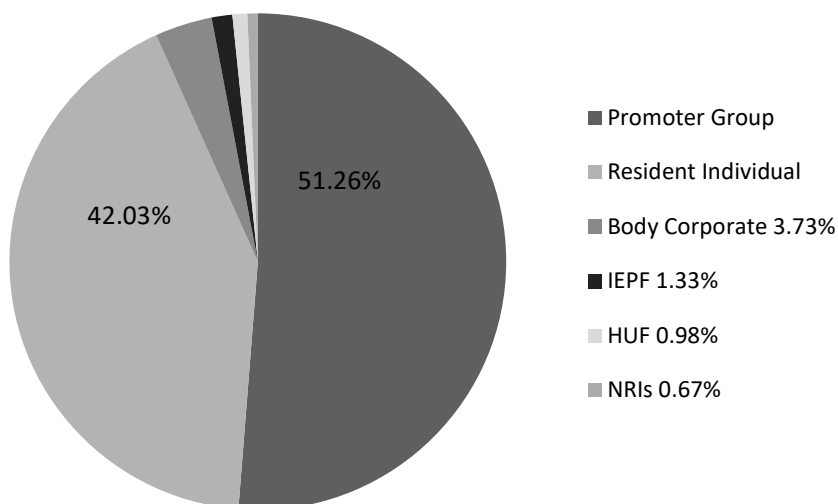
10. Distribution of Shareholding as on 31st March, 2020:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of total Shares
Up to 500	1203	92.82	127201	14.74
501 to 1000	30	2.31	22995	2.67
1001 to 2000	14	1.08	18616	2.15
2001 to 3000	10	0.78	22863	2.65
3001 to 4000	7	0.54	24534	2.84
4001 to 5000	3	0.23	14387	1.67
5001 to 10000	12	0.92	92416	10.71
10001 to 50000	14	1.09	298331	34.59
50001 & above	3	0.23	241325	27.98
Total	1296	100.00	862668	100.00

11. Categories of Shareholders as on 31st March, 2020:

Sr. No.	Category of Shareholders	No. of Equity Shares held	Percentage of total paid-up capital
A : Promoters and Promoters' Group :			
1	Directors	220177	25.52
2	Directors' relatives	102788	11.92
3	Group Companies	105407	12.22
4	HUFs	13805	1.60
	Total (A) :	442177	51.26
B : Public :			
1	Bodies Corporate	32215	3.73
2	NRI	5700	0.67
3	HUF	8463	0.98
4	Residential Individual	362613	42.03
5	IEPF Authority	11500	1.33
	Total (B) :	420491	48.74
	Total	862668	100.00

Percentage of total Paid up Capital



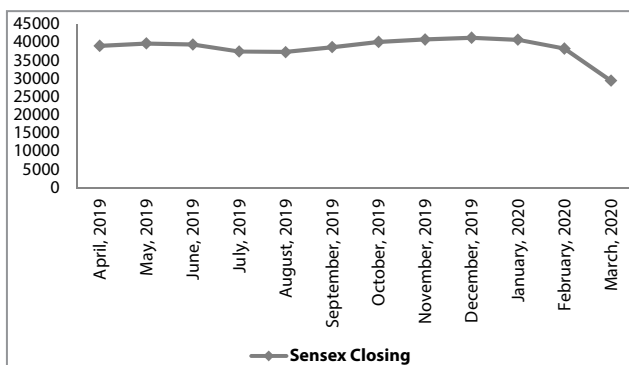
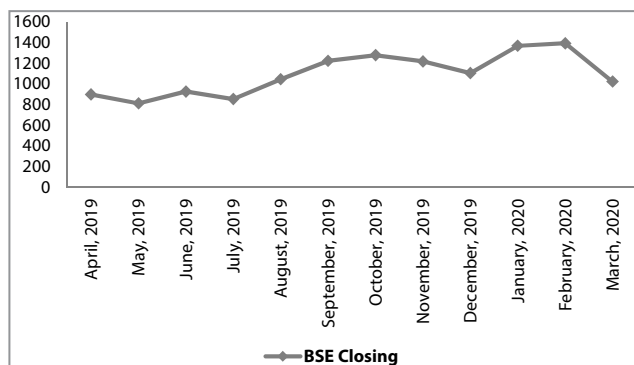
12. Share price performance in comparison to BSE Sensex based on data available on Stock exchange website:

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, 2019	945	874	900	39487.45	38460.25	39031.55
May, 2019	934.2	774	813	40124.96	36956.1	39714.2
June, 2019	928	831.25	928	40312.07	38870.96	39394.64
July, 2019	995.95	812.25	855	40032.41	37128.26	37481.12
August, 2019	1048	779	1048	37807.55	36102.35	37332.79
September, 2019	1310.5	995.05	1225	39441.12	35987.8	38667.33
October, 2019	1297	1121.95	1279.95	40392.22	37415.83	40129.05
November, 2019	1290	1092.95	1220	41163.79	40014.23	40793.81
December, 2019	1200.65	1040.05	1107	41809.96	40135.37	41253.74
January, 2020	1459.5	1060.05	1371.05	42273.87	40476.55	40723.49
February, 2020	1438.95	1242.45	1395	41709.3	38219.97	38297.29
March, 2020	1390	989.25	1024.95	39083.17	25638.9	29468.49

• All the rates are in Rs.

PRICE CHART



13. Consolidation of Folios:

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

14. Nomination facility:

Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 the facility of nomination in the Shares of a Company is available. Your Company has already offered the facility of nomination to the members. Individual Shareholders can avail of the facility of nomination and may submit to the Company the prescribed **Form SH-13** at the Share Department of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name.

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

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

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

Share Department:

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

15. Means of Communication

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

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 **35th ANNUAL GENERAL MEETING** of the members of **VADILAL ENTERPRISES LIMITED** will be held on **Wednesday, the 30th day of September, 2020 at 2.00 p.m.** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), 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, 2020, 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, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
- 2) To appoint a Director in place of Ms. Mamta R. Gandhi (DIN: 00674579) 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 in this regard, pass following resolution as **Ordinary resolution**:
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Mamta R. Gandhi (DIN: 00674579), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."
- 3) To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with rules under the Companies (Audit and Auditors) Rules, 2014, M/s. Arpit Patel & Associates, Chartered Accountants, Ahmedabad (FRN: 144032W), be and are hereby appointed as Statutory Auditors of the Company for the period of 5 years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 40th Annual General Meeting of the Company to be held in the year 2025 at such remuneration as may be mutually agreed between the Board of Directors of the company and Statutory Auditors."

SPECIAL BUSINESS:

- 4) To Re-appoint Mr. Ashish Modi (DIN: 02506019) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Ashish Modi (DIN: 02506019), who was appointed as an Independent Director of the company at the 30th Annual General Meeting of the Company and who holds office of the Independent Director up to the conclusion of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the company has received a Notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from conclusion of this Annual General Meeting upto the conclusion of the 40th Annual General Meeting of the company in the calendar year 2025."
"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."
- 5) To Re-appoint Mr. Preet Shah (DIN: 05131516) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Preet Shah (DIN: 05131516), who was appointed as an Independent Director of the company at the 30th Annual General Meeting of the Company and who holds office of the Independent up to the conclusion of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the company has received a Notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from conclusion of this Annual General Meeting upto the conclusion of the 40th Annual General Meeting of the company in the calendar year 2025."

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

- 6) To appoint Mr. Chetan Tamboli (DIN: 00028421) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Mr. Chetan Tamboli (DIN: 00028421), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 27th August, 2020 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Chetan Tamboli for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from conclusion of this Annual General Meeting upto the conclusion of the 40th Annual General Meeting of the company in the calendar year 2025.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By Order of the Board
For VADILAL ENTERPRISES LIMITED

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

Registered Office :

10th Floor, Colonnade Building,
Opp. Iscon Temple BRTS Bus Stop,
Bopal-Ambli Road, Bopal, Ahmedabad.
CIN : L51100GJ1985PLC007995
Email : Investor.relations@vadilalgroup.com
Website: www.vadilalgroup.com
Phone : 079 4808 1200
Date : 27th August, 2020

NOTES:

- 1) Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- 2) Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
- 3) Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
- 4) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 5) The Company has notified closure of Register of Members and Share Transfer Books from 21st September, 2020 to 30th September, 2020 (both days inclusive) for the purpose of Annual General Meeting.
- 6) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in the case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holding to dematerialize form. Members can contact Company or Share Transfer Agent- M/s. MCS Share Transfer Agent Limited in this regard.

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

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

8) **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically for that Members can contact Company or Share Transfer Agent- M/s. MCS Share Transfer Agent Limited**

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

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

Members, who have so far not encashed their dividend warrants for the said financial years, are requested to approach the Company for revalidation or duplicate dividend warrants

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

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

12) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

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

14) **The Following statement sets out all material facts relating to the Business mentioned in item No: 2 and 3:**

Item No: 2

Ms. Mamta R. Gandhi (DIN: 00674579), Director of the Company, shall retire by rotation and being eligible, offer herself 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: -

Ms. Mamta R. Gandhi

Ms. Mamta R. Gandhi aged 57 years is arts graduate and has been associated with the Company since many years. She looks after day-to-day affairs of the Ice-cream Division of Vadilal Group companies situated at Pundhra.

Presently, she is not a Member of any Committee of the Company. She is on the Board of following other Companies. Ms. Mamta R. Gandhi holds 21145 shares in Vadilal Enterprises Limited in her individual capacity.

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

Mrs. Mamta R. Gandhi is Director in the following other companies:

Directorship: <ul style="list-style-type: none"> ➤ Vadilal International Private Limited ➤ Vadilal Marketing Private Limited 	Member of the Board Committees: Audit Committee: NIL Stakeholders' Relationship Committee: NIL
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Mr. Rajesh Gandhi is husband of Ms. Mamta Gandhi who is also Director in the Company.

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

The Board recommends this Resolution for your approval.

Item No: 3

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

The Board of Directors in its meeting held on 13th August, 2020 now proposed to the Shareholders to appoint M/s. Arpit Patel & Associates, Chartered Accountants as Statutory Auditors of the Company for the period of five (5) years at this Annual General Meeting till the conclusion of 40th Annual General Meeting at such remuneration as may be decided by the Board of Directors in consultation with Statutory Auditors.

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

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

The Board recommends this Resolution for your approval.

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

Item No: 4

The Members of the Company at the 30th Annual General Meeting held on 28th September, 2015, had appointed Mr. Ashish Modi (DIN: 02506019), as Independent Director(s) to hold office for a term of five consecutive years upto this annual general meeting.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company

Based on the recommendation of the Nomination and Remuneration Committee and Board in its meeting held on 10th August, 2020 now proposed in terms of the provisions of Sections 149, 150 and 152, read with Schedule IV and other applicable provisions, if any, of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"); Mr. Ashish Modi, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director from conclusion of this annual general meeting to conclusion of the 40th annual general meeting in the calendar year 2025. in terms of the provisions of Sections 149, 150 and 152, read with Schedule IV and other applicable provisions, if any, of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as set out in the Resolution relating to his re-appointment.

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

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

Mr. Modi aged 53 years holds Bachelor Degree of Commerce from Gujarat University. Mr. Ashish Modi does not hold any shares in Vadilal Enterprises Limited in his individual capacity. His position as Director in different companies and Membership/Chairmanship in different committees of different companies is as follows:

<p>Directorship:</p> <ul style="list-style-type: none"> ➤ Vadilal Chemicals Limited ➤ Ganesh Housing Corporation Limited ➤ Madhukamal Infrastructure Private Limited 	<p>Member of the Board Committees:</p> <p>Audit Committee:</p> <ul style="list-style-type: none"> ➤ Vadilal Enterprises Limited ➤ Ganesh Housing Corporation Ltd* <p>Stakeholders' Relationship Committee:</p> <ul style="list-style-type: none"> ➤ Ganesh Housing Corporation Ltd* <p>He is Chairman also in Audit Committee & Stakeholder Relationship committee of Ganesh Housing Corporation Ltd</p>
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Consent of the Members by way of Special Resolution is required for re-appointment of Mr. Ashish Modi in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Requisite Notices under Section 160 of the Act proposing the re-appointment of Mr. Ashish Modi has been received by the Company, and consent has been filed by Mr. Ashish Modi pursuant to Section 152 of the Act.

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

The Board recommends these Special Resolution for your approval.

Item No: 5

The Members of the Company at the 30th Annual General Meeting held on 28th September, 2015, had appointed Mr. Preet Shah (DIN: 05131516), as Independent Director(s) to hold office for a term of five consecutive years upto this annual general meeting.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company

Based on the recommendation of the Nomination and Remuneration Committee and Board in its meeting held on 10th August, 2020 now proposed in terms of the provisions of Sections 149, 150 and 152, read with Schedule IV and other applicable provisions, if any, of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"); Mr. Preet Shah, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director from conclusion of this annual general meeting to conclusion of the 40th annual general meeting in the calendar year 2025. in terms of the provisions of Sections 149, 150 and 152, read with Schedule IV and other applicable provisions, if any, of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as set out in the Resolution relating to his re-appointment.

