

Vadilal[®]



**ANNUAL REPORT
2020**

2021



**VADILAL
ENTERPRISES LTD.**



Vadilal[®]

GOURMET ICE CREAM



Creative visualization only.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive & Non-Independent Directors

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

Independent Directors

Mr. Ashish H. Modi
Mr. Chetan M Tamboli (w.e.f. 27.08.2020)
Mr. Preet R. Shah (Upto 01.10.2020)

CHIEF EXECUTIVE OFFICER

Mr. Kamal Varma
Mr. Ranveersinh Raol (w.e.f. 20.11.2020)
Mr. Jinand Patel (Upto 29.10.2020)

COMPANY SECRETARY

Mr. Vishal K. Sondagar (w.e.f. 15.07.2021)
Mr. Darshan Shah (Upto 07.07.2021)

CHIEF FINANCIAL OFFICER

Rajesh Bhagat

AUDITORS

M/s. Arpit Patel & Associates
Chartered Accountants

BANKERS

Bank of India
Tata Capital Financial Services Limited

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

Notes :

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

| 36 th ANNUAL GENERAL MEETING | |
|---|---|
| DAY | : Saturday |
| DATE | : 18 th September, 2021 |
| TIME | : 02.00 p.m. |
| THROUGH | : Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") |

Content Sequence for reference:

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SHAREHOLDER INFORMATION

1. Name of Company:

Vadilal Enterprises Limited

2. Company CIN:

L51100GJ1985PLC007995

3. Book-Closure:

Book-Closure from 11th September, 2021 to 18th September, 2021 (both days inclusive) for the purpose of annual general meeting for the year ended on 31st March, 2021.

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 2021-2022 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 2021-2022 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.

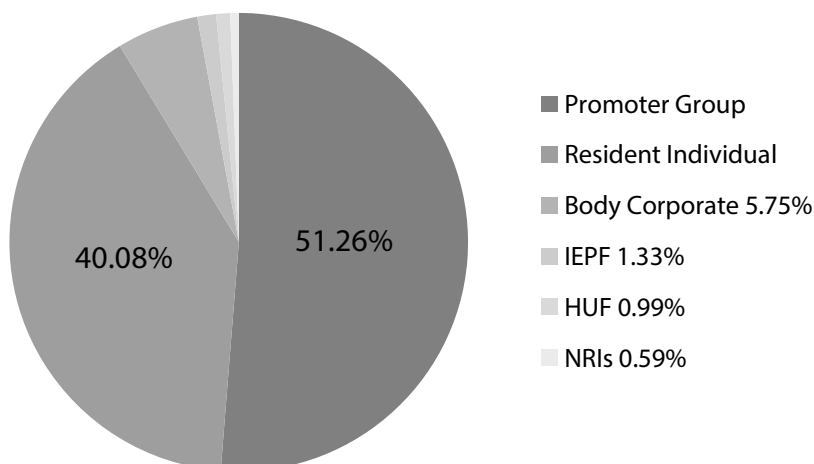
10. Distribution of Shareholding as on 31st March, 2021:

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares held | % of total Shares |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| Up to 500 | 1145 | 92.78 | 119843 | 13.89 |
| 501 to 1000 | 26 | 2.10 | 19221 | 2.22 |
| 1001 to 2000 | 16 | 1.29 | 20870 | 2.41 |
| 2001 to 3000 | 8 | 0.64 | 18220 | 2.11 |
| 3001 to 4000 | 6 | 0.48 | 20373 | 2.36 |
| 4001 to 5000 | 3 | 0.24 | 14387 | 1.66 |
| 5001 to 10000 | 13 | 1.05 | 102856 | 11.92 |
| 10001 to 50000 | 14 | 1.13 | 299461 | 34.71 |
| 50001 to 100000 | 2 | 0.16 | 147053 | 17.04 |
| 100000 & Above | 1 | 0.08 | 100384 | 11.63 |
| Total | 1234 | 100.00 | 862668 | 100.00 |

11. Categories of Shareholders as on 31st March, 2021:

| 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 | 49523 | 5.75 |
| 2 | NRI | 5043 | 0.59 |
| 3 | HUF | 8535 | 0.99 |
| 4 | Residential Individual | 345890 | 40.08 |
| 5 | IEPF Authority | 11500 | 1.33 |
| | Total (B) : | 420491 | 48.74 |
| | Total | 862668 | 100.00 |

Percentage of total Paid up Capital



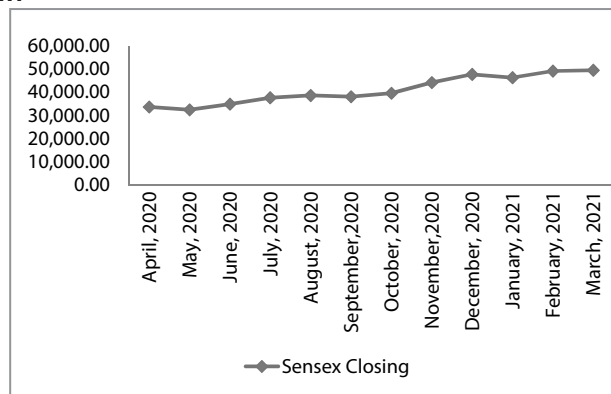
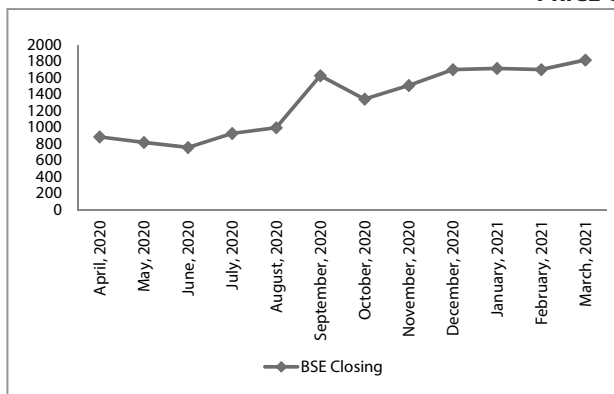
12. Share price performance in comparison to BSE Sensex based on data available on Stock exchange website:

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, 2020 | 1019.95 | 840.75 | 884.15 | 33887.25 | 27500.79 | 33,717.62 |
| May, 2020 | 883.95 | 731.5 | 818 | 32845.48 | 29968.45 | 32,424.10 |
| June, 2020 | 883.95 | 703.05 | 755.2 | 35706.55 | 32348.1 | 34,915.80 |
| July, 2020 | 1068 | 685.05 | 925.15 | 38617.03 | 34927.2 | 37,606.89 |
| August, 2020 | 994.05 | 825.8 | 994.05 | 40010.17 | 36911.23 | 38,628.29 |
| September, 2020 | 1731.3 | 1043.75 | 1627.95 | 39359.51 | 36495.98 | 38,067.93 |
| October, 2020 | 1660 | 1323.1 | 1342.6 | 41048.05 | 38410.2 | 39,614.07 |
| November, 2020 | 1519.8 | 1315.75 | 1508.95 | 44825.37 | 39334.92 | 44,149.72 |
| December, 2020 | 1840 | 1499.5 | 1700 | 47896.97 | 44118.1 | 47,751.33 |
| January, 2021 | 1869.5 | 1615 | 1715.55 | 50184.01 | 46160.46 | 46,285.77 |
| February, 2021 | 1858 | 1634 | 1700.05 | 52516.76 | 46433.65 | 49,099.99 |
| March, 2021 | 1912 | 1700 | 1816.4 | 51821.84 | 48236.35 | 49,509.15 |

• 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 **36th ANNUAL GENERAL MEETING** of the members of **VADILAL ENTERPRISES LIMITED** will be held on **Saturday, the 18th day of September, 2021 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, 2021, 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, 2021 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 Mr. Devanshu L. Gandhi (DIN: 00010146) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment in this regard, pass following resolution as **Ordinary resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Devanshu L. Gandhi (DIN: 00010146), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board
For VADILAL ENTERPRISES LIMITED

Rajesh R. Gandhi
Chairman & Director
DIN : 00009879

Registered Office :

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 : 13th August, 2021

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) Since there is no special business to be transacted at this Annual General Meeting, requirement for complying with Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the AGM is not applicable for the 36th AGM of the Company.
- 5) The Company has notified closure of Register of Members and Share Transfer Books from 11th September, 2021 to 18th September, 2021 (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 Circular dated January 13, 2021 and the SEBI Circular dated January 15, 2021, the Notice along with the Annual Report of the Company for the financial year ended March 31, 2021, 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, 2021 shall also be available on the websites of the Company viz., www.vadilagroup.com and website of Stock Exchanges i.e. BSE, NSE and AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.

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

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, 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 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 Circular dated January 13, 20021 and SEBI Circular dated January 13, 2021 Notice of the AGM along with Annual Report 2020-21 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 2020-21 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:

ITEM NO: 2

Mr. Devanshu L. Gandhi (DIN: 00010146), Director of the Company, shall retire by rotation and being eligible, offer himself for re-appointment.

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

MR. DEVANSHU L. GANDHI

Mr. Devanshu L. Gandhi aged 55years has been associated with the Company since its inception. He is Bachelor of Science degree holder and also have experience on hands for Ice-cream and Processed Food business. He looks after day-to-day affairs of the Company pertaining to the hereby-mentioned areas: Domestic Sales and Marketing of Ice-cream Division, Government Subsidies of Ice-cream plants and Revenue Expenses of Refrigeration Service Division. He is on the Board of following other Companies.

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

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

Directorship:

- Vadilal Chemicals Limited
- Vadilal Industries Limited
- Vadilal Delights Limited
- Vadilal International Private Limited
- Varood Industries Limited
- Esveegee Wires and Metals Private Limited
- Vadilal Gases Limited
- Rystic Trading Private Limited
- Marveling Marketing Private Limited
- ABDG Enterprises Private Limited
- Vale Properties Private Limited
- Numen Technologies Private Limited
- BYAD Packaging Private Limited

Member of the Board Committees:

Audit Committee:

- Vadilal Chemicals Limited

Stakeholders' Relationship Committee:

- Vadilal Enterprises Limited
- Vadilal Chemicals Limited

Nomination & Remuneration Committee

- Vadilal Enterprises Limited

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

The Board recommends these Ordinary Resolution for your approval.