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

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

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

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

Directorship: <ul style="list-style-type: none"> ➤ Supreme Orgochem Private Limited ➤ Molkem Chemicals Private Limited 	Member of the Board Committees: Audit Committee: <ul style="list-style-type: none"> ➤ Vadilal Enterprises Limited* Stakeholders' Relationship Committee: <ul style="list-style-type: none"> ➤ Vadilal Enterprises Limited He is Chairman also in Audit Committee of Vadilal Enterprises Limited
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Consent of the Members by way of Special Resolution is required for re-appointment of Mr. Preet Shah in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Requisite Notices under Section 160 of the Act proposing the re-appointment of Mr. Preet Shah has been received by the Company, and consent has been filed by Mr. Preet Shah pursuant to Section 152 of the Act.

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

The Board recommends these Special Resolution for your approval.

Item No: 6

Based on the recommendation of the Nomination and Remuneration Committee and Board in its meeting held on 27th August, 2020 now proposed in terms of the provisions of Sections 149, 152, and all other applicable provisions, if any, of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"); Mr. Chetan Tamboli, being eligible for appointment as an Independent Director and offering himself for appointment, it is proposed to be appoint him as an Independent Director from conclusion of this annual general meeting to conclusion of the 40th annual general meeting in the calendar year 2025. in terms of the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as set out in the Resolution relating to his appointment.

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

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

Mr. Tamboli aged 61 years holds MBA degree from USA. He has more than 32 years of experience in steel casting. He is also Director of many reputed companies. His areas of expertise comprise Strategic Management & Finance, General Management, Production and Corporate Laws. Mr. Chetan M. Tamboli does not hold any shares in Vadilal Enterprises Limited in his individual capacity. His position as Director in different companies and Membership/Chairmanship in different committees of different companies is as follows:

Directorship: <ul style="list-style-type: none"> ➤ Vadilal Industries Limited ➤ Steelcast Limited ➤ Rushi Industries Limited ➤ Rushi Enterprise Limited ➤ Vadilal Delights Limited 	Member of the Board Committees: <p>Audit Committee:</p> <ul style="list-style-type: none"> ➤ Vadilal Industries Limited <p>Stakeholders' Relationship Committee:</p> <ul style="list-style-type: none"> ➤ Steelcast Limited
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Consent of the Members by way of Ordinary Resolution is required for appointment of Mr. Chetan Tamboli in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Requisite Notices under Section 160 of the Act proposing the appointment of Mr. Chetan Tamboli has been received by the Company, and consent has been filed by Mr. Chetan Tamboli pursuant to Section 152 of the Act.

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

The Board recommends these Ordinary Resolution for your approval.

By Order of the Board
For VADILAL ENTERPRISES LIMITED

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

Registered Office :

10th Floor, Colonnade Building,
Opp. Iscon Temple BRTS Bus Stop,
Bopal-Ambli Road, Bopal, Ahmedabad.
CIN : L51100GJ1985PLC007995
Email : Investor.relations@vadilalgroup.com
Website: www.vadilalgroup.com
Phone : 079 4808 1200
Date : 27th August, 2020

Process and manner for availing remote e-voting facility

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming Annual General Meeting (AGM) will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.vadilalgroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. The Process and manner of remote e-voting is being sent to all members whose e-mail ids are registered with the Company/ Depository Participants/Share Transfer Agents for communication purpose through electronic mode.
9. The members who have casted there vote by remote e-voting may also attend meeting but shall not entitled to cast their vote again.
10. The Board of Director has appointed Mr. Manoj Hurkat, of M/s. Manoj Hurkat & Associates Practicing Company Secretary, Ahmedabad as Scrutinizer to scrutinize the poll and remote e-voting process in fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
11. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members/ beneficial owner (in case of electronic shareholding) as on cut-off date i.e. 23rd September, 2020
12. Any person, who acquires shares of the Company and becomes member of Company after dispatch of the notice of the AGM and holding shares on cut-off date i.e. 23rd September, 2020 may obtain the User ID and Password in manner mentioned below:
 - If e-mail address or mobile number of members is registered against folio number/DP ID/Client ID, then on homepage of www.evotingindia.com, the member may click on "Forgot Password" and enter folio number/DP ID/Client ID and PAN to generate a password
 - Member may call CDSL toll free number 18002005533.
 - Member may send request at helpdesk.evoting@cdslindia.com
 - If person is already registered with CDSL for e-voting then excising user id and password can be used for casting vote.
13. The Scrutinizer after Scrutinizing the votes cast will not later than three days of conclusion of the Meeting, make a scrutinizer's report and submit the same to the chairman. The results declared shall be placed on the website of the Company www.vadilalgroup.com and on the website of CDSL viz. <http://www.evotingindia.com>. The results shall simultaneously be communicated to the stock exchange.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Sunday, 27th September, 2020 (9.00 a.m.) and ends on Tuesday, 29th September, 2020 (5.00 p.m.) E-Voting facility will be available at the time of meeting also. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Client ID /Folio number in the PAN field In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Client id/Folio number in the dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name <Vadilal Enterprises Limited> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also use Mobile app - "m - Voting" for e voting. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

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

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA.
- For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA.
- The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor.relations@vadilalgroup.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Investor.relations@vadilalgroup.com These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

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

NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

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

- (xx) If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

Request to the members:

Members desiring any relevant information on the audited financial statements during the AGM are requested to write to the Company at least 7 days in advance of the date of AGM at its Registered Office, so as to enable the Company to keep the information ready.

DIRECTORS' REPORT

To,
The Members,
VADILAL ENTERPRISES LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith the 35th Annual Report together with the Audited Statement for the year ended on 31st March, 2020.

FINANCIAL HIGHLIGHTS:

(Rs. in Lacs)

Sr. No.	Particulars	Current Year ended on 31-03-2020	Previous Year ended on 31-03-2019
(a)	Earnings before Interest, Tax, Depreciation and Amortization	1650.65	1579.64
(b)	Finance Cost	(312.42)	(368.84)
(c)	Depreciation & Amortization Expense	(1386.29)	(1195.35)
(d)	Profit/(Loss) before Tax	(48.06)	15.45
(e)	Tax Expense		
	-- Current Tax	72.77	55.56
	-- Deferred Tax Expenses	(38.03)	(49.01)
	Total Tax:	34.74	6.55
(f)	Profit/(Loss) for the year	(82.80)	8.90
(g)	Other Comprehensive income		
	Item that will not be reclassified to Profit & Loss		
	- Re-measurement of Defined Benefit Plans (Net of Taxes)	(23.68)	(13.96)
(i)	Total Comprehensive income for the year	(106.48)	(5.06)

STATE OF COMPANY'S AFFAIRS:

The Company has earned Revenue from Operations of Rs. 59150.57 lacs during the year ended on 31st March, 2020 as against Rs. 57314.39 lacs earned during the previous year ended on 31st March, 2019 giving a rise of 3.11% as compared to previous year.

After adding thereto, the other income of Rs. 258.00 lakhs earned by the Company, the Company has earned total income of Rs. 59408.57 lakhs during the year under review. The Company has incurred total expenses of Rs. 59456.63 lakhs including Finance cost of Rs. 312.42 lakhs and Depreciation and Amortization expenses of Rs. 1386.29 lakhs, during the year under review.

The Company has incurred loss before Tax of Rs. 48.06 lacs during the year under review as compared to Profit Rs. 15.45 lacs incurred during the previous year ended on 31st March, 2019.

DIVIDEND:

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

TRANSFER TO RESERVES:

The Company has not transferred any amount to General Reserve during the year under review.

MANAGEMENT DISCUSSION & ANALYSIS:

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

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

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

We are marching towards Rs.1,000 crores INR sales turnover by 2022 with strategic business planning & product innovation with extensive distribution with complete marketing efforts. Yet, the overall vision of the company remains the same, that is to increase the consumption of ice-cream at the national level supported by appropriate promotion and communication strategies.

Vadilal with its decades of expertise and experience, the ever-enhancing business strategies and a bold approach towards competition will keep supplying momentum to the brand's growth in the years to come.

FINANCE:

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

During the year company has made regular repayment of Loan & interest thereon and there is no any overdue payment to Banks and Fls. Rating Agency i.e. India Ratings & Research has rated Long Term Borrowings as BBB+ and short term borrowing as A2+. CARE Ratings has rated Long term borrowing as BBB and Short Term borrowing as A3+ as on 31.03.2020.

IMPACT OF COVID-19 ON THE FINANCE:

Considering Covid-19 Pandemic situation, Bank of India has sanctioned COVID-19 Loan in April 2020 amounting to Rs. 1.00 Crore payable in two years. Company has also availed moratorium from Bank of India and Tata Capital for payment of Principal & Interest thereon till August 2020.

INVESTOR EDUCATION AND PROTECTION FUND:

During the financial year – 2019-2020, the Company has deposited unclaimed/ unpaid dividend amount of Rs. 48010/- to Investor Education and Protection Fund - IEPF.

During the financial year – 2019-2020, the Company has transferred 11500 Shares to Investor Education and Protection Fund - IEPF as divided on those shares were remained unclaimed for continues 7 years.

During the year under review, the Company has transferred the unclaimed interest on Fixed Deposit of Rs. 25224/- 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 :

(Rs. in lakhs)			
(a)	Amount of existing deposits as at 1st April, 2019	:	69.35
(b)	Amount of deposits accepted or renewed during the year		
(i)	Secured deposits	:	0
(ii)	Unsecured deposits	:	0
	Total (b) :	:	0
(c)	Amount of deposits repaid during the year	:	25.15
(d)	Balance of deposits outstanding at the end of the year (a+b-c)		44.20

- 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 31st March, 2020, 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 31st March, 2020, 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 required 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 Rs. 10.00 Crores and the net-worth of the Company does not exceed Rs. 25 Crores, as per the last audited Balance sheet of the Company.

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

EXTRACT OF ANNUAL RETURN:

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

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

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

Your Directors draw attention of the members to **Note – 40** to the financial statement which sets out related party transactions.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on 31st March, 2020, 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. Ashish H. Modi	Director	Independent Director
5.	Mr. Preet P. Shah	Director	Independent Director

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

As on 31st March, 2020, the Key Managerial personal of the Company are as follows:

Sr. No.	Name of the Key Managerial Personal	Designation
1.	Mr. Jinand Patel (w.e.f. 23 rd July, 2019)	Chief Executive Officer
2.	Mr. Kamal Varma (w.e.f. 23 rd July, 2019)	Chief Executive Officer
3.	Mr. Rajesh Bhagat	Chief Financial Officer
4.	Mr. Darshan Shah	Company Secretary & Compliance Officer

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mrs. Mamta Gandhi, Director (DIN: 00674579) of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment. The Members are requested to consider her re-appointment as Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

Pursuant to provisions of Section 149 of the Companies Act, 2013 and Rules made thereunder, term of Mr. Ashish Modi, Independent Director (DIN: 02506019) and Mr. Preet Shah Independent Directors (DIN: 05131516) ends at the time of conclusion of this annual general meeting. Based on the recommendation of Nomination and remuneration committee, the Board of Directors recommend their re-appointment for further period of 5 years as an Independent Directors of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

Pursuant to provisions of Section 149 of the Companies Act, 2013 and Rules made thereunder, appointment of Mr. Chetan Tamboli, Independent Director (DIN: 00028421) made in the Board as an additional director w.e.f. 27th August, 2020 who will hold office of director till ensuing annual general meeting in the company; Based on the recommendation of Nomination and remuneration committee, the Board of Directors recommend his appointment as Independent Directors of the Company for period of 5 years, for which necessary resolution has been incorporated in the notice of the meeting.

The brief resume/details relating to Mrs. Mamta Gandhi, Mr. Ashish Modi, Mr. Preet Shah Mr. Chetan Tamboli is furnished in the Notice of the Annual General Meeting.

During the year company has appointed Mr. Jinand Patel and Mr. Kamal Varma as Chief Executive Officers of the company w.e.f. 23rd July, 2019.

NUMBER OF BOARD MEETINGS:

Total 7 meetings of the Board of Directors (Including Adjourned) were held during the year details of dates and their attendance is as follows:

Board meeting were held on 28.05.2019 (Adjourned), 20.06.2019, 23.07.2019, 23.08.2019, 13.11.2019, 13.12.2019 and 12.02.2020

Name of Director	Attendance Particulars (Total 7 Board Meetings held during the year)
Mr. Rajesh R. Gandhi	7
Mr. Devanshu L. Gandhi	7
Mrs. Mamta R. Gandhi	7
Mr. Ashish H. Modi	7
Mr. Preet P. Shah	5
Mr. Jignesh J. Shah*	2
Mr. Jayantilal M. Shah*	2

* Mr. Jignesh J. Shah & Mr. Jayantilal M. Shah Independent Directors have resigned from the Board of Directors of the company w.e.f. 19th June, 2019 & 3rd July, 2019 respectively

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 31st March, 2020 namely:

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

Audit Committee meetings were held on 28.05.2019 (Adjourned), 30.05.2019 (Postponed), 20.06.2019, 23.07.2019, 30.07.2019 (Adjourned), 23.08.2019, 13.11.2019, 13.12.2019 and 12.02.2020

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, 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 31st March, 2020 namely:

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

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

Nomination and Remuneration Committee meetings were held on 28.5.2019 and 23.07.2019.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

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

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

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

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

Stakeholders' relationship Committee meeting was held on 20.04.2019, 20.05.2019, 10.07.2019, 10.10.2019, 31.10.2019, 13.11.2019, 10.02.2020.