By Order of the Board
For VADILAL ENTERPRISES LIMITED

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 : 13th August, 2021

PROCESS AND MANNER FOR AVAILING REMOTE E-VOTING FACILITY

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.vadilalgroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited 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 and MCA Circular No. 02/2021 dated January 13, 2021.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA Circular no. 02/2021 dated January, 13, 2021.
9. The Board of Directors of the company has appointed Mr. Manoj R. Hurkat of M/s. Manoj Hurkat & Associates, Practicing Company Secretary, Ahmedabad as Scrutinizer to scrutinize remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
10. 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 <http://vadilalgroup.com> and on the website of CDSL viz. <http://www.evotingindia.com>. The results shall simultaneously be communicated to the stock exchange.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Wednesday, 15th September, 2021 (9.00 a.m.) and ends on Friday, 17th September, 2021 (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 11th September, 2021 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| | For Shareholders holding shares in Demat Form other than individual and Physical Form |
|--|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.

(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting

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

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 (company email id). 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 (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. 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.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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 36th Annual Report together with the Audited Statement for the year ended on 31st March, 2021.

FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

| Sr. No. | Particulars | Current Year ended on 31-03-2021 | Previous Year ended on 31-03-2020 |
|---------|--|----------------------------------|-----------------------------------|
| (a) | Earnings before Interest, Tax, Depreciation and Amortization | 1933.13 | 1650.65 |
| (b) | Finance Cost | (482.99) | (312.42) |
| (c) | Depreciation & Amortization Expense | (1327.35) | (1386.29) |
| (d) | Profit/(Loss) before Tax | 122.79 | (48.06) |
| (e) | Tax Expense | | |
| | -- Current Tax | 53.72 | 72.77 |
| | -- Deferred Tax Expenses | (16.30) | (38.03) |
| | Total Tax: | 37.42 | 34.74 |
| (f) | Profit/(Loss) for the year | 85.37 | (82.80) |
| (g) | Other Comprehensive income | | |
| | Item that will not be reclassified to Profit & Loss | | |
| | - Re-measurement of Defined Benefit Plans (Net of Taxes) | 2.38 | (23.68) |
| (i) | Total Comprehensive income for the year | 87.75 | (106.48) |

STATE OF COMPANY'S AFFAIRS:

The Company has earned Revenue from Operations of ₹ 34015.15 lacs during the year ended on 31st March, 2021 as against ₹ 59150.57 lacs earned during the previous year ended on 31st March, 2020 giving a fall of 42.49% as compared to previous year.

After adding thereto, the other income of ₹ 377.87 lakhs earned by the Company, the Company has earned total income of ₹ 34393.02 lakhs during the year under review. The Company has incurred total expenses of ₹ 34270.23 lakhs including Finance cost of ₹ 482.99 lakhs and Depreciation and Amortization expenses of ₹ 1327.35 lakhs, during the year under review.

The Company has incurred profit before Tax of ₹ 122.79 lacs during the year under review as compared to loss of ₹ 48.06 lacs incurred during the previous year ended on 31st March, 2020.

DIVIDEND:

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

TRANSFER TO RESERVES:

The Company has not transferred any amount to 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. 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 ₹1,000 crores INR sales turnover by 2023 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 been sanctioned & disbursed Covid Emergency Credit Line (CECL) from Bank of India amounting to ₹ 1.00 Crore and executed with bank on 06.06.2020. Apart from it bank has also sanctioned Guaranteed Emergency Credit Line 1.0 (GECL 1.0) from Bank of India for ₹ 2.63 Crore and executed with bank on 04.05.2021. Apart from above Interest & Installment on working capital and term loan facilities has been paid to Bank / Fis as availed by the Company.

India Ratings & Research Pvt. Ltd. has rated the Term Loan borrowing of the company as BBB/ Negative, Fund-Based Bank facilities as BBB/ Negative/IND A3+ and Non-Fund-Based Bank facilities as A3+.

IMPACT OF COVID-19 ON THE FINANCE:

Due to Corona virus and multiple lock down in the country, our business module and business cycle has been badly affected in FY 2020-21. Company could not liquidate stock as per normal business cycle. Hence Sales & Profit was under pressure.

INVESTOR EDUCATION AND PROTECTION FUND:

During the financial year – 2020-2021, the Company has deposited unclaimed/ unpaid dividend amount for the FY 2012-13 of ₹ 46961/- to Investor Education and Protection Fund - IEPF.

During the year under review, the Company has transferred the unclaimed interest on Fixed Deposit of ₹ 1615/- to Investors' Education and Protection Fund.

DETAILS OF DEPOSITS:

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

| | | (₹ in lakhs) |
|--|---|--------------|
| (a) Amount of existing deposits as at 1 st April, 2020 | : | 44.20 |
| (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 | : | 16.20 |
| (d) Balance of deposits outstanding at the end of the year (a+b-c) | | 28.00 |

- 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, 2021, 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, 2021, 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 as mentioned in Regulation 16(2) of Chapter – IV of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("SEBI-LODR") are not applicable to the Company since the share capital of the company does not exceed ₹ 10.00 Crores and the net-worth of the Company does not exceed ₹ 25 Crores, as per the last audited Balance sheet of the Company.

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

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

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

EXTRACT OF ANNUAL RETURN:

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2020-21 is available on company's website at https://vadilalgroup.com/?page_id=944

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 – A** 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, 2021, 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. Chetan Tamboli | Director | Independent Director |

- Mr. Preet Shah ceased to be Director of the Company w.e.f. 01.10.2020 due to completion of his term as an independent director of the company.
- Mr. Chetan Tamboli is appointed as an independent director of the Company w.e.f. 30.09.2020

As on 31st March, 2021, the Key Managerial personal of the Company are as follows:

| Sr. No. | Name of the Key Managerial Personal | Designation |
|---------|--|--|
| 1. | Mr. Kamal Varma | Chief Executive Officer |
| 2. | Mr. Ranveersinh Raol (w.e.f. 20.11.2020) | 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, Mr. Devanshu Gandhi, Director (DIN: 00010146) of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offers him for re-appointment. The Members are requested to consider her re-appointment as Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

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

During the year Mr. Jinand Patel resigned from the post of Chief Executive Officers of the company w.e.f. 29th October, 2020. Mr. Ranveersinh Raol was appointed as Chief Executive Officers of the company w.e.f. 20th November, 2020

Mr. Darshan Shah Company Secretary and Compliance officer of the Company resigned from the post w.e.f. 7th July, 2021 and Mr. Vishal K Sondagar has been appointed as Company Secretary and Compliance Officer of the Company with effect from 15.07.2021.

NUMBER OF BOARD MEETINGS:

Total 8 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 01-05-2020, 26-06-2020, 10-08-2020, 13-08-2020, 27-08-2020, 09-11-2020, 11-02-2021 and 31-03-2021

| Name of Director | Attendance Particulars (Total 8 Board Meetings held during the year) |
|------------------------|---|
| Mr. Rajesh R. Gandhi | 8 |
| Mr. Devanshu L. Gandhi | 7 |
| Mrs. Mamta R. Gandhi | 8 |
| Mr. Ashish H. Modi | 7 |
| Mr. Preet P. Shah* | 4 |
| Mr. Chetan Tamboli** | 2 |

*Mr. Preet Shah ceased to be Director of the Company w.e.f. 01.10.2020 due to completion of his term as an independent director of the company; he was eligible to attend 5 meetings.

**Mr. Chetan Tamboli is appointed as an independent director of the Company w.e.f. 30.09.2020. He was eligible to attend 3 meetings.

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, 2021 namely:

| Sr. No. | Name of the Member | | Designation | Category |
|---------|----------------------|---|-------------|--|
| 1 | Mr. Chetan Tamboli | - | 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 26-06-2020, 10-08-2020, 13-08-2020, 09-11-2020 and 11-02-2021

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, was 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, 2021 namely:

| Sr. No. | Name of the Member | | Designation | Category |
|---------|------------------------|---|-------------|--|
| 1 | Mr. Chetan Tamboli | - | 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 10-08-2020, 13-08-2020, 27-08-2020, 09-11-2020 and 11-02-2021

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee of the Company comprises the following Directors of the Company, as on 31st March, 2021, 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. Chetan Tamboli | - | 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 20-12-2020, 20-01-2021 and 30-01-2021

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 determined by Nomination and Remuneration Committee such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The Board 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 the qualified 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 allegations made by promoter 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 pertain to earlier financial years and amount as already been expensed in the relevant financial years. Voluntary inquiries by external agencies initiated by the management are in process to substantiate its conclusion.

AUDITORS:

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; which shareholder has in its meeting held on 30.09.2020 approved.

On the basis of passing of above resolution M/s. Arpit Patel & Associates will continue as a Statutory Auditors of the company till the of the conclusion of 40th Annual General Meeting of the Company to be held in the year 2025.

AUDITORS' REPORT OF THE COMPANY:

The Independent Auditors' Report dated 30th June, 2021 for the Financial Results of the Company for the year ended on 31st March, 2021 contains qualified 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. Voluntary inquiries by external agencies initiated by the management are in process 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 – 2020-2021. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith marked as **Annexure – B** to this Report.

The Secretarial Auditors' Report of the Company for the year ended 31st March, 2021 contains certain Comments/ observations. The explanation on observations therein is as under: -

1. As required under Regulation 31(2) of LODR Regulations, hundred percent shareholding of the promoters and promoter group is not maintained in dematerialized form: Promoters are in the process of dematerialization of shares of the Company.
2. There was a delay in disclosure of revision in credit ratings by CARE and IND-RA to BSE as required under Regulation 30(6) of LODR Regulations: The Company has intimated the stock exchange about the credit rating within 24 hours of receipt of ratings from the rating agencies.

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 - C.

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:

A Company Petition (being Company Petition No. 42 of 2017) has been filed against the Company, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013. In connection to the said Company Petition No. 42 of 2017, the case has been heard on 27th July, 2021 and the matter has been adjourned to 4th October, 2021.

IMPACT OF COVID-19 ON COMPANY

Outbreak of COVID-19 pandemic globally and in India has impacted significantly the business of the company during the year. Company has witnessed lower revenues due to lock down imposed during the beginning of the year, being the peak period of the Ice cream business. With the unlocking of restrictions, business improved gradually in the last two months of the year. Whilst there has been a second wave of Covid 19 Pandemic in April and May, 2021, the domestic Ice cream business of the company once again got impacted being the peak period. The management will continuously monitor for any material changes to the future economic conditions.

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, 2021 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 : 13th August, 2021
Place : Ahmedabad

RAJESH R. GANDHI
CHAIRMAN & DIRECTOR
DIN : 00009879

DEVANSHU L. GANDHI
DIRECTOR
DIN : 00010146

ANNEXURE – A - 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. 1 st 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 : 13th August, 2021
Place : Ahmedabad.

RAJESH R. GANDHI
CHAIRMAN & DIRECTOR
DIN : 00009879

DEVANSHU L. GANDHI
DIRECTOR
DIN : 00010146

ANNEXURE -B -TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on **31st March, 2021 ('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)

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

- i) Secretarial Standards (SS-1 & SS-2) 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. As required under Regulation 31(2) of LODR Regulations, hundred percent shareholding of the promoters and promoter group is not maintained in dematerialized form.
2. There was a delay in disclosure of revision in credit ratings by CARE and IND-RA to BSE as required under Regulation 30(6) of LODR Regulations.

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: F008851C000742760

Date : 05/08/2021

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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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: F008851C000742760

Date : 05/08/2021

Place : Ahmedabad

ANNEXURE – C 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, 2021, 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 -2020-2021 and the percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year – 2020-2021:**

| 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 (Upto 29.10.2020) | N.A. | 0% |
| Mr. Kamal Varma, Chief Executive Officer | N.A. | 0% |
| Mr. Ranveersinh Raol, Chief Executive Officer (w.e.f. 20.11.2020) | N.A. | 0% |
| Mr. Rajesh Bhagat, Chief Financial Officer | N.A. | 0% |
| Mr. Darshan Shah, Company Secretary (Resigned on 07.07.2021) | N.A. | 0% |

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 -2020-2021 : 0% due to COVID-19 pandemic**
- c. The number of permanent employees on the rolls of Company as on 31-3-2021: 566**
- d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year -2020-2021 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 0% due to COVID-19 pandemic.

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 : 13th August, 2021
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

Qualified Opinion

We have audited accompanying financial statements of Vadilal Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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.

In our opinion and to the best of our information and according to the explanations given to us, except for possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We are unable to comment upon the possible effects of the following matters, on the financial statements of the Company for the year ended March 31, 2021. The matter more fully discussed in the Note 42 to the financial statements pertaining to the pending receipt of conclusive reports/findings for the items described therein:

- (i) Matter relating to the cross allegations between the Promoter Directors, during the period 2013-14 to 2017-18 and 2013-14 to 2018-19 respectively, for the appropriateness of the expenses amounting to ₹ 45.90 lakh and ₹ 53.39 lakh respectively; and
- (ii) Matter involving allegations of operations and management issue wherein marketing expenses of advertisements, amounting to ₹ 38 crore during the period 2015-16 to 2018-19, were alleged by one Promoter Director to be paid by the Company on approval by another Promoter Director, without following the process of the Company.

Pending receipt of the reports/findings, as referred above, we are unable to conclude the possible effects on the financial statements, as a whole, of any undetected misstatements, if any, and whether it could be material.

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to

1. Note 43 of the financial statements, which describes the management's assessment of the impact of the outbreak of COVID-19 on the business operations of the Company.
2. Note 36 of 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.

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

Key Audit Matters

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

| Key audit matters | How our audit addressed the Key Audit Matter |
|--|--|
| Revenue Recognition – Sale of Goods | |
| <p>Refer Note 2(f) in the Summary of significant accounting policies and other explanatory information</p> <p>The company recognised an amount of ₹ 34,015.15 Lakh revenue in the year ended 31 March 2021, as disclosed in Note 27 of the financial statements.</p> <p>Revenue for the Company primarily comprises of revenue from sale of ice-cream and dairy products.</p> <p>In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Accordingly, occurrence and existence of revenue is a key focus area on account of the multiplicity of Company's products, multiple channels for sales, various categories of customers having varying terms of contracts and the volume of the sales made to them.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p> | <p>Our procedures included :</p> <ul style="list-style-type: none"> – Obtained an understanding of the process of each revenue stream, particularly of ice-cream. – Evaluated the design and implementation and tested the operating effectiveness of controls over revenue recognition. – Performed substantive analytical procedures on revenue which includes region wise analysis; – Evaluated the terms and conditions of the contracts, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards; – We selected a sample to test revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end with supporting documents, such as invoices, agreements with customers, proof of deliveries, discounts and claims and subsequent collection of payment; – Evaluated the design and implementation of key internal controls over the revenue from sale through the combination of procedures involving inquiry and observations, reperformance and inspection of evidence in respect of operations of these controls. – Performed other substantive audit procedures including obtaining Trade Receivables confirmations on a sample basis, obtaining reconciliations in cases of variation, reviewed the subsequent collection of payment and proof of deliveries document of such selected Trade Receivables. – Evaluated disclosures made in the financial statements for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards. |
| Recoverability of Trade Receivables and Provision for Expected Credit Loss | |
| <p>The company as at 31 March 2021, has trade receivable amounting to ₹ 2,681.01 Lakh (net of provision)</p> <p>Considering the materiality of the amounts involved, volume of the customers, uncertainty associated with the impact of Covid-19 and significant management judgement involved in its assessment of recoverability, this was considered to be a key audit matter in the audit of the financial statements.</p> | <ul style="list-style-type: none"> – Obtaining an understanding of the management processes, evaluating the design and testing the effectiveness of key internal financial controls over assessing the recoverability of trade receivables; – Discussing extensively with management regarding steps taken for recovering the amounts and evaluating the design and testing operating effectiveness of controls; – Assessing the reasonability of judgements exercised and estimates made by management in recognition of these receivables and validating them with corroborating evidence; – Challenging the assumptions made by the management with respect to the provisions to be made as per the Expected Credit Loss, reperforming the arithmetic calculations, and evaluating the assumptions made with the base data – Obtained confirmations from customers on sample basis to support existence assertion of trade receivables; – Evaluated the nature and status of customers and obtained the understanding from management about whether ongoing business relationship with the customers, past payment history of customers and any impact on those customers because of COVID 19 pandemic. – Assessing the disclosures made by the management are in accordance with applicable accounting standards. |

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'.

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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, Management and 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 management 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2021, and are therefore the key audit matters. We describe

these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and except for the matter described in the "Basis for Qualified Opinion" paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) Except for the matter described in the "Basis for Qualified Opinion" paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The matter described in the "Basis for Qualified Opinion" paragraph 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion" paragraph above and para 2(b);
 - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
 - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - III. There were no amounts which were 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: 21034032AAAACI1389

Place: Ahmedabad
Date: June 30, 2021

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, 2021.

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, during the year no physical verification of fixed assets was conducted as per the program prepared by the Management, hence, we are unable to comment on the discrepancies.
- (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 Service Tax and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Customs Duty, cess, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2021 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 31st March, 2021 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 | 2010-2011 | 21.66 | 4.88 |
| | Sales tax demand | Additional Commissioner - Grade-2 (appeal), Bareilly | 2011-2012 | 3.65 | 3.65 |
| | Sales tax demand | Member Commercial Tax Tribunal, Bareilly | 2012-2013 | 11.04 | 6.62 |
| | Sales tax demand | Excise & Taxation Officer-Cum-Assessing Authority, Sonapat | 2014-15 | 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 | - |
| | Entry Tax Demand | In the High Court of Judicature for Rajasthan, Jaipur Bench, Jaipur | 2017-18 | 6.15 | 6.15 |

- (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) We refer to the matter described in the Basis for Qualified Opinion section of our audit report, the outcome of which is inconclusive as on date of this report. Read with the above, to the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the Company has not paid/provided 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: 21034032AAAAC1389

Place: Ahmedabad
Date: June 30, 2021

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, 2021 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the Company's internal financial controls over financial reporting as at 31 March 2021:

We draw attention to Note 42 of the financial statements relating to the cross allegations between the Promoter Directors, during the period 2013-14 to 2017-18 and 2013-14 to 2018-19 respectively, for the appropriateness of the expenses amounting to ₹ 45.90 lakh and ₹ 53.39 lakh respectively and matter involving allegations of operations and management issue wherein marketing expenses of advertisements, amounting to ₹ 38 crore during the period 2015-16 to 2018-19, were alleged by one Promoter Director to be paid by the Company on approval by another Promoter Director, without following the process of the Company. Pending receipt of the reports/ findings, as referred above, we are unable to conclude whether the Company's financial reporting process did have controls to identify the nature of the expenses and the procedures to be followed for the payments made for certain advertisement expenses.

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effect of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2021, 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 issued by the ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended 31 March 2021, and this material weakness has affected our opinion on the said financial statements of the Company and we have issued a qualified opinion on the financial statements of the Company.

For Arpit Patel & Associates.