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 and the corporate governance requirements as prescribed under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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.

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

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

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

INTERNAL FINANCIAL CONTROLS

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

The Statutory Auditors have given their adverse opinion on the financial reporting in their Report with regards to assessment and closure of the various financial, operational and governance related matters emanating out of the numerous allegations made by promoter directors and two erstwhile independent directors against each other and their consequential impact, if any, on the standalone financial statements of the Company. The Management does not expect any material impact on the financial statements of the Company considering the fact that the matters pertains to earlier financial years and amount as already been expensed in the relevant financial years. The Management is also voluntarily initiating inquiries by an external agency to substantiate its conclusion.

AUDITORS:

In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company were appointed as Statutory Auditors of the Company at the 32nd Annual General Meeting of the Members of the Company held on Friday, 29th September, 2017 for a period of 5 years from the conclusion of the 32nd Annual General Meeting till the conclusion of 36th Annual General Meeting of the Company to be held in the year 2022. However, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors has resigned from the position of Statutory Auditors of the Company on 13th November, 2019.

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

Further, Board of Directors in its meeting held on 13th August, 2020 approved and recommended appointment of M/s. Arpit Patel & Associates as a Statutory Auditors of the company for a period of 5 years i.e. till the conclusion of the 40th Annual General Meeting of the Company to be held in the year 2025 subject to approval of shareholders in this annual general meeting.

AUDITORS’ REPORT OF THE COMPANY:

The Independent Auditors’ Report dated 26th June, 2020 for the Financial Results of the Company for the year ended on 31st March, 2020 contains Disclaimer of Opinion together with the basis for the same made by the Auditors:

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

SECRETARIAL AUDITOR:

Section 204 of the Companies Act, 2013 inter alia requires every listed companies to annex with its Board Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form. The Board has appointed M/s SPAN & Co., Company Secretaries

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

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

1. The casual vacancy of whole-time KMP (CEO) under section 203 of the Act was filled-up by the Board with a delay of 57 days: The process of identifying a suitable person took time.
2. 100% Shareholding of Promoter Group is not maintained in dematerialization form: Shareholders are in the Process of dematerialization of Shares of Promoter Group.
3. Late submission of quarterly results as on 31-03-2019 and 30-06-2019: The Company has replied to the Stock Exchanges and Company has paid penalty to the Stock Exchanges.

COST AUDIT:

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

PARTICULARS OF EMPLOYEES:

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

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

MATERIAL INFORMATION:

During the 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 29th July, 2020 and adjourned to 7th September, 2020

IMPACT OF COVID-19 ON COMPANY

Outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has significantly impacted business operations of the Company from the last fortnight of March, 2020, by way of disruption in distribution and sale of ice-creams till the lockdown period. March to June are considered to be the peak months of the cyclical nature of business of the Company. Partial resumption of distribution and sales has commenced from second half of May, 2020.

INSURANCE:

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

GENERAL:

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

TRADE RELATIONS:

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

ACKNOWLEDGEMENT:

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

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

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

By Order of the Board of Directors

Date : 27th August, 2020
Place : Ahmedabad

RAJESH R. GANDHI
CHAIRMAN & DIRECTOR
DIN : 00009879

DEVANSHU L. GANDHI
DIRECTOR
DIN : 00010146

ANNEXURE – A TO THE DIRECTORS’ REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L51100GJ1985PLC007995
2.	Registration Date	13-07-1985
3.	Name of the Company	VADILAL ENTERPRISES LIMITED
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	10th Floor Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015
6.	Whether listed company	Listed at BSE Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. Tel. Nos. : (079) 26580461/62/63 Fax No. : (079) 26581296

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Ice-cream and Frozen Desert Product (Marketing)	1050	98.87%

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
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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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% 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	
A. Promoters									
(1) Indian									
a) Individual/ HUF	25284	0	25284	2.93	13805	0	13805	1.60	-1.33
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	105407	0	105407	12.22	105407	0	105407	12.22	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Directors & their Relatives	296507	14979	311486	36.11	307986	14979	322965	37.43	+1.33
Sub Total(A)(1)	427198	14979	442177	51.26	427198	14979	442177	51.26	0.00

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% 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	
(2) Foreign									
Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)	427198	14979	442177	51.26	427198	14979	442177	51.26	0.00
B. Public Shareholding									
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	11500	0	11500	1.33	1.33
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1):-	0	0	0	0	11500	0	11500	1.33	1.33
2. Non-Institutions									
a Bodies Corp.									
i) Indian	47712	600	48312	5.60	32015	200	32215	3.73	-1.87
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	193282	73776	267058	30.95	195795	60068	255863	29.65	-1.30
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	92662	0	92662	10.74	106750	0	106750	12.37	1.63
c) Others (specify)									
Non Resident Indians	5746	0	5746	0.66	5700	0	5700	0.66	-0.04
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0.00	0.00
Hindu Undivided Families (HUF)	6713	0	6713	0.77	8463	0	8463	0.98	0.21
Sub-total (B)(2):-	346115	74376	420491	48.74	348723	60268	408991	47.41	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	346115	74376	420491	48.74	348723	60268	420491	48.74	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	773313	89355	862668	100	787421	75247	862668	100	0

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2019)			Shareholding at the end of the year (31-3-2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Virendra Ramchandra Gandhi HUF	11689	1.35	0	11689	1.35	0	0.00
2	Laxman R Gandhi HUF	11479	1.33	0	0	0	0	0.00
3	Rajesh R Gandhi HUF	2116	0.25	0	2116	0.25	0	0.00
4	Axilrod Private Limited (Earlier Known As Vortex Ice Cream Pvt. Ltd.)	43308	5.02	0	43308	5.02	0	0.00
5	Vadilal Marketing Private Limited	43299	5.02	0	43299	5.02	0	0.00
6	Byad Packaging Industries Pvt Ltd	18700	2.17	0	18700	2.17	0	0.00
7	Vadilal Chemicals Limited	100	0.01	0	100	0.01	0	0.00
8	Virendra Ramchandra Gandhi	72207	8.37	0	72207	8.37	0	(0.02)
9	Rajesh Ramchandra Gandhi	78408	9.09	0	78408	9.09	0	0.00
10	Devanshu Laxmanbhai Gandhi	109145	12.65	0	120624	13.98	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	Kalpiti Rajesh Gandhi	70	0.01	0	70	0.01	0	0.00
19	Dharini Ketan Khambhatta	70	0.01	0	70	0.01	0	0.00
20	Khevna Raj Shah	70	0.01	0	70	0.01	0	0.00
Total		442177	51.26	0	442177	51.26	0	0.00

* due to dissolution of Laxman R. Gandhi HUF the shares held by Laxman R. Gandhi HUF i.e. 11479 shares are transmitted to Mr. Devanshu Laxmanbhai Gandhi; due to which his holding is increased to 120624 shares.

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

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2019)		Cumulative Shareholding during the year (from 1-4-2019 to 31-3-2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

No Change in Promoters holding during the year

D) Shareholding Pattern of top ten Shareholders:

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

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2019)		Increase/decrease in the shareholding during the year		Cumulative Shareholding during the year (from 1-4-2019 to 31-3-2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Nitinkumar Karsandas Patel	19713	2.28	12999	1.51	32712	3.79
2	Sanjiv Dhiresbhai Shah	44452	5.15	0	0	44452	5.15
3	Munshaw Enterprises Pvt Ltd	11243	1.30	560	0.06	11803	1.36
4	Lalitya Madhukarbhai Munshaw	0	0	10001	1.15	10001	1.15
5	Shah Krinaben Sanjivbhai	9254	1.07	0	0	9254	1.07
6	Maharshee Madhukarbhai Munshaw	8202	0.95	841	0.09	9043	1.04
7	Jigar Babubhai Shah	4185	0.48	4505	0.52	8690	1.00
8	Shrey Sanjiv Shah	8639	1.00	0	0	8639	1.00
9	Abir Investments Private Limited	8559	0.99	0	0	8559	0.99
10	Manoramaben Madhukar Munshaw	8151	0.94	0	0	8151	0.94

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 1-4-2018)		Cumulative Shareholding during the Year (from 1-4-2018 to 31-3-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Rajesh R. Gandhi, Director				
	At the beginning of the year	78408	9.09	78408	9.09
	Increase / Decrease in Promoters Shareholding during the year	0	0	78408	9.09
	At the end of the year	78408	9.09	78408	9.09
2.	Mr. Devanshu L. Gandhi, Director				
	At the beginning of the year	109145	12.65	120624	13.98
	Increase / Decrease in Promoters Shareholding during the year due to transmission	11479	1.33	120624	13.98
	At the end of the year	109145	12.65	120624	13.98
3.	Mrs. Mamta R. Gandhi, Director				
	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
4.	Mr. Jinand Patel, Chief Executive Officer (w.e.f. 23.07.2019)				
	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
5.	Mr. Kamal Varma, Chief Executive Officer (w.e.f. 23.07.2019)				
	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
6.	Mr. Rajesh Bhagat, Chief Financial Officer				
	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
7.	Mr. Darshan Shah, Company Secretary				
	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	2660.42	0.00	69.35	2729.77
ii) Interest due but not paid	-	-	0.52	0.52
iii) Interest accrued but not due	9.50	-	4.80	14.30
Total (i+ii+iii)	2669.92	-	74.67	2744.59
Change in Indebtedness during the financial year				
* Addition	339.49	181.00	3.86	524.35
* Reduction	(651.82)	(181.00)	(29.95)	(862.77)
Net Change	(312.33)	0.00	(26.09)	(338.42)
Indebtedness at the end of the financial year				
i) Principal Amount	2345.78	0.00	44.20	2389.98
ii) Interest due but not paid	-	-	0.51	0.51
iii) Interest accrued but not due	11.81	-	3.87	15.68
Total (i+ii+iii)	2357.59	0.00	48.58	2406.17

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	0	0	12000	20000	32000
	Commission	0	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0	0
	Total (1)	0	0	0	0	0	12000	20000	32000
2	Other Non-Executive Directors								
	Fee for attending board / committee meetings	24000	24000	12000	0	0	0	0	60000
	Commission	0	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0	0
	Total (2)	24000	24000	12000	0	0	0	0	60000
	Total Managerial Remuneration (1+2)								92000 (Gross)
	Overall Ceiling as per the Act 10% of Net Profit	NA							

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

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

SN	Particulars of Remuneration	Key Managerial Personnel				
		Mr. Kamal Varma, Chief Executive Officer (w.e.f. 23.07.2019)	Mr. Jinand Patel, Chief Executive Officer (w.e.f. 23.07.2019)	Mr. Rajesh Bhagat, Chief Financial Officer	Mr. Darshan Shah, Company Secretary	Total
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	580470	1019739	1180506	545862	3326577
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	48988	74645	294260	36222	454115
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission				-	-
	- as % of profit	-	-	-	-	-
	others, specify...	-	-	-	-	-
5	Others (Bonus, Insurance, Gratuity, Ex-gratia, Provident Fund)	81649	92754	57180	21600	253183
	Total	711107	1187138	1531946	603684	4033875

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

By Order of the Board of Directors

Date : 27th August, 2020
Place : Ahmedabad.

RAJESH R. GANDHI
CHAIRMAN & DIRECTOR
DIN : 00009879

DEVANSHU L. GANDHI
DIRECTOR
DIN : 00010146

ANNEXURE – B - TO THE DIRECTORS' REPORT

FORM NO. AOC -2

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

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

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

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vadilal Industries Limited (VIL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.
b)	Nature of contracts/arrangements/transaction	Agreement between VIL and VEL to sell Ice-cream, Frozen Desserts, Flavoured Milk and other Milk and Dairy products and Processed Food Products by VIL to VEL.
c)	Duration of the contracts/arrangements/transaction	Agreement executed on 29.09.2017, which is valid for a period of 10 years w.e.f. 1st October, 2017.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<ul style="list-style-type: none"> - 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. - Payment shall be made by VEL within 180 days from the last date of month in which the Company has supplied the products to VEL. VEL shall be liable to pay interest @15% at the discretion of the Company on all outstanding amount due to the Company, beyond the said credit period of 180 days
e)	Date of approval by the Board	The Agreement was approved by the Board at its meeting held on 8-8-2017. The details transactions of sale/purchase between VIL and VEL are placed at the Board Meetings on quarterly basis.
f)	Amount paid as advances, if any.	No.

By Order of the Board of Directors

Date : 27th August, 2020
Place : Ahmedabad.

RAJESH R. GANDHI
CHAIRMAN & DIRECTOR
DIN : 00009879

DEVANSHU L. GANDHI
DIRECTOR
DIN : 00010146

ANNEXURE -C -TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vadilal Enterprises Limited** (CIN: L51100GJ1985PLC007995) (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of yearly secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on **31st March, 2020** ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (*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, 2018; (*Not Applicable to the Company during the Audit Period*);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (*Not Applicable to the Company during the Audit Period*);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*Not Applicable to the Company during the Audit Period*);
 - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*Not Applicable to the Company during the Audit Period*); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not Applicable to the Company during the Audit Period*);
- vi. During the Audit Period, no law was applicable specifically to the Company.

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- ii) The Listing Agreement entered into by the Company with BSE Limited (BSE) and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**LODR Regulations**').