Chartered Accountants

[Firm Registration No : 144032W]

Arpit K. Patel

Partner

[Membership No.: 034032]

UDIN: 21034032AAAACI1389

Place: Ahmedabad

Date: June 30, 2021

BALANCE SHEET as at March 31, 2021

(₹ in Lacs)

| Particulars | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|--|----------|----------------------|----------------------|
| I. ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant And Equipment | 3A | 5,718.19 | 6,383.99 |
| (b) Capital Work-In-Progress | 3B | 3.32 | 589.50 |
| (c) Other Intangible Assets | 3C | 108.54 | 123.95 |
| (d) Financial Assets | | | |
| (i) Investments | 4 | 12.94 | 11.64 |
| (ii) Loans | 5 | 6.26 | 6.11 |
| (iii) Other Financial Assets | 6 | 1,421.62 | 1,615.77 |
| (e) Deferred Tax Assets (Net) | 7 | 321.20 | 305.70 |
| (f) Other Non-Current Assets | 8 | 638.81 | 767.31 |
| Total Non-Current Assets | | 8,230.88 | 9,803.97 |
| Current Assets | | | |
| (a) Inventories | 9 | 2,804.77 | 2,535.45 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 10 | 2,681.01 | 2,503.44 |
| (ii) Cash And Cash Equivalents | 11 | 38.87 | 67.81 |
| (iii) Bank Balance Other Than (ii) Above | 12 | 54.50 | 57.11 |
| (iv) Loans | 13 | 9.45 | 11.40 |
| (v) Other Financial Assets | 14 | 20.14 | 21.60 |
| (c) Other Current Assets | 15 | 546.21 | 732.93 |
| Total Current Assets | | 6,154.95 | 5,929.74 |
| TOTAL ASSETS | | 14,385.83 | 15,733.71 |
| II. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 16 | 86.27 | 86.27 |
| (b) Other Equity | 17 | 272.36 | 184.61 |
| Total Equity | | 358.63 | 270.88 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 18 | 234.70 | 972.04 |
| (ii) Other Financial Liabilities | 19 | 7.10 | 9.60 |
| (b) Provisions | 20 | 94.21 | 55.77 |
| Total Non-Current Liabilities | | 336.01 | 1,037.41 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 21 | 240.38 | 1,087.49 |
| (ii) Trade Payables | 22 | | |
| - total outstanding dues of micro enterprises and small enterprises | | 2.87 | 1.37 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,847.27 | 4,455.85 |
| (iii) Other Financial Liabilities | 23 | 8,832.09 | 8,333.00 |
| (b) Provisions | 24 | 246.62 | 214.79 |
| (c) Current Tax Liabilities (Net) | 25 | 56.41 | 58.05 |
| (d) Other Current Liabilities | 26 | 465.55 | 274.87 |
| Total Current Liabilities | | 13,691.19 | 14,425.42 |
| Total Liabilities | | 14,027.20 | 15,462.83 |
| TOTAL EQUITY AND LIABILITIES | | 14,385.83 | 15,733.71 |

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 30, 2021

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Chairman
(DIN - 00009879)

Ranveersinh Raol
Chief Executive Officer

Rajesh I. Bhagat
Chief Financial Officer
Place : Ahmedabad
Date : June 30, 2021

Devanshu L. Gandhi
Director
(DIN - 00010146)

Kamal N Varma
Chief Executive Officer

Darshan Shah
Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2021

(₹ in Lacs)

| Particulars | Note No. | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|----------|---------------------------|---------------------------|
| I Revenue From Operations | 27 | 34,015.15 | 59,150.57 |
| II Other Income | 28 | 377.87 | 258.00 |
| III Total Income (I+II) | | 34,393.02 | 59,408.57 |
| IV Expenses: | | | |
| Purchase of Stock-In-Trade | 29 | 23,935.27 | 44,410.75 |
| Changes in Inventories of Stock-In-Trade | 30 | (300.71) | (358.80) |
| Employee Benefits Expenses | 31 | 2,608.39 | 3,105.89 |
| Finance Costs | 32 | 482.99 | 312.42 |
| Depreciation and Amortization Expenses | 3 | 1,327.35 | 1,386.29 |
| Other Expenses | 33 | 6,216.94 | 10,600.08 |
| Total Expense (IV) | | 34,270.23 | 59,456.63 |
| V Profit / (Loss) Before Tax (III-IV) | | 122.79 | (48.06) |
| VI Tax Expenses | | | |
| (A) Current Tax | | 53.72 | 72.77 |
| (B) Deferred Tax Expenses | | (16.30) | (38.03) |
| Total Tax Expenses | | 37.42 | 34.74 |
| VII Profit / (Loss) for the year (V-VI) | | 85.37 | (82.80) |
| VIII Other Comprehensive Income | | | |
| Item that will not be reclassified to Profit or Loss | | | |
| - Remeasurement of Defined Benefit Plans | | 3.18 | (28.51) |
| - Tax Expense on Above Items | | (0.80) | 4.83 |
| Other Comprehensive Income for the year | | 2.38 | (23.68) |
| Total Comprehensive Income for the year (VII+VIII) | | 87.75 | (106.48) |
| Earnings per Share (Face value of ₹ 10 each): | | | |
| - Basic | 39 | 9.90 | (9.60) |
| - Diluted | | 9.90 | (9.60) |

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 30, 2021

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Chairman
(DIN - 00009879)

Ranveersinh Raol
Chief Executive Officer

Rajesh I. Bhagat
Chief Financial Officer
Place : Ahmedabad
Date : June 30, 2021

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, 2021

(₹ in Lacs)

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|--|------------------------------|------------------------------|
| A CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit / (Loss) before tax | 122.79 | (48.06) |
| Adjustments for: | | |
| Depreciation and Amortisation expense | 1,327.35 | 1,386.29 |
| Loss/(Profit) on sale of Property, Plant & Equipment (net) | 48.36 | (20.11) |
| Interest Income | (180.44) | (133.20) |
| Finance Costs | 482.99 | 312.42 |
| Loss/(Profit) from Sale of Current Investments | (9.39) | (28.81) |
| Change in Fair value of the Current Investment | (1.30) | 4.13 |
| Provision for Doubtful Debts | - | 116.25 |
| Excess Provision/Credit Balance/Deposits written back | (147.24) | (60.25) |
| Excess Provision for Debtors | (16.27) | - |
| Scrap Sale of assets | (50.20) | (37.41) |
| Bad Debts Written off | 2.09 | 64.88 |
| | 1,455.95 | 1,604.19 |
| Operating Profit before Working Capital Changes | 1,578.74 | 1,556.13 |
| Changes in Working Capital: | | |
| (Increase)/Decrease in Inventories | (269.32) | (383.40) |
| (Increase)/Decrease in Trade receivables, financial assets and other assets | 334.89 | (39.55) |
| Increase/(Decrease) in Trade Payables, financial liabilities, other liabilities and provisions | (154.08) | 1,137.06 |
| Cash Generated from Operations | (88.51) | 714.11 |
| Income Tax paid | (14.85) | (38.48) |
| Net Cash Generated from / (Used in) operating activities (A) | 1,475.38 | 2,231.76 |
| B CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital Expenditure on Property, Plant & Equipment & Intangible asset | (398.68) | (2,005.16) |
| Proceeds from Sale of Property, Plant & Equipment | 340.56 | 215.53 |
| Proceeds from Sale of Current Investments (Net) | 9.39 | 28.81 |
| Interest received | 181.90 | 121.20 |
| Net Cash Generated from / (used in) Investing Activities (B) | 133.17 | (1,639.62) |
| C CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term borrowings | 157.19 | - |
| Repayment of Long Term borrowings | (531.89) | (659.47) |
| Proceeds from /(Repayment of) Short Term borrowings (Net) | (847.11) | 277.50 |
| Interest paid | (415.68) | (297.10) |
| Dividends paid (including tax on dividend) | - | (8.31) |
| Net Cash Generated from / (Used in) Financing Activities (C) | (1,637.49) | (687.38) |
| Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C) | (28.94) | (95.24) |
| Cash and Cash equivalents at the beginning of the Year | 67.81 | 163.05 |
| Cash and Cash equivalents at the end of the Year | 38.87 | 67.81 |

STATEMENT OF CASH FLOWS for the year ended March 31, 2021

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, 2020 | Net cash Flows | Other changes* | As at March 31, 2021 |
|---|----------|----------------------|----------------|----------------|----------------------|
| Borrowings : | | | | | |
| Long term borrowings | 18 | 1,380.40 | (365.45) | | 1,014.95 |
| Short term borrowings | 21 | 1,087.49 | (847.11) | | 240.38 |
| Interest accrued on borrowings | 23 | 15.67 | (15.67) | 73.73 | 73.73 |

(₹ 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 |

* 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 30, 2021

For and on behalf of the Board of Directors

Rajesh R. Gandhi
Chairman
(DIN - 00009879)

Ranveersinh Raol
Chief Executive Officer

Rajesh I. Bhagat
Chief Financial Officer
Place : Ahmedabad
Date : June 30, 2021

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, 2021

(₹ in Lacs)

| 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, 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 |
| Balance as at March 31, 2020 | 86.27 | 0.37 | 93.21 | 212.50 | (121.47) | 8.31 | 8.31 |
| Balance as at April 1, 2020 | 86.27 | 0.37 | 93.21 | 212.50 | (121.47) | 184.61 | 270.88 |
| Add: Profit for the year | | | | | 85.37 | 85.37 | 270.88 |
| Add/(Less): Other Comprehensive income (Net of Income tax) | | | | | 2.38 | 2.38 | 85.37 |
| Total Comprehensive Income for the year | - | - | - | - | 87.75 | 87.75 | 87.75 |
| Balance as at March 31, 2021 | 86.27 | 0.37 | 93.21 | 212.50 | (33.72) | 272.36 | 358.63 |

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

Rajesh R. Gandhi

Chairman

(DIN - 00009879)

Devanshu L. Gandhi

Director

(DIN - 00010146)

Arpit Patel

Partner

Membership No.: 034032

Ranveersinh Raol

Chief Executive Officer

Kamal N Varma

Chief Executive Officer

Rajesh I. Bhagat

Chief Financial Officer

Place : Ahmedabad

Date : June 30, 2021

Darshan Shah

Company Secretary

Place : Ahmedabad

Date : June 30, 2021

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, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on June 30, 2021.

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, 2021 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 lacs 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

| 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 are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

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

Useful lives of intangible assets

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

i) Leasing

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.