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

1. The casual vacancy of whole-time KMP (CEO) under section 203 of the Act was filled-up by the Board with a delay of 57 days.
2. As required under Regulation 31(2) of LODR Regulations, hundred percent shareholding of promoters and promoter group is not maintained in dematerialized form.
3. There was delay in submission of Audited Financial Results, Audit Report, and Statement on Impact of Audit Qualifications to BSE for Quarter and Year ended on 31st March, 2019 and submission of Un-Audited Financial Results and Limited Review Report for Quarter ended on 30th June, 2019 as required in terms of Regulation 33 of LODR Regulations. However, in this regard, the Company had received letter from the BSE imposing fine, which has been paid by the Company.

We further report that:

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

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

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

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

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

Premnarayan Tripathi, Designated Partner

SPAN & Co. Company Secretaries LLP

FCS 8851

COP: 10029

UDIN: F008851B000590058

Date : 18.08.2020

Place : Ahmedabad

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

Annexure A

To,

The Members

Vadilal Enterprises Limited

Collonade Building, 10th Floor,

Opp. Iscon Temple BRTS Bus Stand,

Ambli Bopal Road –380015, Ahmedabad, India.

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

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

Premnarayan Tripathi, Designated Partner

SPAN & Co. Company Secretaries LLP

FCS 8851

COP: 10029

UDIN: F008851B000590058

Date : 18.08.2020

Place : Ahmedabad

ANNEXURE – D TO THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES:

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

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year -2019-2020 and the percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year – 2019-2020:**

Name of the Managing Directors, Chief Financial Officers and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year
Mr. Jinand Patel, Chief Executive Officer (w.e.f. 23.7.2019)	N.A.	12%
Mr. Kamal Varma, Chief Executive Officer (w.e.f. 23.7.2019)	N.A.	13%
Mr. Rajesh Bhagat, Chief Financial Officer	N.A.	9%
Mr. Darshan Shah, Company Secretary	N.A.	11%

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 -2019-2020 : 13%**
- c. The number of permanent employees on the rolls of Company as on 31-3-2020: 661**
- d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year -2019-2020 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the year under review, the average annual increase was around 10.73% 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 containing top ten employees in terms of remuneration drawn and particulars of employees as required under Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any shareholder interested in obtaining a copy of the same may write to the Company Secretary and the same will be provided free of cost to the shareholder.**

By Order of the Board of Directors

Date : 27th August, 2020
Place : Ahmedabad.

RAJESH R. GANDHI
CHAIRMAN & DIRECTOR
DIN : 00009879

DEVANSHU L. GANDHI
DIRECTOR
DIN : 00010146

INDEPENDENT AUDITOR'S REPORT

To The Members of Vadilal Enterprises Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of Vadilal Enterprises Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Disclaimer of Opinion

We refer to the following:

- (a) Note 42 to the financial statements, which describes various allegations and counter-allegations on financial, operational, and management matters between the Promoter Directors of the Company, between August, 2018, and July, 2019. The Promoter Directors have communicated to the Audit Committee and the Board of Directors of the Company, their withdrawal of all the allegations on July 22, 2019, except for the matters referred to in Note 43(A) and 43(B) of the financial statements, which relate to the appropriateness of the payments amounting to INR 53.39 lakh approved by PD 2 and INR 45.90 lakh alleged by PD 2 as approved by PD 1 and/or by unauthorised personnel, claimed as appropriate expenses over the past years.
- (b) Note 36 to the financial statements which refers to the status of on-going litigations filed against the Company and some of its promoters under Section 241 and 242 of the Companies Act, 2013, pertaining to prevention of oppression and mismanagement of the Company before the National Company Law Tribunal, Ahmedabad.
- (c) The committee of independent directors has appointed an independent law firm and a chartered accountant to inquire/examine all the matters as referred to in Notes 42, 43(A), and 43(B), and advice the Board of Directors of the Company for further course of action.

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

Emphasis of Matter

We draw attention to Note 45 of the financial statements which describes the Management's evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

Management and Board of Directors' Responsibilities for the Financial Statements

The Management and the Board of Directors of the Company are responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Other Matter

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order which is subject to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above and the material weakness described in the Basis for Disclaimer of Opinion in our separate Report on the Internal Controls over Financial Reporting.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. As described in the Basis for Disclaimer of Opinion section above, we have sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. The matter described in the Basis for Disclaimer of Opinion section above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - g. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph, read with paragraph 2(b) above.
 - h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a Disclaimer of Opinion on the Company's internal financial controls over financial reporting for the reasons stated therein.
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and according to the best of our information and according to the explanations given to us, the Company has not paid remuneration to its directors. Accordingly, the provision of section 197(16) of the Act is not applicable.
 - j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. Due to possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Arpit K. Patel
Partner
[Membership No.: 034032]
UDIN: 20034032AAAABQ6339

Place: Ahmedabad
Date: June 26, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members Vadilal Enterprises Limited of even date)

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

We report that:

- (i) (a) The Company has reasonably maintained records showing particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets according to which all fixed assets are to be verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the Management and an external agency appointed by the Company during the year. During the year, verification was conducted across 12 centers for Deep Freezers, Freezer on Wheels and Tricycles, where in discrepancies were found. In this regards, the updation of the same in asset register is partially pending as on March 31, 2020.
- (c) With respect to immovable properties of buildings, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, inventories have been physically verified at reasonable intervals by the management during the period. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed during such verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, 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. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Customs Duty, cess, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Customs Duty, cess, Goods and Services Tax and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- (c) Details of dues of Sales Tax, Duty of excise, Goods and Services Tax and Income-tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (In Lakh)	Amount unpaid (In Lakh)
Central Sales Tax Act, 1956 and Sales Tax Act of various states	Sales tax demand	Member Commercial Tax Tribunal, Bareilly	2008-2009	2.68	-
	Sales tax demand	Member Commercial Tax Tribunal, Bareilly	2009-2010	1.50	-
	Sales tax demand	Member Commercial Tax Tribunal, Bareilly	2010-2011	1.22	-
	Sales tax demand	Member Commercial Tax Tribunal, Bareilly	2012-2013	1.54	-
	Sales tax demand	Excise & Taxation Officer-Cum-Assessing Authority, Sonapat	2014-2015	20.92	20.92
	Entry Tax Demand	In the High Court of Judicature for Rajasthan, Jaipur Bench, Jaipur	2013-2014	4.78	-
	Entry Tax Demand	In the High Court of Judicature for Rajasthan, Jaipur Bench, Jaipur	2014-2015	12.07	-
Income Tax Act, 1961	Income Tax Demand	CIT(A)	A.Y. 2017-18	5.71	5.71
	Income Tax Demand	High court	A.Y. 1993-1994 & 1994-1995	6.48	6.48

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company has not taken any loans or borrowings from government or has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans has been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) Except for the possible effects of the matters described in the Basis for Disclaimer of Opinion section in our audit report on the Financial Statements on which we are unable to comment, to the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the Company has not paid any managerial remuneration during the period and hence reporting under clause 3(xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standard.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Arpit K. Patel
Partner
[Membership No.: 034032]
UDIN: 20034032AAAABQ6339

Place: Ahmedabad
Date: June 26, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vadilal Enterprises Limited of even date)

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

We have audited the internal financial controls over financial reporting of Vadilal Enterprises Limited (the "Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management and Board of Directors' Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Disclaimer of Opinion

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

We were engaged to audit, in accordance with the Standards on Auditing issued by the ICAI, as specified under section 143(10) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2020, and the related statement of Profit and loss and Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. We have considered the Disclaimer of Opinion reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company and this report affects our report dated June 26, 2020 which expressed a Disclaimer of Opinion on those financial statements.

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

Arpit K. Patel
Partner
[Membership No.: 034032]
UDIN: 20034032AAAABQ6339

Place: Ahmedabad
Date: June 26, 2020

BALANCE SHEET as at March 31, 2020

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
Non-Current Assets			
(a) Property, Plant And Equipment	3A	6,383.99	6,022.93
(b) Capital Work-In-Progress	3B	589.50	856.48
(c) Other Intangible Assets	3C	123.95	117.98
(d) Financial Assets			
(i) Investments	4	11.64	15.77
(ii) Loans	5	6.11	2.49
(iii) Other Financial Assets	6	1,615.77	1,544.30
(e) Deferred Tax Assets (Net)	7	305.70	262.84
(f) Other Non-Current Assets	8	767.31	831.66
Total Non-Current Assets		9,803.97	9,654.45
Current Assets			
(a) Inventories	9	2,535.45	2,152.05
(b) Financial Assets			
(i) Trade Receivables	10	2,503.44	2,813.99
(ii) Cash And Cash Equivalents	11	67.81	163.05
(iii) Bank Balance Other Than (ii) Above	12	57.11	55.28
(iv) Loans	13	11.40	10.10
(v) Other Financial Assets	14	21.60	21.60
(c) Other Current Assets	15	732.93	608.69
Total Current Assets		5,929.74	5,824.76
TOTAL ASSETS		15,733.71	15,479.21
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	86.27	86.27
(b) Other Equity	17	184.61	299.40
Total Equity		270.88	385.67
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	972.04	1,337.46
(ii) Other Financial Liabilities	19	9.60	7.61
(b) Provisions	20	55.77	51.43
Total Non-current Liabilities		1,037.41	1,396.50
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	1,087.49	809.99
(ii) Trade Payables	22		
- total outstanding dues of micro enterprises and small enterprises		1.37	1.57
- total outstanding dues of creditors other than micro enterprises and small enterprises		4,455.85	3,609.31
(iii) Other Financial Liabilities	23	8,333.00	8,578.55
(b) Provisions	24	214.79	192.24
(c) Current Tax Liabilities (Net)	25	58.05	46.82
(d) Other Current Liabilities	26	274.87	458.56
Total Current Liabilities		14,425.42	13,697.04
Total Liabilities		15,462.83	15,093.54
TOTAL EQUITY & LIABILITIES		15,733.71	15,479.21

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

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

Arpit Patel
Partner
Membership No.: 034032

Place : Ahmedabad
Date : June 26, 2020

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Chairman
(DIN - 00009879)

Jinand J Patel
Chief Executive Officer

Rajesh I. Bhagat
Chief Financial Officer
Place : Ahmedabad
Date : June 26, 2020

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kamal N Varma
Chief Executive Officer

Darshan Shah
Company Secretary

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

(₹ in Lacs)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
I Revenue From Operations	27	59,150.57	57,314.39
II Other Income	28	258.00	284.20
III Total Income (I+II)		59,408.57	57,598.59
IV Expenses:			
Purchase of Stock-In-Trade	29	44,410.75	43,696.27
Changes In Inventories of Stock-In-Trade	30	(358.80)	(34.92)
Employee Benefits Expenses	31	4,059.57	3,572.99
Finance Costs	32	312.42	368.84
Depreciation and Amortization Expenses	3	1,386.29	1,195.35
Other Expenses	33	9,646.40	8,784.61
Total Expense (IV)		59,456.63	57,583.14
V Profit Before Tax (III-IV)		(48.06)	15.45
VI Tax Expenses			
(A) Current Tax		72.77	79.71
(B) Deferred Tax Expenses		(38.03)	(73.16)
Total Tax Expenses		34.74	6.55
VII Profit for the year (V-VI)		(82.80)	8.90
VIII Other Comprehensive Income			
Item that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		(28.51)	(21.22)
- Tax Expense on Above Items		4.83	7.26
Other Comprehensive Income for the year		(23.68)	(13.96)
Total Comprehensive Income for the year (VII+VIII)		(106.48)	(5.06)
Earnings per Share (of ₹ 10/- each) (not annualized) :			
- Basic	39	(9.60)	1.03
- Diluted		(9.60)	1.03

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

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

Arpit Patel
Partner
Membership No.: 034032

Place : Ahmedabad
Date : June 26, 2020

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Chairman
(DIN - 00009879)

Jinand J Patel
Chief Executive Officer

Rajesh I. Bhagat
Chief Financial Officer
Place : Ahmedabad
Date : June 26, 2020

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kamal N Varma
Chief Executive Officer

Darshan Shah
Company Secretary

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

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(48.06)	15.45
Adjustments for:		
Depreciation and Amortisation expense	1,386.29	1,195.35
Loss/(Profit) on sale of Property, Plant & Equipment (net)	(20.11)	42.42
Interest Income	(133.20)	(143.65)
Finance Costs	312.42	368.84
Loss/(Profit) from Sale of Current Investments	(28.81)	-
Change in Fair value of the Current Investment	4.13	(0.53)
Provision for Doubtful Debts	116.25	47.06
Excess Provision/Credit Balance/Deposits written back	(60.25)	(124.08)
Scrap Sale of asset	(37.41)	(23.87)
Bad Debts Written off	64.88	19.13
	1604.19	1380.67
Operating Profit before Working Capital changes	1556.13	1396.12
Changes in Working Capital:		
(Increase)/Decrease in Inventories	(383.40)	(52.40)
(Increase)/Decrease in Trade receivables, financial assets and other assets	(39.55)	(330.84)
Increase/(Decrease) in Trade Payables, financial liabilities, other liabilities and provisions	1137.06	350.58
	714.11	(32.66)
Income Tax paid	(38.48)	(8.74)
Net Cash generated from operating activities (A)	2231.76	1354.72
B CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditure on Property, Plant & Equipment & Intangible asset	(2005.16)	(2501.17)
Proceeds from Sale of Property, Plant & Equipment	215.53	65.49
Proceeds from Sale of Current Investments (Net)	28.81	-
Interest received	121.20	143.65
Net Cash used in Investing Activities (B)	(1639.62)	(2292.03)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long Term borrowings	-	1,230.00
Repayment of Long Term borrowings	(659.47)	(605.86)
Proceeds from /(Repayment of) Short Term borrowings	277.50	254.18
Interest paid	(297.10)	(359.98)
Dividends paid (including tax on dividend)	(8.31)	(8.31)
Net Cash (used in)/generated from Financing Activities (C)	(687.38)	510.03
Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)	(95.24)	(427.28)
Cash and Cash equivalents at the beginning of the Period	163.05	590.33
Cash and Cash equivalents at the end of the Period	67.81	163.05

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

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

(₹ in Lacs)

Particulars of liabilities arising from financing activity.	Note No.	As at March 31, 2019	Net cash Flows	Other changes*	As at March 31, 2020
Borrowings :					
Long term borrowings	18	2,025.27	(644.87)		1,380.40
Short term borrowings	21	809.99	277.50		1,087.49
Interest accrued on borrowings	23	14.95	(14.95)	15.67	15.67

(₹ in Lacs)

Particulars of liabilities arising from financing activity.	Note No.	As at March 31, 2018	Net cash Flows	Other changes*	As at March 31, 2019
Borrowings :					
Long term borrowings	18	1,401.13	624.14	-	2,025.27
Short term borrowings	21	555.81	254.18	-	809.99
Interest accrued on borrowings	23	6.10	(6.10)	14.95	14.95

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

- 1) The above cash flow has been prepared under Indirect Method set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flow.
- 2) Previous years figures have been regrouped 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 Arpit Patel & Associates
Chartered Accountants
Firm registration number: 144032W

Arpit Patel
Partner
Membership No.: 034032

Place : Ahmedabad
Date : June 26, 2020

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Chairman
(DIN - 00009879)

Jinand J Patel
Chief Executive Officer

Rajesh I. Bhagat
Chief Financial Officer
Place : Ahmedabad
Date : June 26, 2020

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kamal N Varma
Chief Executive Officer

Darshan Shah
Company Secretary

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

Particulars	Equity share Capital	Other Equity				Total other Equity	Total Equity
		Capital Reserve	Securities Premium Reserve	General Reserves	Retained Earning		
Balance as at April 1, 2018	86.27	0.37	93.21	212.50	6.69	312.77	399.04
Add: Profit for the year					8.90	8.90	8.90
Add/(Less): Other Comprehensive income (Net of Income tax)					(13.96)	(13.96)	(13.96)
Total Comprehensive Income for the year	-	-	-	-	(5.06)	(5.06)	(5.06)
Payment of Dividend (Including tax on dividend)					8.31	8.31	8.31
	-	-	-	-	8.31	8.31	8.31
Balance as at March 31, 2019	86.27	0.37	93.21	212.50	(6.68)	299.40	385.67
Balance as at April 1, 2019	86.27	0.37	93.21	212.50	(6.68)	299.40	385.67
Add: Profit for the year					(82.80)	(82.80)	(82.80)
Add/(Less): Other Comprehensive income (Net of Income tax)					(23.68)	(23.68)	(23.68)
Total Comprehensive Income for the year	-	-	-	-	(106.48)	(106.48)	(106.48)
Payment of Dividend (Including tax on dividend)					8.31	8.31	8.31
					8.31	8.31	8.31
Balance as at March 31, 2020	86.27	0.37	93.21	212.50	(121.47)	184.61	270.88

See accompanying notes to the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Arpit Patel
Partner
Membership No.: 034032

Place : Ahmedabad
Date : June 26, 2020

Rajesh R. Gandhi
Chairman
(DIN - 00009879)

Jinand J Patel
Chief Executive Officer

Rajesh I. Bhagat
Chief Financial Officer
Place : Ahmedabad
Date : June 26, 2020

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kamal N Varma
Chief Executive Officer

Darshan Shah
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. COMPANY OVERVIEW:-

Vadilal Enterprises Limited is a public company domiciled in India. The company has its registered office 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stop, Ambli Bopal Road, Bopal, Ahmedabad and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay stock exchange in India. The Company is engaged in the marketing and distribution of the ice cream, dairy products, frozen desserts and process food products of the brand "Vadilal" all over India except ice cream, dairy product and frozen desserts in Maharashtra, Goa, Karnataka, Kerala & Andhra Pradesh. The Financial Statements for the year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on June 26, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES:-

a) Statement of compliance

These financial statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2020 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

b) Basis of Preparation of Financial Statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each financial year, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The financial statements are presented in Indian Rupee ("INR") and all values are rounded to the nearest lakhs as per the requirement of Schedule III, except when otherwise indicated.

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

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

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

c) Use of Estimates

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

Estimates and underlying assumptions are reviewed on an 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 maturities of three months or less from the date of purchase, to be cash equivalents.

f) Revenue Recognition

Sale of goods

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

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, for which, based on technical evaluation, useful life is different than those prescribed in Schedule II.

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

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

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

h) Intangible assets

Intangible assets acquired separately

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

Derecognition of intangible assets

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

Useful lives of intangible assets

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

i) Leasing

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

j) Foreign Currencies

In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date and differences are recognised in statement of Profit and Loss account. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

k) Employee Benefits

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

Defined Contribution Plan:

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

Defined benefit plans:

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

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

- 1) Service costs comprising current service costs, gains and losses on curtailments and settlements; and
- 2) Net interest expense or income

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

Short-term and Long term employee benefits:

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

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

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

l) Borrowing costs

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

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

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

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

m) Earnings per share

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

n) Taxation

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

Current Tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

o) Provisions, Contingent Liabilities and Contingent Assets and Commitments

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

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

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

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

p) Financial Instruments

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

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial liabilities

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

Equity instruments

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

Offsetting of financial instruments

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

q) Impairment

Financial assets (other than at fair value)

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

Non-financial assets

Property, plant and Equipment and intangible assets

At the end of each financial year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

r) Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after the financial year, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the financial year

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company has identified twelve months as its operating cycle.

Application of New Accounting Pronouncements

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

1. Ind AS - 116 Leases

After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts. The adoption of the standard did not have any material impact to the financial statements.

2. Ind AS 12 – Income Taxes – Appendix C, Uncertainty over Income Tax Treatments:-

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition – i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The standard became effective from April 01, 2019. The Company has adopted the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 01, 2019 if any without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C is insignificant in the standalone financial statements.

3. Amendment to Ind AS 12 – Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The adoption of the standard did not have any material impact to the financial statements. It is relevant to note that the amendment does not amend situations where the entity pays

a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

4. Amendment to Ind AS 19 – Employee benefit - plan amendment, curtailment or settlement

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

s) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next financial year.

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

As described in Note 41, in determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

ii. Useful lives of property, plant and equipment

As described in Note 2(g), the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each financial year. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

iii. Allowances for doubtful debts

As described in Note 10, the Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

iv. Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

t) Standards issued but not yet effective

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

NOTE-3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block			Depreciation and Amortisation			Net Block	
	As at April 1, 2018	Additions during the year	Deductions	As at April 1, 2018	Additions during the year	Deductions	As at March 31, 2019	As at March 31, 2018
A Property, Plant and Equipment								
Building	38.03	-	-	15.79	0.64	-	16.43	22.24
Plant and Machinery	9,637.93	2,345.37	432.32	4,948.00	1,108.46	348.62	5,707.84	4,689.93
Computer & Periferal	146.06	18.04	-	106.99	19.77	-	126.76	39.07
Office Equipments	90.07	15.16	0.06	59.78	14.26	0.03	74.01	30.29
Furniture and Fixtures	49.21	35.60	-	38.14	9.75	-	47.89	11.07
Vehicles	142.66	21.84	5.81	106.09	5.34	5.51	105.92	36.57
Total	10,103.96	2,436.01	438.19	5,274.79	1,158.22	354.16	6,078.85	4,829.17
B Capital Work-in-Progress	857.06	2,344.79	2,345.37	856.48	-	-	856.48	857.06
Total	857.06	2,344.79	2,345.37	856.48	-	-	856.48	857.06
C Other Intangible Assets								
Software & Development	198.22	65.74	-	108.85	37.13	-	145.98	89.37
Total	198.22	65.74	-	108.85	37.13	-	145.98	89.37

Notes : 1) For charges created on the aforesaid assets, refer Note 18 and 21.

Particulars	Gross Block			Depreciation and Amortisation			Net Block	
	As at April 1, 2019	Additions during the year	Deductions	As at April 1, 2019	Additions during the year	Deductions	As at March 31, 2020	As at March 31, 2019
A Property, Plant and Equipment								
Building	38.03	-	-	16.43	0.56	-	16.99	21.60
Plant and Machinery	11,550.98	1,790.17	610.15	5,707.84	1,275.32	453.10	6,530.06	5,843.14
Computer & Periferal	164.10	29.75	-	126.76	21.65	-	148.41	37.34
Office Equipments	105.17	11.62	0.05	74.01	14.32	0.05	88.28	31.16
Furniture and Fixtures	84.81	23.92	-	47.89	17.88	-	65.77	36.92
Vehicles	158.69	0.66	14.52	105.92	7.55	13.79	99.68	52.77
Total	12,101.78	1,856.12	624.72	6,078.85	1,337.28	466.94	6,949.19	6,022.93
B Capital Work-in-Progress	856.48	1,523.19	1,790.17	589.50	-	-	589.50	856.48
Total	856.48	1,523.19	1,790.17	589.50	-	-	589.50	856.48
C Other Intangible Assets								
Software & Development	263.96	54.98	-	145.98	49.01	-	194.99	117.98
Total	263.96	54.98	-	145.98	49.01	-	194.99	117.98

Notes : 1) For charges created on the aforesaid assets, refer Note 18 and 21.

NOTE- 4 NON-CURRENT INVESTMENTS

Particulars	Face Value	March 31, 2020		March 31, 2019	
		Units	(₹ in Lacs)	Units	(₹ in Lacs)
A) Investment in Equity Instruments at FVTPL(Unquoted fully paid up) : (Refer Note 2(b) & 38 (2))					
(i) Vadilal Forex & Consultancy Services Limited.	₹ 10	48,000	8.02	48,000	12.83
(ii) Majestic Farm House Limited	₹ 10	55,200	2.94	55,200	2.94
			10.96		15.77
B) Investment in Equity Instruments at FVTPL(Quoted fully paid up) : (Refer Note 2(b) & 38 (2))					
(i) Vadilal Industries Limited	₹ 10	150	0.68	-	-
Total			11.64		15.77

NOTE- 5 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
NON CURRENT		
Loans to employees	6.11	2.49
Total	6.11	2.49

NOTE- 6 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
NON CURRENT		
Deposits with original maturity of more than 12 months (Refer Note 12)	1.09	8.39
Security Deposits	1,614.68	1,535.91
Total	1,615.77	1,544.30

NOTE- 7 DEFERRED TAX ASSETS (NET)

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets	527.95	579.98
Deferred Tax Liabilities	(222.25)	(317.14)
Total	305.70	262.84

(₹ in Lacs)

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

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

(₹ in Lacs)

Movement during the year ended March 31, 2020	As at April 1, 2019	Recognised/ (Reversed) in statement of Profit and Loss	Recognised/ (Reversed) in Other Comprehensive Income	Other Adjustment	As at March 31, 2020
Deferred Tax Assets/(Liabilities)					
Property, Plant and Equipment	151.66	(11.22)			140.44
Investments	(6.89)	3.96			(2.93)
Expenditure allowed in the year of payment	60.56	29.41			89.97
Provision for doubtful debts & advances	55.66	11.26			66.92
Discounting of security deposit to present value and corresponding impact on other expenses	(293.95)	92.05			(201.90)
Discounting of security deposit to present value and corresponding impact on interest income	301.76	(88.54)			213.22
Increase in borrowing cost pursuant to application of EIR	(9.03)	5.96			(3.07)
Others	3.07	(4.85)	4.83		3.05
Total	262.84	38.03	4.83	-	305.70

NOTE- 8 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
NON CURRENT		
(Unsecured, Considered good unless otherwise stated)		
Advance Income Tax (Net of Provisions amounting to ₹ 11.17 Lacs (PY ₹ 11.17 Lacs))	30.66	11.78
Capital advances	1.53	3.37
Security Deposits	32.08	32.60
Prepaid Expenses	703.04	783.91
Total	767.31	831.66

NOTE- 9 INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(At lower of cost and net realisable value)		
Raw Materials	1.59	3.80
Stock in Trade*	2,358.50	1,988.49
Packing Materials	8.38	17.38
Stores, Spares and Consumables	166.98	142.38
Total	2,535.45	2,152.05

* Stock in trade includes goods in transit ₹ NIL (As at March 31, 2019 ₹ 176.07 Lacs)

Inventories write downs are accounted, considering the nature of inventory usage, ageing and net realisable value. Write-down of inventories amounted to ₹ 84.19 lacs as at March 31, 2020 (as at March 31, 2019 ₹ 61.74 lacs). These write-downs are recognised as an expense in the statement of profit & loss.