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

(₹ in Lacs)

| 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 & Peripherals | 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 | - | - | - | 856.48 |
| Total | 856.48 | 1,523.19 | 1,790.17 | 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 | - | 318.94 | 49.01 | - | 194.99 | 117.98 |

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

(₹ in Lacs)

| Particulars | Gross Block | | | Depreciation and Amortisation | | | Net Block | |
|--|---------------------|---------------------------|-----------------|-------------------------------|---------------------------|-----------------|----------------------|----------------------|
| | As at April 1, 2020 | Additions during the year | Deductions | As at April 1, 2020 | Additions during the year | Deductions | As at March 31, 2021 | As at March 31, 2020 |
| A Property, Plant and Equipment | | | | | | | | |
| Building | 38.03 | - | - | 16.99 | 0.56 | - | 17.55 | 21.04 |
| Plant and Machinery | 12,731.00 | 917.64 | 1,578.68 | 6,530.06 | 1,218.89 | 1,239.49 | 6,509.46 | 6,200.94 |
| Computer & Periferal | 193.85 | 6.42 | - | 148.41 | 17.38 | - | 165.79 | 45.44 |
| Office Equipments | 116.74 | 3.03 | 0.60 | 88.28 | 12.37 | 0.52 | 100.13 | 28.46 |
| Furniture and Fixtures | 108.73 | 28.64 | - | 65.77 | 25.28 | - | 91.05 | 42.96 |
| Vehicles | 144.83 | - | 20.89 | 99.68 | 6.74 | 19.85 | 86.57 | 45.15 |
| Total | 13,333.18 | 955.73 | 1,600.17 | 6,949.19 | 1,281.22 | 1,259.86 | 6,970.55 | 6,383.99 |
| B Capital Work-in-Progress | 589.50 | 331.47 | 917.65 | 3.32 | - | - | - | 589.50 |
| Total | 589.50 | 331.47 | 917.65 | 3.32 | - | - | - | 589.50 |
| C Other Intangible Assets | | | | | | | | |
| Software & Development | 318.94 | 30.72 | - | 194.99 | 46.13 | - | 241.12 | 123.95 |
| Total | 318.94 | 30.72 | - | 194.99 | 46.13 | - | 241.12 | 123.95 |

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

NOTE- 4 NON-CURRENT INVESTMENTS

| Particulars | Face Value | As at March 31, 2021 | | As at March 31, 2020 | |
|--|------------|----------------------|--------------|----------------------|--------------|
| | | 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 | 8.62 | 48,000 | 8.02 |
| (ii) Majestic Farm House Limited | ₹ 10 | 55,200 | 2.98 | 55,200 | 2.94 |
| | | | 11.60 | | 10.96 |
| B) Investment in Equity Instruments at FVTPL(Quoted fully paid up) : (Refer Note 2(b) & 38 (2)) | | | | | |
| (i) Vadilal Industries Limited | ₹ 10 | 150 | 1.34 | 150 | 0.68 |
| Total | | | 12.94 | | 11.64 |

NOTE- 5 LOANS

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------|----------------------|----------------------|
| NON CURRENT | | |
| Loans to employees | 6.26 | 6.11 |
| Total | 6.26 | 6.11 |

NOTE- 6 OTHER FINANCIAL ASSETS

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| NON CURRENT | | |
| Deposits with original maturity of more than 12 months (Refer Note 12) | 5.45 | 1.09 |
| Security Deposits | 1,416.17 | 1,614.68 |
| Total | 1,421.62 | 1,615.77 |

NOTE- 7 DEFERRED TAX ASSETS (NET)

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------|----------------------|----------------------|
| Deferred Tax Assets | 511.38 | 527.95 |
| Deferred Tax Liabilities | (190.18) | (222.25) |
| Total | 321.20 | 305.70 |

(₹ 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 | 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 |

(₹ in Lacs)

| Movement during the year ended March 31, 2021 | As at April 1, 2020 | Recognised/ (Reversed) in statement of Profit and Loss | Recognised/ (Reversed) in Other Comprehensive Income | As at March 31, 2021 |
|--|---------------------|--|--|----------------------|
| Deferred Tax Assets/(Liabilities) | | | | |
| Property, Plant and Equipment | 140.44 | 41.67 | | 182.11 |
| Investments | (2.93) | (0.33) | | (3.26) |
| Expenditure allowed in the year of payment | 89.97 | (4.30) | | 85.67 |
| Provision for doubtful debts & advances | 66.92 | (5.74) | | 61.18 |
| Discounting of security deposit to present value and corresponding impact on other expenses | (201.90) | 29.27 | | (172.63) |
| Discounting of security deposit to present value and corresponding impact on interest income | 213.22 | (46.77) | | 166.45 |
| Increase in borrowing cost pursuant to application of EIR | (3.07) | 2.33 | | (0.74) |
| Others | 3.05 | 0.17 | (0.80) | 2.42 |
| Total | 305.70 | 16.30 | (0.80) | 321.20 |

NOTE- 8 OTHER ASSETS

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| NON CURRENT | | |
| (Unsecured, Considered good unless otherwise stated) | | |
| Advance Income Tax (Net of Provisions amounting to ₹ 11.17 Lacs (PY ₹ 11.17 Lacs)) | 21.74 | 30.66 |
| Capital advances (Net of Provisions for Doubtful advance ₹ 0.68 Lacs (PY ₹ NIL)) | 0.64 | 1.53 |
| Security Deposits | 26.35 | 32.08 |
| Prepaid Expenses | 590.08 | 703.04 |
| Total | 638.81 | 767.31 |

NOTE- 9 INVENTORIES

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| (At lower of cost and net realisable value) | | |
| Raw Materials | 3.14 | 1.59 |
| Stock in Trade* | 2,661.62 | 2,358.50 |
| Packing Materials | 4.41 | 8.38 |
| Stores, Spares and Consumables | 135.60 | 166.98 |
| Total | 2,804.77 | 2,535.45 |

* Stock in trade includes goods in transit ₹ 205.78 Lacs (As at March 31, 2020 ₹ NIL)

Inventories write downs are accounted, considering the nature of inventory usage, ageing and net realisable value. Write-down of inventories amounted to ₹ 53.44 lacs as at March 31, 2021 (as at March 31, 2020 ₹ 84.19 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, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Secured, Considered good | 2,024.51 | 1,918.52 |
| Unsecured, Considered good | 656.50 | 584.92 |
| Unsecured, Considered doubtful | 163.76 | 220.49 |
| | 2,844.77 | 2,723.93 |
| Less: Allowance for Doubtful Trade Receivables (expected credit loss allowance) | 163.76 | 220.49 |
| Total | 2,681.01 | 2,503.44 |
| Breakup of Trade Receivables | | |
| Trade receivables from Other than Related parties | 2,675.98 | 2,501.66 |
| Trade receivables Related parties (Refer Note 40) | 5.03 | 1.78 |
| Total | 2,681.01 | 2,503.44 |

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 possible impact of COVID-19 on the Company's Trade Receivables, using reasonably available information, estimates and judgments has determined an additional overlay on expected credit loss (ECL) amounting to ₹ 34.35 lacs for the year ended March 31, 2021. (P.Y. ₹ 100.22 Lacs for the year ended March 31, 2020.)

v. Movement in Expected Credit Loss Allowance

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year | 220.49 | 149.64 |
| Add: Allowance for the year | 114.67 | 161.13 |
| (Less): Actual Write off during the year(net of recovery) | (171.40) | (90.28) |
| Balance at the end of the year | 163.76 | 220.49 |

- 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, 2021 | As at March 31, 2020 |
|-----------------------|-------------------------|-------------------------|
| Balances with banks : | | |
| In Current Accounts | 32.10 | 64.53 |
| Cash on hand | 6.77 | 3.28 |
| Total | 38.87 | 67.81 |

NOTE- 12 OTHER BALANCES WITH BANKS

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Margin Money Deposit (Towards Guarantee issued By bank) | 48.17 | 45.92 |
| In Deposit Repayment Reserve Account | 9.27 | 9.27 |
| In Unclaimed Dividend Account | 2.51 | 3.01 |
| | 59.95 | 58.20 |
| Less :Deposits with Original Maturity of more than 12 months | | |
| Amount disclosed under Non - Current Financial Assets (Refer Note 6) | 5.45 | 1.09 |
| Total | 54.50 | 57.11 |

NOTE- 13 LOANS

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------|-------------------------|-------------------------|
| CURRENT | | |
| Loan to Employees | 9.45 | 11.40 |
| Total | 9.45 | 11.40 |

NOTE- 14 OTHER FINANCIAL ASSETS

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------------|-------------------------|-------------------------|
| CURRENT | | |
| Interest Receivable (Refer note - 40) | 20.14 | 21.60 |
| Total | 20.14 | 21.60 |

NOTE- 15 OTHER ASSETS

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| CURRENT | | |
| Prepaid Expenses | 35.43 | 29.40 |
| Balances with Government Authorities | 367.99 | 522.47 |
| Advance Royalty | 95.88 | 99.21 |
| Advances recoverable in cash or in kind or for value to be received | 118.29 | 120.96 |
| Less: Provided for Doubtful Advance | (71.38) | (39.11) |
| | 46.91 | 81.85 |
| Total | 546.21 | 732.93 |

NOTE- 16 EQUITY SHARE CAPITAL

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Authorised Share Capital: | | |
| 20,00,000 (As at March 31, 2020: 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, 2020: 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, 2020: 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, 2021 | | As at March 31, 2020 | |
|---|----------------------|--------------|----------------------|--------------|
| | No. of shares | (₹ in Lacs) | No. of shares | (₹ in Lacs) |
| Outstanding at the beginning of the period | 8,62,668 | 86.27 | 8,62,668 | 86.27 |
| Add: Issued shares during the year | | - | - | - |
| Less: Buy-Back during the year | | - | - | - |
| Outstanding at the end of the period | 8,62,668 | 86.27 | 8,62,668 | 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, 2021 | | As at March 31, 2020 | |
|--|----------------------|--------------|----------------------|--------------|
| | No. of shares | % of Holding | No. of shares | % of Holding |
| Equity Shares of ₹10 each fully paid | | | | |
| 1 Devanshu Laxmanbhai Gandhi | 1,20,624 | 13.98% | 1,20,624 | 13.98% |
| 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, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 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 | (42.65) | (18.97) |
| Add: Remeasurement of Employee Benefit | 2.38 | (23.68) |
| Balance at the end of the year | (40.27) | (42.65) |
| Surplus in the Statement of Profit and loss | | |
| Balance at the beginning of the year | (78.82) | 12.29 |
| Add: Profit / (Loss) for the year | 85.37 | (82.80) |
| Less :Payment of Dividend on equity shares (Including Tax on Dividend) | - | 8.31 |
| Total Appropriations | - | 8.31 |
| Balance at the end of the year | 6.55 | (78.82) |
| Total | 272.36 | 184.61 |