NOTE- 10 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, Considered good	1,918.52	1,823.50
Unsecured, Considered good	584.92	990.49
Unsecured, Considered doubtful	220.49	149.64
	2,723.93	2,963.63
Less: Allowance for Doubtful Trade Receivables (expected credit loss allowance)	220.49	149.64
Total	2,503.44	2,813.99
Breakup of Trade Receivables		
Trade receivables from Other than Related parties	2,501.66	2,811.82
Trade receivables Related parties (Refer Note 40)	1.78	2.17
Total	2,503.44	2,813.99

Notes :

- The credit period ranges from 30 days to 180 days.
- Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits for customer. Limits attributed to customers are reviewed annually. There are no customers who represent more than 5% of the total balance of trade receivable.
- In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.
- The Company has made a detailed assessment of the recoverability of the Company's Receivables as at the Balance Sheet date, using reasonably available information, estimates and judgments and has determined an additional overlay on expected credit loss (ECL) amounting to ₹ 100.22 lacs during the year ended March 31, 2020.

v. Movement in Expected Credit Loss Allowance

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	149.64	152.13
Add: Allowance for the year	161.13	108.65
(Less): Actual Write off during the year(net of recovery)	(90.28)	(111.14)
Balance at the end of the year	220.49	149.64

- Borrowings are secured by first pari passu charge on stock, book debts and other chargeable current assets. (Refer Note 21)
- Refer Note 38 for information about credit risk and market risk of Trade receivables.

NOTE- 11 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks :		
In Current Accounts	64.53	158.87
Cash on hand	3.28	4.18
Total	67.81	163.05

NOTE- 12 OTHER BALANCES WITH BANKS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Margin Money Deposit (Towards Guarantee issued By bank)	45.92	43.78
In Deposit Repayment Reserve Account	9.27	16.77
In Unclaimed Dividend Account	3.01	3.12
	58.20	63.67
Less :Deposits with Original Maturity of more than 12 months		
Amount disclosed under Non - Current Financial Assets (Refer Note 6)	1.09	8.39
Total	57.11	55.28

NOTE- 13 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
CURRENT		
Loan to Employees	11.40	10.10
Total	11.40	10.10

NOTE- 14 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
CURRENT		
Interest Receivable (Refer note - 40)	21.60	21.60
Total	21.60	21.60

NOTE- 15 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
CURRENT		
Prepaid Expenses	29.40	58.03
Balances with Government Authorities	522.47	376.89
Advance Royalty	99.21	96.66
Advances recoverable in cash or in kind or for value to be received	120.96	90.97
Less: Provided for Doubtful Advance	(39.11)	(13.86)
	81.85	77.11
Total	732.93	608.69

NOTE- 16 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital:		
20,00,000 (As at March 31, 2019: 20,00,000) equity shares of ₹10/- each	200.00	200.00
	200.00	200.00
Issued, Subscribed and Fully paid-up Share Capital		
Issued and Subscribed Share Capital:		
8,70,148 (As at March 31, 2019: 8,70,148) equity shares of ₹10/- each	87.01	87.01
	87.01	87.01
Paid up Share Capital:		
8,62,668 (As at March 31, 2019: 8,62,668) equity shares of ₹10/- each	86.27	86.27
	86.27	86.27

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Outstanding at the beginning of the period	862,668	86.27	862,668	86.27
Add: Issued shares during the year	-	-	-	-
Less: Buy-Back during the year	-	-	-	-
Outstanding at the end of the period	862,668	86.27	862,668	86.27

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.

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, 2020		As at March 31, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity Shares of ₹10 each fully paid				
1 Devanshu Laxmanbhai Gandhi	120,624	13.98%	109,145	12.65%
2 Rajesh Ramchandra Gandhi	78,408	9.09%	78,408	9.09%
3 Virendra Ramchandra Gandhi	72,207	8.37%	72,207	8.37%
4 Axilrod Private Limited (Previously Known as Vortex Ice cream Private Limited)	43,308	5.02%	43,308	5.02%
5 Vadilal Marketing Private Limited	43,299	5.02%	43,299	5.02%

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE- 17 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserve		
Balance at the beginning of the year	0.37	0.37
Balance at the end of the year	0.37	0.37
Securities Premium		
Balance at the beginning of the year	93.21	93.21
Balance at the end of the year	93.21	93.21
General Reserve		
Balance at the beginning of the year	212.50	212.50
Balance at the end of the year	212.50	212.50
Other Comprehensive Income		
Balance at the beginning of the year	(18.97)	(5.01)
Add: Remeasurement of Employee Benefit	(23.68)	(13.96)
Balance at the end of the year	(42.65)	(18.97)
Surplus in the Statement of Profit and loss		
Balance at the beginning of the year	12.29	11.70
Add: Profit for the year	(82.80)	8.90
Less :Payment of Dividend on equity shares (Including Tax on Dividend)	8.31	8.31
Total Appropriations	8.31	8.31
Balance at the end of the year	(78.82)	12.29
Total	184.61	299.40

Notes

a) On October 05, 2018 & October 03, 2019, 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) Nature and Purpose of reserve

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

Securities premium reserve The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is available for utilization in accordance with the provisions of the Companies Act, 2013.

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

Retained earnings Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

NOTE- 18 BORROWING

(₹ in Lacs)

Particulars	Non - Current	
	As at March 31, 2020	As at March 31, 2019
NON CURRENT		
Secured-at amortised Cost		
Term Loans from Banks	697.35	1,011.08
Less : Current maturity of long term loans (Refer Note 23)	(203.67)	(347.53)
	493.68	663.55
From Non Banking Financial Company (Secured)	638.86	952.85
Less : Current maturity of long term loans (Refer Note 23)	(188.49)	(323.13)
	450.37	629.72
	944.05	1,293.27
Unsecured-at amortised Cost		
Fixed Deposits	44.19	61.34
Less : Current maturity of long term loans (Refer Note 23)	(16.20)	(17.15)
	27.99	44.19
Total	972.04	1,337.46

- (i) The Company has availed/applied for moratorium in respect of term loans (Interest and Installment) up to August 31, 2020 and accordingly classified Current & Non-Current Portion based on the moratorium availed/applied.

Repayment Schedule of Loans

Sr. No.	Name of the Bank	Outstanding as at March 31, 2020	Outstanding as at March 31, 2019	Rate of Interest	Terms of Repayment
		₹ in Lacs	₹ in Lacs		
1	Bank of India (Refer Note No.i & iii)	220.10	345.93	12.00%	Repayable in 30 Monthly installment of ₹ 11.67 Lacs
2	Bank of India (Refer Note No.i & iii)	443.58	623.71	12.00%	Repayable in 38 Monthly installment of ₹ 16.67 Lacs
3	Vehicle Loan (Refer Note No. iv) HDFC Bank Limited*	17.20	20.77	9.25%	Repayable in 58 Monthly installment of ₹ 0.45 Lacs
4	Vehicle Loan (Refer Note No. iv) HDFC Bank Limited*	16.72	20.67	8.30%	Repayable in 54 Monthly installment of ₹ 0.46 Lacs
5	Tata Capital Financial Services Ltd. (Refer Note No.ii & iii)*	638.61	952.85	12.25% to 13.25%	Repayable in 36 Monthly installment ranging from ₹ 0.32 Lacs to ₹ 8.32 Lacs
		1336.21	1963.93		
6	Fixed Deposits	44.19	61.34	9.5% to 11%	12 to 36 months based on period of deposits

* Each EMI includes interest portion also.

- (i) Term Loan from Bank of India is secured by way of first hypothecation charge over movable Plant and Machinery Equipments of the company to be purchased out of term loan availed by company. The Term Loan is also secured on first charge by Equitable Mortgage of Immovable properties of the company situated at 1st Floor of Vadilal House, Shrimali Soccity, Navrangpura, Ahmedabad (Guaranteed by Some of the Promoter directors of the company)
- (ii) Term Loan from TATA Capital Services Limited is secured by way of hypothecation charge over movable Plant and Machinery Equipment of the company to be purchased out of term loan availed by company.
- (iii) The Term Loans from BOI and TATA Capital service Limited are secured by Corporate Guarantee of Vadilal Industries Ltd.
- (iv) Vehicle loans from HDFC Bank Limited are secured against hypothecation of specific vehicles of the Company.
- (v) Refer Note 38 for information about liquidity risk.
- (vi) Amount stated in current maturity is disclosed under the head of "Other Current Financial Liabilities" (Refer Note 23)

NOTE- 19 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
NON CURRENT		
Financial Guarantee Liabilities	9.60	7.61
Total	9.60	7.61

NOTE- 20 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
NON CURRENT		
Employee Benefits		
Gratuity (Refer Note 41)	55.77	51.43
Total	55.77	51.43

NOTE- 21 BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
CURRENT		
Secured-at amortised Cost		
Working Capital Loans (Secured) (Refer Note - (i) Below)	997.26	669.57
Unsecured-at amortised Cost		
Book Overdraft in current account with Banks	90.23	132.42
Fixed Deposits from Public	-	8.00
Total	1,087.49	809.99

- (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.(Guranteed by Some of the promoter directors of the company)
- (ii) Working Capital facilities from Bank of India is secured by Corporate Guarantee from Vadilal Industries Ltd.
- (iii) The Company has availed/applied moratorium in respect of interest on cash credit accounts up to August 31, 2020.

NOTE- 22 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Micro, Small and Medium Enterprises	1.37	1.57
Others (Refer Note 40)	4,455.85	3,609.31
Total	4,457.22	3,610.88

Note A) The amount outstanding to micro, small and medium enterprise is based on the information received and available with the company.

Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at March 31, 2020	As at March 31, 2019
A i) Principal amount remaining unpaid at the end of the accounting year	1.37	1.57
ii) Interest due on above	NIL	NIL
B The amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006, along with amount of payment made to the supplier beyond the appointed date during the accounting year	NIL	NIL
C The amount of interest accrued and remaining unpaid at the end of the financial year	NIL	NIL
D The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under MSMED Act, 2006	NIL	NIL
E The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	NIL	NIL

NOTE-23 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
CURRENT		
Current maturities of long-term debt (Refer Note 18)		
From Banks (Secured)	203.67	347.53
From Non banking Financial Company (Secured)	188.49	323.13
Public Fixed Deposits	16.20	17.15
Interest accrued	15.67	14.95
Unclaimed Dividends*	3.01	3.12
Unclaimed Deposits and Interest accrued thereon*	1.36	1.62
Payable for Capital Goods	751.19	1,112.00
Financial Guarantee Liabilities	2.50	1.57
Security Deposits from Customers & Others	7,030.31	6,623.03
Other Liabilities	120.60	134.45
Total	8,333.00	8,578.55

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

NOTE- 24 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
CURRENT		
Provision for Employee Benefits:		
Gratuity (Refer Note 41)	76.90	65.91
Compensated Absences	137.89	126.33
Total	214.79	192.24

NOTE- 25 CURRENT TAX LIABILITIES) (NET)

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax Payable (Net of Advance payment of Tax)	58.05	46.82
Total	58.05	46.82

NOTE-26 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
CURRENT		
Statutory dues payable	115.40	316.98
Advances from customers	159.47	141.58
Total	274.87	458.56

NOTE - 27 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of products		
Finished goods (Refer Note 40)	63,964.72	61,809.34
Less: Sales Commission, Trade Discount, Scheme Discount and Damages	5,053.32	4,776.19
	58,911.40	57,033.15
Income from Sale of Services	115.19	118.14
Other operating Income:		
Sale of Scrap	37.41	23.87
Commission Income	-	0.38
Rental Income from Machines	19.70	24.80
Promotional Charges	66.87	114.05
Total	59,150.57	57,314.39
Reconciliation of revenue from contract with customer:		
Revenue from contracts with customer as per the contract price	64,079.91	61,927.48
Adjustments made to contract price on account of:		
a) Discounts and Rebates	(5,053.32)	(4,776.19)
b) Other Operating Revenue	123.98	163.10
Revenue from contracts with customer as per the Statement of Profit and Loss	59,150.57	57,314.39

NOTE - 28 OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest income (Refer Note 40)	133.20	143.65
Profit/Surplus on Sale of Current Investments	28.81	-
Gain on Fair valuation of Investments	-	0.53
Profit/Surplus on Sale of Property, Plant and Equipment (Net of Deposit Adjustment)	20.11	-
Excess Provision /Credit Balance/Deposits Written Back	60.25	124.08
Miscellaneous Income	15.63	15.94
Total	258.00	284.20

NOTE - 29 PURCHASES OF STOCK IN TRADE

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Purchases (as per details below) (Refer Note 40)	44,410.75	43,696.27
Total	44,410.75	43,696.27
Details of Purchases of Stock in Trade		
Ice Cream/ Frozen Desserts	43,782.73	42,963.03
Processed Food	230.81	348.37
Dairy Products	360.45	323.41
Others	36.76	61.46
Total	44,410.75	43,696.27

NOTE - 30 CHANGES IN INVENTORIES OF STOCK IN TRADE

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventories at the beginning of the year		
Finished Goods	2,009.67	1,974.75
	2,009.67	1,974.75
Inventories at the end of the year		
Finished Goods	2,368.47	2,009.67
	2,368.47	2,009.67
Net (Increase)/decrease	(358.80)	(34.92)