Notes

a) During the previous year on 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 BORROWINGS

(₹ in Lacs)

| Particulars | Non - Current | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| NON CURRENT | | |
| Secured-at amortised Cost | | |
| Term Loans from Banks | 584.95 | 697.35 |
| Less : Current maturities of long term loans (Refer Note 23) | (429.12) | (203.67) |
| | 155.83 | 493.68 |
| From Non Banking Financial Company (Secured) | 402.00 | 638.86 |
| Less : Current maturities of long term loans (Refer Note 23) | (323.13) | (188.49) |
| | 78.87 | 450.37 |
| | 234.70 | 944.05 |
| Unsecured-at amortised Cost | | |
| Fixed Deposits | 28.00 | 44.19 |
| Less : Current maturities of long term loans (Refer Note 23) | (28.00) | (16.20) |
| | - | 27.99 |
| Total | 234.70 | 972.04 |

- (i) The Company has availed moratorium in respect of term loans (Interest and Installment) from March 01,2020 to August 31, 2020 and accordingly classified Current & Non-Current portion based on the moratorium availed.

Repayment Schedule of Loans

| Sr. No. | Name of the Bank | Outstanding as at March 31, 2021 | Outstanding as at March 31, 2020 | Rate of Interest | Terms of Repayment |
|---------|---|-------------------------------------|-------------------------------------|------------------|---|
| | | ₹ in Lacs | ₹ in Lacs | | |
| 1 | Bank of India (Refer Note No.i & iii) | 139.81 | 220.10 | 12.00% | Repayable in 30 Monthly installment of ₹ 11.67 Lacs |
| 2 | Bank of India (Refer Note No.i & iii) | 329.05 | 443.58 | 12.00% | Repayable in 38 Monthly installment of ₹ 16.67 Lacs |
| 3 | Bank of India (Refer Note No.i & iii) | 87.50 | 0.00 | 7.95% | Repayable in 6 Monthly installment of ₹ 2.50 Lacs & 12 Monthly installment of ₹ 7.08 Lacs |
| 4 | Vehicle Loan (Refer Note No. iv) HDFC Bank Limited* | 14.70 | 17.20 | 9.25% | Repayable in 58 Monthly installment of ₹ 0.45 Lacs |
| 5 | Vehicle Loan (Refer Note No. iv) HDFC Bank Limited* | 13.89 | 16.72 | 8.30% | Repayable in 54 Monthly installment of ₹ 0.46 Lacs |
| 6 | Tata Capital Financial Services Ltd. (Refer Note No.ii & iii)* | 402.00 | 638.61 | 12.25% to 13.25% | Repayable in 36 Monthly installment ranging from ₹ 0.32 Lacs to ₹ 8.32 Lacs |
| | | 986.95 | 1336.21 | | |
| 7 | Fixed Deposits | 28.00 | 44.19 | 9.5% to 11% | 12 to 36 months based on period of deposits |

* Each EMI includes interest portion also.

- (i) Term Loan from Bank of India is secured by way of first hypothecation charge over movable Plant and Machinery Equipments of the company to be purchased out of term loan availed by company. The Term Loan is also secured on first charge by Equitable Mortgage of Immovable properties of the company situated at 1st Floor of Vadilal House, Shrimali Soceity, Navrangpura, Ahmedabad. (Guranteed 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 Bank of India 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 maturities is disclosed under the head of "Other Current Financial Liabilities" (Note-23)

NOTE- 19 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------|-------------------------|-------------------------|
| NON CURRENT | | |
| Financial Guarantee Liabilities | 7.10 | 9.60 |
| Total | 7.10 | 9.60 |

NOTE- 20 PROVISIONS

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------|-------------------------|-------------------------|
| NON CURRENT | | |
| Employee Benefits | | |
| Gratuity (Refer Note 41) | 94.21 | 55.77 |
| Total | 94.21 | 55.77 |

NOTE- 21 BORROWINGS

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| CURRENT | | |
| Secured-at amortised Cost | | |
| Working Capital Loans (Secured) (Refer Note - (i) Below) | 91.86 | 997.26 |
| Unsecured-at amortised Cost | | |
| Inter Corporate Deposit | 90.00 | - |
| Book Overdraft in current account with Banks | 58.52 | 90.23 |
| Total | 240.38 | 1,087.49 |

- (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 moratorium in respect of interest on cash credit accounts from March 01, 2020 to August 31, 2020.

NOTE- 22 TRADE PAYABLES

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------------------|-------------------------|-------------------------|
| Micro, Small and Medium Enterprises | 2.87 | 1.37 |
| Others (Refer Note 40) | 3,847.27 | 4,455.85 |
| Total | 3,850.14 | 4,457.22 |

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, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| A i) Principal amount remaining unpaid at the end of the accounting year | 2.87 | 1.37 |
| 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, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| CURRENT | | |
| Current maturities of long-term debt (Refer Note 18) | | |
| From Banks (Secured) | 429.12 | 203.67 |
| From Non banking Financial Company (Secured) | 323.13 | 188.49 |
| Public Fixed Deposits | 28.00 | 16.20 |
| Interest accrued | 73.73 | 15.67 |
| Unclaimed Dividends* | 2.51 | 3.01 |
| Unclaimed Deposits and Interest accrued thereon* | 1.35 | 1.36 |
| Payable for Capital Goods | 1,111.57 | 751.19 |
| Financial Guarantee Liabilities | 2.50 | 2.50 |
| Security Deposits from Customers & Others | 6,746.43 | 7,030.31 |
| Other Liabilities | 113.75 | 120.60 |
| Total | 8,832.09 | 8,333.00 |

*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, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| CURRENT | | |
| Provision for Employee Benefits: | | |
| Gratuity (Refer Note 41) | 72.06 | 76.90 |
| Compensated Absences | 174.56 | 137.89 |
| Total | 246.62 | 214.79 |

NOTE- 25 CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| CURRENT | | |
| Income tax Payable (Net of Advance payment of Tax) | 56.41 | 58.05 |
| Total | 56.41 | 58.05 |

NOTE-26 OTHER LIABILITIES

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------|-------------------------|-------------------------|
| CURRENT | | |
| Statutory dues payable | 340.57 | 115.40 |
| Advances from customers | 124.98 | 159.47 |
| Total | 465.55 | 274.87 |

NOTE - 27 REVENUE FROM OPERATIONS

(₹ in Lacs)

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Sale of products | | |
| Finished goods (Refer Note 40) | 36,982.80 | 63,964.72 |
| Less: Sales Commission, Trade Discount, Scheme Discount and Damages | 3,119.85 | 5,053.32 |
| | 33,862.95 | 58,911.40 |
| Income from Sale of Services | 68.26 | 115.19 |
| Other operating Income: | | |
| Sale of Scrap | 50.20 | 37.41 |
| Rental Income from Machines | 8.02 | 19.70 |
| Promotional Charges | 25.72 | 66.87 |
| Total | 34,015.15 | 59,150.57 |
| Reconciliation of revenue from contract with customer: | | |
| Revenue from contracts with customer as per the contract price | 37,051.06 | 64,079.91 |
| Adjustments made to contract price on account of: | | |
| a) Discounts and Rebates | (3,119.85) | (5,053.32) |
| b) Other Operating Revenue | 83.94 | 123.98 |
| Revenue from contracts with customer as per the Statement of Profit and Loss | 34,015.15 | 59,150.57 |

NOTE - 28 OTHER INCOME

(₹ in Lacs)

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Interest income (Refer Note 40) | 180.44 | 133.20 |
| Profit/Surplus on Sale of Current Investments | 9.39 | 28.81 |
| Gain on Fair valuation of Investments | 1.30 | - |
| Profit/Surplus on Sale of Property, Plant and Equipment (Net of Deposit Adjustment) | - | 20.11 |
| Excess Provision /Credit Balance/Deposits Written Back | 147.24 | 60.25 |
| Excess Provision for Trade Receivables (Net of Recovery ₹ 130.93 Lacs) | 16.27 | - |
| Miscellaneous Income | 23.23 | 15.63 |
| Total | 377.87 | 258.00 |

NOTE - 29 PURCHASE OF STOCK IN TRADE

(₹ in Lacs)

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Purchases (as per details below) (Refer Note 40) | 23,935.27 | 44,410.75 |
| Total | 23,935.27 | 44,410.75 |
| Details of Purchases of Stock in Trade | | |
| Ice Cream/ Frozen Desserts | 23,123.31 | 43,782.73 |
| Processed Food | 163.55 | 230.81 |
| Dairy Products | 513.46 | 360.45 |
| Others | 134.95 | 36.76 |
| Total | 23,935.27 | 44,410.75 |

NOTE - 30 CHANGES IN INVENTORIES OF STOCK IN TRADE

(₹ in Lacs)

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Inventories at the beginning of the year | | |
| Finished Goods | 2,368.47 | 2,009.67 |
| | 2,368.47 | 2,009.67 |
| Inventories at the end of the year | | |
| Finished Goods | 2,669.18 | 2,368.47 |
| | 2,669.18 | 2,368.47 |
| Net (Increase)/decrease | (300.71) | (358.80) |

NOTE - 31 EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Salaries And Wages | 2,356.81 | 2,838.63 |
| Contribution To Provident and Other Funds (Refer Note 41) | 198.24 | 202.54 |
| Staff Welfare Expenses | 53.34 | 64.72 |
| Total | 2,608.39 | 3,105.89 |

NOTE - 32 FINANCE COSTS

(₹ in Lacs)

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|-------------------------------|------------------------------|------------------------------|
| Interest expense | | |
| On Term Loans | 183.70 | 204.82 |
| On Working Capital Loans | 82.03 | 25.13 |
| On Fixed Deposits From Public | 3.94 | 4.78 |
| On Others (Refer Note 40) | 141.52 | 51.61 |
| Other Borrowing Cost | 71.80 | 26.08 |
| Total | 482.99 | 312.42 |

NOTE - 33 OTHER EXPENSES

(₹ in Lacs)

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Apprentice Stipend & Other Trainee | 740.79 | 953.68 |
| Consumption of Stores and Spares | 270.60 | 251.14 |
| Rent Expense (Refer note (a) below) | 1,306.09 | 1,631.52 |
| Repairs and Maintenance | | |
| Repairs To Machine | 51.97 | 48.77 |
| Repairs Others | 46.46 | 50.95 |
| Communication Expense | 58.54 | 82.05 |
| Traveling and Conveyance | 290.82 | 534.85 |
| Royalty Expense (Note 40(b)) | 218.81 | 353.50 |
| Freight and Forwarding Charges | 1,391.28 | 2,155.43 |
| Advertisement, Sales Promotion And Publicity Expenses | 1,068.88 | 3,235.15 |
| Payment to Auditor (Refer note (b) below) | 21.28 | 22.07 |
| Provision for Doubtful Advances/Trade receivables (Net of Recovery P.Y ₹ 44.88 Lacs) | - | 116.25 |
| Provision for Doubtful Advances | 33.94 | 29.31 |
| Property, Plant and Equipment Written Off (Net) | 48.36 | - |
| Loss on Fair valuation of Investment | - | 4.13 |
| Bad Debts Written off (Net) | 2.09 | 64.88 |
| C & F Commission | 290.12 | 568.87 |
| Directors' Sitting Fees | 1.00 | 0.92 |
| Other Expenses | 375.91 | 496.61 |
| Total | 6,216.94 | 10,600.08 |

(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, 2021 | Year Ended March 31, 2020 |
|--------------------------|------------------------------|------------------------------|
| As Auditor | | |
| Audit Fees | 16.00 | 16.00 |
| In Other Capacity | | |
| Limited review | 5.00 | 6.00 |
| Out of Pocket expenses | 0.28 | 0.07 |
| Total | 21.28 | 22.07 |

NOTE - 34 INCOME TAX

(₹ in Lacs)

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Income tax recognised in statement of Profit or Loss | | |
| Current tax: | | |
| In respect of the Current year | 71.26 | 72.77 |
| In respect of the Prior years | (17.54) | - |
| Total Current Tax | 53.72 | 72.77 |
| Deferred Tax: | | |
| In respect of the Current year | (16.30) | (38.03) |
| Total deferred tax | (16.30) | (38.03) |
| Total tax expense/(benefit) | 37.42 | 34.74 |
| Effective income tax rate | 30.47% | -72.28% |

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, 2021 | Year Ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Profit/ (loss) before tax | 122.79 | (48.06) |
| Income tax expense @25.168% (Previous Year @ 25.168%) | 30.90 | (12.10) |
| Tax pertaining to prior years | | |
| Non-recognition of deferred tax asset due to absence of probable certainty of reversal in future | 7.27 | 2.94 |
| Effect of Change in tax rate (Refer Note Below) | - | 43.90 |
| Others | (0.75) | - |
| Tax expense for the year | 37.42 | 34.74 |

Note:

During the previous year 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. The Company's weighted average tax rates for the year ended March 31, 2021 & March 31, 2020 is 25.168%.

NOTE :35 COMMITMENTS AND CONTINGENT LIABILITIES :

(₹ in Lacs)

| Sr. No . | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------|--|-------------------------|-------------------------|
| (a) | Contingent liabilities | | |
| 1 | Sales Tax | 46.67 | 44.69 |
| 2 | Others (Claims made by customers against company) | 231.70 | 226.00 |
| 3 | Income Tax | - | 12.19 |
| 4 | Guarantees given by the company against Term Loans given to companies in which Directors are interested is ₹ 270.00 Lacs (March 31, 2019 ₹ 250.00 Lacs) | 270.00 | 270.00 |
| | Total Contingent liabilities | 548.37 | 552.88 |
| (b) | Commitments | | |
| 1 | Capital Contracts remaining to be executed(net of advances) | - | 2,429.03 |

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 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 the prevention of oppression and mismanagement of the Company. In the current period, no orders have been passed by the NCLT. In the hearing held on June 8, 2021, the NCLT has adjourned the matter for hearing to July 28, 2021.

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, 2021 | As at March 31, 2020 | |
| Debt (note i) | 1,255.33 | 2,467.89 | |
| Less: Cash and cash Equivalents | 38.87 | 67.81 | |
| Net Debt | 1,216.46 | 2,400.08 | |
| Total Equity excluding Revaluation Reserve | 358.63 | 270.88 | |
| Net Debt to Equity Ratio | 339.20% | 886.03% | |

- 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

| As at March 31, 2021 | | | | (₹ in Lacs) |
|--|---|-------------------|------------------|-------------|
| Particulars | Fair value Through Profit or loss | Amortised Cost | Total | |
| Financial Assets | | | | |
| Cash and Cash Equivalents | | 38.87 | 38.87 | |
| Bank balances other than cash and cash Equivalents | | 54.50 | 54.50 | |
| Investments | 12.94 | - | 12.94 | |
| Trade receivables | | 2,681.01 | 2,681.01 | |
| Other Financial Assets | | 1,457.47 | 1,457.47 | |
| Total | 12.94 | 4,231.85 | 4,244.79 | |
| Financial Liabilities | | | | |
| Borrowings | | 1,255.33 | 1,255.33 | |
| Trade Payable | | 3,850.14 | 3,850.14 | |
| Other Financial Liabilities | | 8,058.94 | 8,058.94 | |
| Total | - | 13,164.41 | 13,164.41 | |

| As at March 31, 2020 | | | | (₹ in Lacs) |
|--|---|-------------------|------------------|-------------|
| Particulars | 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 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, 2021 | | | | |
| Investments at fair value through Profit and loss | 12.94 | - | - | 12.94 |
| As at March 31, 2020 | | | | |
| Investments at fair value through Profit and loss | 11.64 | - | - | 11.64 |

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, 2021 | 100 bps | 6.06 |
| As at March 31, 2020 | 100 bps | 11.90 |

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 forward-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 ₹ 34.35 lacs (P.Y. 100.22 Lacs) during the year ended March 31, 2021.

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

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------|-------------------------|-------------------------|
| 0-3 months | 1,988.50 | 1,898.94 |
| 3-6 months | 129.99 | 90.68 |
| 6-12 months | 95.07 | 210.85 |
| More than 12 months | 467.45 | 302.98 |
| Total | 2,681.01 | 2,503.44 |

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

(₹ in Lacs)

| Particular | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Opening Allowances | 220.49 | 149.64 |
| Add:- Additional Allowances made | 114.67 | 161.13 |
| (Less): Actual Write off during the year(net of recovery) | (171.40) | (90.28) |
| Closing Allowances | 163.76 | 220.49 |

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 Company's short-term, medium-term and long term funding and liquidity management requirements. The Company 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, 2021

(₹ in Lacs)

| Particulars | < 1 year | 1-5 years | Beyond 5 years | Total |
|------------------------------------|------------------|---------------|----------------|------------------|
| Financial Liabilities | | | | |
| Borrowings | 1,020.63 | 234.70 | - | 1,255.33 |
| Trade Payable | 3,850.14 | - | - | 3,850.14 |
| Other Financial Liabilities | 8,832.09 | 7.10 | - | 8,839.19 |
| Total Financial Liabilities | 13,702.86 | 241.80 | - | 13,944.66 |

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 |

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, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Expiring within one year (Bank overdraft and other facilities) | 805.31 | 3.63 |
| Expiring beyond one year (bank loans) | - | - |

As at March 31, 2021, the Company's current liabilities exceeded its current assets by ₹ 7,536.24 lacs (PY ₹ 8,495.68) Of the total current liabilities aggregating to ₹ 13,691.19 lacs (PY ₹ 14,425.42), ₹ 6746.43 (PY ₹ 7,030.31) 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, 2021 | Year Ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Profit for the year attributable to owners of the Company | 85.37 | (82.80) |
| No. of weighted average outstanding Equity Shares (in Lacs) | 8.63 | 8.63 |
| Earning per Equity Share of ₹ 10/- each (Basic & Diluted) | 9.90 | (9.60) |