NOTE - 31 EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries And Wages	3,792.31	3,364.85
Contribution To Provident and Other Funds (Refer Note 41)	202.54	143.69
Staff Welfare Expenses	64.72	64.45
Total	4,059.57	3,572.99

NOTE – 32 FINANCE COSTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest expense		
On Term Loans	204.82	256.56
On Working Capital Loans	25.13	35.09
On Fixed Deposits From Public	4.78	9.77
On Others (Refer Note 40)	51.61	38.71
Other Borrowing Cost	26.08	28.71
Total	312.42	368.84

NOTE - 33 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Consumption of Stores and Spares	251.14	250.95
Rent Expense (Refer note (a) below)	1,631.52	1,433.86
Repairs and Maintenance		
Repairs To Machine	48.77	48.11
Repairs Others	50.95	71.19
Communication Expense	82.05	76.17
Traveling and Conveyance	534.85	526.52
Royalty Expense (Refer Note 40(b))	353.50	325.67
Freight and Forwarding Charges	2,155.43	2,051.44
Advertisement, Sales Promotion And Publicity Expenses	3,235.15	2,779.27
Payment to Auditor (Refer note (b) below)	22.07	18.65
Provision for Doubtful Advances/Debtors (Net of Recovery ₹ 44.88 Lacs P.Y ₹ 61.58 Lacs)	116.25	47.06
Provision for Doubtful Advances	29.31	-
Property, Plant and Equipment Written Off (Net)	-	42.42
Loss on Fair valuation of Investment	4.13	-
Bad Debts Written off (Net)	64.88	19.13
C & F Commission	568.87	555.90
Directors' Sitting Fees	0.92	1.00
Other Expenses	496.61	537.27
Total	9,646.40	8,784.61

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

(b) Payment to Auditors

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
As Auditor		
Audit Fees	16.00	16.00
In Other Capacity		
Limited review	6.00	2.40
Out of Pocket expenses	0.07	0.25
Total	22.07	18.65

NOTE - 34 INCOME TAX

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Income tax recognised in statement of Profit or Loss		
Current tax:		
In respect of the Current year	72.77	79.71
Total Current Tax	72.77	79.71
Deferred Tax:		
In respect of the Current year	(38.03)	(73.16)
Total deferred tax	(38.03)	(73.16)
Total tax expense/(benefit)	34.74	6.55
Effective income tax rate	-72.28%	42.39%

Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below :

(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit/ (loss) before tax	(48.06)	15.45
Income tax expense @25.168% (Previous Year @ 33.384%)	(12.10)	5.16
Non-recognition of deferred tax asset due to absence of probable certainty of reversal in future	2.94	1.39
Effect of Change in tax rate (Refer Note Below)	43.90	-
Tax expense for the year	34.74	6.55

Note:

The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961, as introduced by Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for Income tax for the quarter and period ended March 31, 2020, and re-measured its Deferred Tax basis the rates prescribed in the said section. The full impact of this change has been recognised in the statement of profit & loss for the year ended March 31, 2020. This has resulted in reversal of Deferred tax expense of ₹ 43.90 lacs on account of remeasurement of Deferred tax asset as at April 01, 2019. Accordingly the company's weighted average tax rates for the year ended March 31, 2020 and March 31, 2019 were 25.168% and 33.384% respectively.

NOTE :35 COMMITMENTS AND CONTINGENT LIABILITIES :

(₹ in Lacs)

Sr. No .	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a)	Contingent liabilities		
1	Sales Tax	44.69	102.03
2	Others (Claims made by customers against company)	226.00	226.00
3	Income Tax	12.19	31.45
4	Guarantees given by the company against Term Loans given to companies in which Directors are interested is ₹ 250.00 Lacs (March 31, 2018 ₹ 250.00 Lacs)	270.00	250.00
	Total Contingent liabilities	552.88	609.48
(b)	Commitments		
1	Capital Contracts remaining to be executed(net of advances)	2,429.03	1,258.82

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

NOTE :36 In FY 2017-18, a Company Petition was filed against the Company and some of its promoters, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013, pertaining to prevention of oppression and mismanagement of the Company. In the current period, no orders have been passed by the NCLT as the petitioners and all the parties to the petition have submitted to the NCLT that they are seeking to arrive at an amicable resolution of matter.

NOTE :37 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 :38 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 18 and 21 off set by cash and bank balances) and total equity of the Company.

Gearing Ratio (₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Debt (note i)	2,467.89	2,835.26	1,956.94
Less: Cash and cash Equivalents	67.81	163.05	590.33
Net Debt	2,400.08	2,672.21	1,366.61
Total Equity excluding Revaluation Reserve	270.88	385.67	399.04
Net Debt to Equity Ratio	886.03%	692.87%	342.47%

- 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 18 and 21.

2. Category-wise classification of financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2020		
	Fair value Through Profit or loss	Amortised Cost	Total
Financial Assets			
Cash and Cash Equivalents		67.81	67.81
Bank balances other than cash and cash Equivalents		57.11	57.11
Investments	11.64	-	11.64
Trade receivables		2,503.44	2,503.44
Other Financial Assets		1,654.88	1,654.88
Total	11.64	4,283.24	4,294.88
Financial Liabilities			
Borrowings		2,059.53	2,059.53
Trade Payable		4,457.22	4,457.22
Other Financial Liabilities		8,342.60	8,342.60
Total		14,859.35	14,859.35

(₹ in Lacs)

Particulars	As at March 31, 2019		
	Fair value Through Profit or loss	Amortised Cost	Total
Financial Assets			
Cash and Cash Equivalents		163.05	163.05
Bank balances other than cash and cash Equivalents		55.28	55.28
Investments	15.77		15.77
Trade receivables		2,813.99	2,813.99
Other Financial Assets		1,578.49	1,578.49
Total	15.77	4,610.81	4,626.58
Financial Liabilities			
Borrowings		2,147.45	2,147.45
Trade Payable		3,610.88	3,610.88
Other Financial Liabilities		8,586.16	8,586.16
Total		14,344.49	14,344.49

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

(₹ in Lacs)

Particulars	Fair value	Fair value hierarchy		
		Quoted Price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31,2020				
Investments at fair value through Profit and loss	11.64	-	-	11.64
As at March 31,2019				
Investments at fair value through Profit and loss	15.77	-	-	15.77

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.

A) Management of Market Risk

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

- **Interest rate risk**

The above risks may affect the company's income and expenses, or the value of its financial instruments. The company's exposure to and management of these risks are explained below:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability outstanding at the end of the financial year was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Interest rate sensitivity

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

(₹ in Lacs)

Particulars	Increase/Decrease in basic points	Effect on PBT
As at March 31, 2020	100 bps	11.90
As at March 31, 2019	100 bps	16.36

B) Management of Credit Risk

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

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

1. Actual or expected significant adverse changes in business.
2. Actual or expected significant changes in the operating results of the counterparty.
3. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
4. Significant increase in credit risk on other financial instruments of the same counterparty.
5. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The Company has made a detailed assessment of the recoverability of the Company's Receivables, as at the Balance Sheet date, using reasonably available information, estimates and judgments and has determined an additional overlay on expected credit loss (ECL) amounting to ₹ 100.22 lacs during the quarter and year ended March 31, 2020.

The Ageing analysis of Account receivables has been considered from the date the invoice falls due.

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
0-3 months	1,898.94	1,962.44
3-6 months	90.68	220.03
6-12 months	210.85	324.64
More than 12 months	302.98	306.88
Total	2,503.44	2,813.99

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

(₹ in Lacs)

Particular	As at March 31, 2020	As at March 31, 2019
Opening Allowances	149.64	152.13
Add:- Additional Allowances made	161.13	108.65
(Less): Actual Write off during the year(net of recovery)	(90.28)	(111.14)
Closing Allowances	220.49	149.64

C) Management of Liquidity Risk

Liquidity risk is the risk that the company will face in meeting its obligation associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when they are due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table shows the maturity analysis of the company's financial liabilities based on the contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

Exposure as at March 31, 2020

(₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	1,495.85	972.04	-	2,467.89
Trade Payable	4,457.22	-	-	4,457.22
Other Financial Liabilities	8,333.00	9.60	-	8,342.60
Total Financial Liabilities	14,286.07	981.64	-	15,267.71

Exposure as at March 31, 2019
(₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	1,497.80	649.65	-	2,147.45
Trade Payable	3,610.88	-	-	3,610.88
Other Financial Liabilities	7,890.74	6.29	1.32	8,586.16
Total Financial Liabilities	12,999.42	655.94	1.32	14,344.49

Financial Arrangements

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

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Expiring within one year (Bank overdraft and other facilities)	3.63	330.43
Expiring beyond one year (bank loans)	-	8.73

As at March 31, 2020, the Company's current liabilities exceeded its current assets by ₹ 8,495.68 lacs (PY ₹ 7,872.28). Of the total current liabilities aggregating to ₹ 14,425.42 lacs (PY ₹ 13,697.04), ₹ 7,030.31 (PY ₹ 6,623.03) pertains to security deposits received from cancellable contracts with customers. Whilst, contractually the Company is liable to repay the amounts on cancellation of such contracts and consequently, these are presented as current liabilities, the Company does not expect a material amount of these deposits to be refunded owing to the continuity of the business and the past trends. Accordingly, the Company does not anticipate any material liquidity mismatch over the next one year.

NOTE :39 EARNINGS PER SHARE (EPS) AS PER INDIAN ACCOUNTING STANDARD 33:
(₹ in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit for the year attributable to owners of the Company	(82.80)	8.90
No. of weighted average outstanding Equity Shares (in Lacs)	8.63	8.63
Earning per Equity Share of ₹ 10/- each (Basic & Diluted)	(9.60)	1.03

NOTE :40 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	Chairman & Director having significant influence
2	Devanshu L. Gandhi	Director having significant influence
3	Jinand Patel (C.E.O. From 23rd July, 2019)	Key Managerial Personnel
4	Kamal Verma (C.E.O. From 23rd July, 2019)	Key Managerial Personnel
5	Rajesh Bhagat	Key Managerial Personnel
6	Darshan Shah	Key Managerial Personnel
7	Nija K. Gandhi	Relative of Promoter Directors
8	Aakansha Gandhi	Relative of Promoter Directors
9	Vadilal Industries Ltd.	Enterprises over which Promoter Directors are able to exercise significant influence
10	Vadilal Chemical Ltd.	Enterprises over which Promoter Directors are able to exercise significant influence
11	Vadilal Soda Fountain.	Enterprises over which Promoter Directors are able to exercise significant influence
12	Vadilal International Pvt Ltd.	Enterprises over which Promoter Directors are able to exercise significant influence
13	Vadilal Marketing Private Ltd.	Enterprises over which Promoter Directors are able to exercise significant influence
14	Valiant Construction Pvt. Ltd.	Enterprises over which Promoter Directors are able to exercise significant influence
15	Veronica Construction Pvt. Ltd.	Enterprises over which Promoter Directors are able to exercise significant influence

(b) Transactions during the year with related parties mentioned in (a) above, in ordinary course of business & balances outstanding as at the year end:

(₹ in Lacs)

Transaction	Key Managerial Person	Relative of Key Managerial Person	Enterprises over which Key managerial personnel are able to exercise significant influence	Total
(a) Sale of Goods				
Vadilal Soda Fountain			42.17	42.17
			(79.49)	(79.49)
(b) Purchase of Goods				
Vadilal Industries Ltd.			42,132.50	42,132.50
			(41,580.15)	(41,580.15)
Vadilal Chemical Ltd.			12.60	12.60
			(7.65)	(7.65)
(c) Interest Paid				
Veronica Construction Pvt. Ltd.			3.21	3.21
			(8.92)	(8.92)
(d) Remuneration				
Nija Kalpit Gandhi		15.38		15.38
		(15.00)		(15.00)
Kamal Verma	9.07			9.07
	-			-
Jinand Patel	12.65			12.65
	-			-
Rajesh Bhagat	15.77			15.77
	(15.09)			(15.09)
Darshan Shah	6.04			6.04
	(5.72)			(5.72)
Aakansha Gandhi		2.25		2.25
		(2.00)		(2.00)
(e) Interest Income				
Vadilal International Pvt.Ltd.			24.00	24.00
			(24.00)	(24.00)
(f) Royalty Expense				
Vadilal International Pvt.Ltd.			238.99	238.99
			(227.66)	(227.66)
(g) Loan or Deposits Received				
Veronica Construction Pvt Ltd			106.00	106.00
			(124.00)	(124.00)
(h) Loan or Deposits Repaid				
Veronica Construction Pvt Ltd			106.00	106.00
			(124.00)	(124.00)
Balance outstanding at year end :				
Trade Deposit Given				
Vadilal International Pvt.Ltd.			2,400.00	2,400.00
			(2,400.00)	(2,400.00)
Interest Receivable				
Vadilal International Pvt. Ltd			21.60	21.60
			(21.60)	(21.60)
Trade Receivable :				
Vadilal soda Fountain			1.78	1.78
			(2.17)	(2.17)

Transaction	Key Managerial Person	Relative of Key Managerial Person	Enterprises over which Key managerial personnel are able to exercise significant influence	Total
Trade Payable :				
Vadilal Industries Ltd.			2,071.55	2,071.55
			(1,192.53)	(1,192.53)
Vadilal Chemical Ltd.			1.46	1.46
			(1.57)	(1.57)
Vadilal International Pvt. Ltd			33.56	33.56
			(53.08)	(53.08)
Corporate Guarantee Given				
Vadilal Industries Ltd.			270.00	270.00
			(250.00)	(250.00)
Corporate Guarantee Taken				
Vadilal Industries Ltd.			2,901.00	2,901.00
			(3,927.00)	(3,927.00)
Personal Gurantee Taken				
Directors			1,260.00	1,260.00
			(1,400.00)	(1,400.00)

Note:1) Transaction of Purchase / Sales (where input tax credit is not available to the company) 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.

Note:3) To Temporarily tide over the business loss suffered due to unprecedented condition caused by the COVID-19 pandemic, the company has received a special credit note from Vadilal Industries Limited for ₹ 325.00 Lacs. The "Purchase of Stock in Trade" for the year ended March 31,2020 is credited by the said amount.

Compensation to Key Managerial Personnel of the Company:

(₹ in Lacs)

Nature of Benefits	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Short Term Employee Benefits	60.57	21.46
Total	60.57	21.46

* Key Managerial Personnel and Relatives of Promoter directors 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 :41 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 31 ₹142.60 Lacs (Previous Year: ₹ 87.69 Lacs).

Defined Benefit Plan:

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

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

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

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

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

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

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

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

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

Particulars	Gratuity	
	As at March 31,2020	As at March 31,2019
Obligations/Fair value of Plan assets at the beginning of the year	217.13	181.77
Current service cost	24.37	19.78
Past Service cost	-	-
Interest cost	16.85	14.14
Actuarial (gain)/loss arising from changes in demographic Assumptions		
Actuarial (gain)/loss arising from changes in financial Assumptions	6.14	0.37
Actuarial (gain)/loss arising from experience adjustments	21.68	17.59
Benefits Paid	(15.62)	(16.52)
Obligations/Fair value of Plan assets at the end of the year	270.55	217.13

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

Particulars	Gratuity	
	As at March 31,2020	As at March 31,2019
Obligations/Fair value of Plan assets at the beginning of the year	99.78	109.21
Interest Income	7.74	8.50
Return on plan Assets excluding Interest income	(0.69)	(3.26)
Employer contributions	46.65	1.86
Benefits Paid	(15.62)	(16.53)
Obligations/Fair value of Plan assets at the end of the year	137.86	99.78

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

Particulars	(₹ in Lacs)	
	As at March 31,2020	As at March 31,2019
Present value of benefit obligation at the end of the year	270.55	217.13
Fair value of plan assets	(137.88)	(99.78)
Net liability arising from defined benefit obligation	132.67	117.35

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	24.37	19.78
Past Service Cost	-	-
Net Interest Cost	9.11	5.64
Net impact on the Profit / (Loss) before tax	33.48	25.42
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding actuarial return on plan assets	0.69	3.26
Actuarial gains/(losses) arising from changes in demographic	-	-
Actuarial gains/(losses) arising from changes in financial assumption	6.14	0.37
Actuarial gains/(losses) arising on experience adjustments	21.68	17.59
Net (Gain)/Loss recognised in the Other Comprehensive Income before tax	28.51	21.22

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, 2020 as follows: (₹ in Lacs)

Gratuity	As at March 31, 2020	As at March 31, 2019
1st Following Year	53.41	23.12
2nd Following Year	9.81	17.99
3rd Following Year	15.57	20.44
4th Following Year	8.09	16.14
5th Following Year	16.82	7.40
Sum of Years 6 To 10	93.72	89.85
Sum of 11 Years and above	393.79	351.42

G Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the financial year, while holding all other assumptions constant.

Particulars	As at March 31, 2020	As at March 31, 2019
Projected Benefit Obligation on Current Assumptions	270.55	217.13
Delta Effect of +1% Change in Rate of Discounting	(21.68)	(17.15)
Delta Effect of -1% Change in Rate of Discounting	25.56	20.08
Delta Effect of +1% Change in Rate of Salary Increase	24.43	19.22
Delta Effect of -1% Change in Rate of Salary Increase	(19.21)	(16.72)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.12)	1.06
Delta Effect of -1% Change in Rate of Employee Turnover	0.10	(1.28)

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

H The principal assumptions used for the purpose of actuarial valuation were as follows :

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	6.87%	7.76%
Salary Escalation Rate	0.00% for next 1 year, 7% p.a. there after	7.00%
Attrition Rate		
For Service (4 years & below)	15.00%	15.00%
For Service (5 years & above)	2.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

2. Other long term employee benefits :

Compensated absences

The liability towards compensated absences (leave encashment) for the year ended March 31, 2020 based on actuarial valuation carried out by using Projected Unit Credit Method is ₹ 132.85 Lacs . (As at march 31, 2019 : ₹ 120.22 Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	6.87%	7.76%
Salary Escalation Rate	0.00% for next 1 year, 7% p.a. there after	7.00%
Attrition Rate		
For Service (4 years & below)	15.00%	15.00%
For Service (5 years & above)	2.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

NOTE :42

During the period between August, 2018, and July, 2019, two promoter directors of the Company (the “Promoter Directors”) have sent out numerous communications to the Board of Directors (“the Board”) of the Company making various allegations and counter-allegations on each other on primarily relating to the running of operations and management of the Company on a range of matters including payments to a vendor without services being received, procurement of equipment at prices higher than comparable low market rates, dissemination of Company’s confidential data/information to outsiders, demand for re-examination of books of account of past periods, legitimacy of salaries paid to relatives of the promoter directors, payments made to certain vendors without appropriate approvals and independence of Independent Directors, amongst others. Subsequent to the year-end, on July 22, 2019, the Promoter Directors have jointly communicated to the Board that they withdraw all the aforesaid allegations/counter-allegations on each other unconditionally and without any reservations except for the ones stated in Note 43 below. The Board of Directors in their meeting on July 23, 2019, evaluated the basis of withdrawal of the joint communications of both the Promoter Directors and further as the allegations levied were without any corroborative evidence, decided no further action was required on any of the allegation except for the ones stated in Note 43 below.

NOTE :43

- One of the promoter directors (“PD 1”) of the Company has suspected that another promoter director (“PD 2”) of the Company has approved certain inappropriate payments amounting to ₹ 53.39 lacs during the financial years 2013-14 to financial year 2018-19.
- PD 2 has submitted details of expenses aggregating to ₹ 45.90 lacs incurred from the period from FY 2013-14 to FY 2017-18 to the Board, wherein he has alleged that either these transactions approved by PD1 are inappropriate in nature and/or approved by unauthorised personnel.

NOTE :44

The Board of Directors (“the Board”) of the Company, in their meeting held on May 28, 2019, had approved the appointment of external legal firm to hand hold the Board through the process of inquiry into allegations in 43(A) above including compliance with applicable laws and regulations.

Thereafter, as the previous statutory auditors had not accepted Company's representation on Note 42 and 43 above and issued a disclaimer of opinion on the financial results for the year ended March 31, 2019, the Promoter Directors in the board meeting held on August 23, 2019, voluntarily offered to appoint an independent law firm to conduct detailed inquiry in all the matters as reported in the statutory audit report with an aim of value preservation and enhancement in the interests of all stakeholders.

Pending the conclusion of the aforesaid inquiry, the statutory auditors have disclaimed their opinion on the financial statements for the year ended March 31, 2019, and the financial statements for the year ended March 31, 2020.

In the meeting of the Board of the Company held on November 15, 2019, a committee of independent directors has been formed to appoint an independent law firm to conduct an inquiry/examination in the matters. On termination by the Board of the earlier appointment of external consultant dated May 28, 2019, the committee of independent directors thereafter, has appointed an independent law firm and chartered accountant firm to inquire/examine in all the matters as stated in Notes 42, 43(A), and 43(B), and advise the Board for further course of actions. The Company is of the opinion that the outcome of findings will not have any material impact on the financial statements of the respective financial years. Due to the outbreak of COVID-19, the inquiry/reports are delayed.

NOTE :45

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has significantly impacted business operations of the Company from the last fortnight of March, 2020, by way of disruption in distribution and sale of ice-creams till the lockdown period. March to June are considered to be the peak months of the cyclical nature of business of the Company. Partial resumption of distribution and sales has commenced from second half of May, 2020.

The Company has made a detailed assessment of the recoverability of the Company's assets such as Inventory, Receivables, etc. as at the Balance Sheet date, using reasonably available information, estimates and judgments and has determined an additional overlay on expected credit loss (ECL) amounting to ₹ 100.22 lacs during the quarter and year ended March 31, 2020. However, the impact of global health pandemic might vary from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any material changes to the future economic conditions.

NOTE :46

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

In terms of our report attached

For Arpit Patel & Associates

Chartered Accountants
Firm registration number: 144032W

Arpit Patel

Partner
Membership No.: 034032

Place : Ahmedabad
Date : June 26, 2020

For and on behalf of the Board of Directors

Rajesh R. Gandhi

Chairman
(DIN - 00009879)

Jinand J Patel

Chief Executive Officer

Rajesh I. Bhagat

Chief Financial Officer
Place : Ahmedabad
Date : June 26, 2020

Devanshu L. Gandhi

Director
(DIN - 00010146)

Kamal N Varma

Chief Executive Officer

Darshan Shah

Company Secretary

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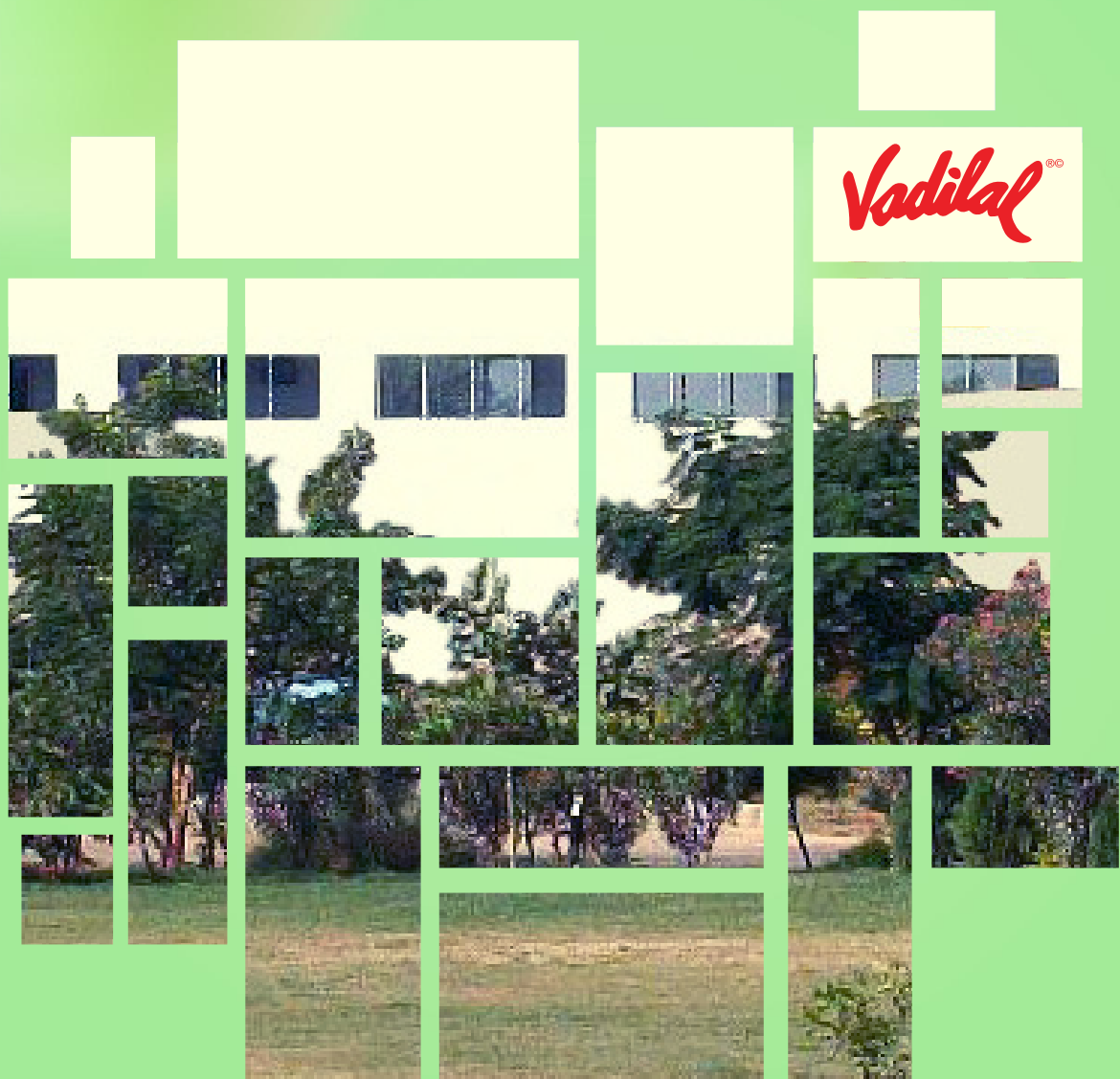
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VADILAL ENTERPRISES LTD

10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road,
Bopal, Ahmedabad - 380015. Email id : info@vadilalgroup.com.

Website : www.vadilalicecreams.com / www.vadilalgroup.com. CIN No: L51100GJ1985PLC007995