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. Up to 29th October, 2020) | Key Managerial Personnel |
| 4 | Kamal Verma | Key Managerial Personnel |
| 5 | Ranveersinh Raol (C.E.O. From 20th November, 2020) | Key Managerial Personnel |
| 6 | Rajesh Bhagat | Key Managerial Personnel |
| 7 | Darshan Shah | Key Managerial Personnel |
| 8 | Nija K. Gandhi | Relative of Promoter Directors |
| 9 | Aakansha Gandhi | Relative of Promoter Directors |
| 10 | Late Shree Ramchandra R. Gandhi & His legal Heirs | Relative of Promoter Directors |
| 11 | Vadilal Industries Ltd. | Enterprises over which Promoter Directors are able to exercise significant influence |
| 12 | Vadilal Chemical Ltd. | Enterprises over which Promoter Directors are able to exercise significant influence |
| 13 | Vadilal Soda Fountain. | Enterprises over which Promoter Directors are able to exercise significant influence |
| 14 | Vadilal International Pvt Ltd. | Enterprises over which Promoter Directors are able to exercise significant influence |
| 15 | Vadilal Marketing Private Ltd. | Enterprises over which Promoter Directors are able to exercise significant influence |
| 16 | Valiant Construction Pvt. Ltd. | Enterprises over which Promoter Directors are able to exercise significant influence |
| 17 | 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 Promoter Directors | Enterprises over which Promoter Director are able to exercise significant influence | Total |
| (a) Sale of Goods | | | | |
| Vadilal Soda Fountain | | | 8.32 | 8.32 |
| | | | (42.17) | (42.17) |
| (b) Purchase of Goods | | | | |
| Vadilal Industries Ltd. | | | 22,537.96 | 22,537.96 |
| | | | (42,132.50) | (42,132.50) |
| Vadilal Chemical Ltd. | | | 7.61 | 7.61 |
| | | | (12.60) | (12.60) |
| (c) Interest Expense | | | | |
| Veronica Constrution Pvt. Ltd. | | | 2.27 | 2.27 |
| | | | (3.21) | (3.21) |
| Valiant Constructions Pvt. Ltd. | | | 0.86 | 0.86 |
| | | | - | - |
| Late Shree Ramchandra R. Gandhi & His legal Heirs | | 47.60 | | 47.60 |
| | | - | | - |
| (d) Remuneration | | | | |
| Nija Kalpit Gandhi | | 14.67 | | 14.67 |
| | | (15.38) | | (15.38) |
| Kamal Verma | 11.45 | | | 11.45 |
| | (9.07) | | | (9.07) |
| Jinand Patel (Till 29.10.2020) | 9.22 | | | 9.22 |
| | (12.65) | | | (12.65) |
| Ranveersinh Raol (From 20.11.2020) | 3.11 | | | 3.11 |
| | - | | | - |
| Rajesh Bhagat | 13.89 | | | 13.89 |
| | (15.77) | | | (15.77) |
| Darshan Shah | 5.48 | | | 5.48 |
| | (6.04) | | | (6.04) |
| Aakansha Gandhi | | 5.15 | | 5.15 |
| | | (2.25) | | (2.25) |
| (e) Interest Income | | | | |
| Vadilal International Pvt.Ltd. | | | 21.78 | 21.78 |
| | | | (24.00) | (24.00) |
| (f) Royalty Expense | | | | |
| Vadilal International Pvt.Ltd. | | | 136.44 | 136.44 |
| | | | (238.99) | (238.99) |
| (g) Loan or Deposits Received | | | | |
| Veronica Construction Pvt Ltd | | | 29.00 | 29.00 |
| | | | (106.00) | (106.00) |
| Valiant Constructions Pvt. Ltd. | | | 12.00 | 12.00 |
| | | | - | - |
| Vadilal International Pvt.Ltd. | | | 400.00 | 400.00 |
| | | | - | - |
| (h) Loan or Deposits Repaid | | | | |
| Veronica Construction Pvt Ltd | | | 29.00 | 29.00 |
| | | | (106.00) | (106.00) |
| Valiant Constructions Pvt. Ltd. | | | 12.00 | 12.00 |
| | | | - | - |

| Transaction | Key Managerial Person | Relative of Promoter Directors | Enterprises over which Promoter Director are able to exercise significant influence | Total |
|---|-----------------------|--------------------------------|---|-----------------|
| Balance outstanding at year end : | | | | |
| Trade Deposit Given | | | | |
| Vadilal International Pvt.Ltd. | | | 2,000.00 | 2,000.00 |
| | | | (2,400.00) | (2,400.00) |
| Interest Receivable | | | | |
| Vadilal International Pvt. Ltd | | | 20.14 | 20.14 |
| | | | (21.60) | (21.60) |
| Interest Payable | | | | |
| Late Shree Ramchandra R. Gandhi & His legal Heirs | | 42.84 | | 42.84 |
| | | - | | - |
| Trade Receivable : | | | | |
| Vadilal soda Fountain | | | 5.03 | 5.03 |
| | | | (1.78) | (1.78) |
| Trade Payable : | | | | |
| Vadilal Industries Ltd. | | | 1,430.67 | 1,430.67 |
| | | | (2,071.55) | (2,071.55) |
| Vadilal Chemical Ltd. | | | 1.52 | 1.52 |
| | | | (1.46) | (1.46) |
| Vadilal International Pvt. Ltd | | | 53.70 | 53.70 |
| | | | (33.56) | (33.56) |
| Corporate Guarantee Given | | | | |
| Vadilal Industries Ltd. | | | 270.00 | 270.00 |
| | | | (270.00) | (270.00) |
| Corporate Guarantee Taken | | | | |
| Vadilal Industries Ltd. | | | 3,001.00 | 3,001.00 |
| | | | (2,901.00) | (2,901.00) |
| Personal Gurantee Taken | | | | |
| Directors | | | 1,205.00 | 1,205.00 |
| | | | (1,260.00) | (1,260.00) |

Note:1) Transaction of Sales and Purchase (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) Pursuant to the agreement signed with Vadilal Industries Limited, and approved by shareholders, the pricing of the products to be purchases shall be determined by Vadilal Industries Limited. As per the pricing policy for the period February 15,2021 to March 31,2021, the Company has received a special debit note from Vadilal Industries Limited on June 28,2021, owing to the additional discounted prices at which the original transactions took place.

During the previous year 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.

Compensation to Key Managerial Personnel of the Company:

(₹ in Lacs)

| Nature of Benefits | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|------------------------------|-----------------------------------|-----------------------------------|
| Short Term Employee Benefits | 78.19 | 60.57 |
| Total | 78.19 | 60.57 |

* 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 ₹135.17 Lacs (Previous Year: ₹ 142.60 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 31,2021 | As at March 31,2020 |
| Obligations/Fair value of Plan assets at the beginning of the year | 270.55 | 217.13 |
| Current service cost | 29.41 | 24.37 |
| Past Service cost | - | - |
| Interest cost | 18.59 | 16.85 |
| Actuarial (gain)/loss arising from changes in demographic Assumptions | (3.59) | - |
| Actuarial (gain)/loss arising from changes in financial Assumptions | 1.32 | 6.14 |
| Actuarial (gain)/loss arising from experience adjustments | (3.40) | 21.68 |
| Benefits Paid | (30.16) | (15.62) |
| Obligations/Fair value of Plan assets at the end of the year | 282.72 | 270.55 |

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

| Particulars | Gratuity | |
|---|------------------------|------------------------|
| | As at March 31,2021 | As at March 31,2020 |
| Obligations/Fair value of Plan assets at the beginning of the year | 137.88 | 99.78 |
| Interest Income | 9.47 | 7.74 |
| Return on plan Assets excluding Interest income | (2.50) | (0.67) |
| Employer contributions | 1.75 | 46.65 |
| Benefits Paid | (30.16) | (15.62) |
| Obligations/Fair value of Plan assets at the end of the year | 116.44 | 137.88 |

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

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Present value of benefit obligation at the end of the year | 282.72 | 270.55 |
| Fair value of plan assets | (116.44) | (137.88) |
| Net liability arising from defined benefit obligation | 166.28 | 132.67 |

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

(₹ in Lacs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|---|---|
| Current service cost | 29.41 | 24.37 |
| Past Service Cost | - | - |
| Net Interest Cost | 9.11 | 9.11 |
| Net impact on the Profit / (Loss) before tax | 38.52 | 33.48 |
| Remeasurement of the net defined benefit liability: | | |
| Return on plan assets excluding actuarial return on plan assets | 2.50 | 0.69 |
| Actuarial gains/(losses) arising from changes in demographic | (3.59) | - |
| Actuarial gains/(losses) arising from changes in financial assumption | 1.32 | 6.14 |
| Actuarial gains/(losses) arising on experience adjustments | (3.40) | 21.68 |
| Net (Gain)/Loss recognised in the Other Comprehensive Income before tax | (3.18) | 28.51 |

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, 2021 as follows:

(₹ in Lacs)

| Gratuity : | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------|-------------------------|-------------------------|
| 1st Following Year | 49.73 | 53.41 |
| 2nd Following Year | 14.86 | 9.81 |
| 3rd Following Year | 8.47 | 15.57 |
| 4th Following Year | 17.97 | 8.09 |
| 5th Following Year | 12.99 | 16.82 |
| Sum of Years 6 To 10 | 95.69 | 93.72 |
| Sum of 11 Years and above | 416.90 | 393.79 |

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.

(₹ in Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Projected Benefit Obligation on Current Assumptions | 282.72 | 270.55 |
| Delta Effect of +1% Change in Rate of Discounting | (23.09) | (21.68) |
| Delta Effect of -1% Change in Rate of Discounting | 27.14 | 25.56 |
| Delta Effect of +1% Change in Rate of Salary Increase | 25.86 | 24.43 |
| Delta Effect of -1% Change in Rate of Salary Increase | (22.41) | (19.21) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (0.20) | (0.12) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 0.19 | 0.10 |

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, 2021 | As at March 31, 2020 |
|-------------------------------|--|--|
| Financial Assumptions | | |
| Discount rate | 6.85% | 6.87% |
| Salary Escalation Rate | 5.00% for next 1 year, 7% p.a. there after | 0.00% for next 1 year, 7% p.a. there after |
| Attrition Rate | | |
| For Service (4 years & below) | 20.00% | 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, 2021 based on actuarial valuation carried out by using Projected Unit Credit Method is ₹ 164.73 Lacs . (As at March 31, 2020 : ₹ 151.94 Lacs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------------|--|--|
| Financial Assumptions | | |
| Discount rate | 6.85% | 6.87% |
| Salary Escalation Rate | 5.00% for next 1 year, 7% p.a. there after | 0.00% for next 1 year, 7% p.a. there after |
| Attrition Rate | | |
| For Service (4 years & below) | 20.00% | 15.00% |
| For Service (5 years & above) | 2.00% | 2.00% |
| Mortality Tables | Indian Assured Lives Mortality (2006-08) | |

NOTE :42

- A) Interim Reports by the Independent Law Firm and Chartered Accountant Firm appointed by the Committee of Independent Directors to inquire/examine matters involving allegations and counter allegations levelled by two Promoter Directors against each other primarily relating to the operations and management of the Company during the period 2014-15 to 2018-19, are received by the Company. The Interim Reports received have not found any adverse observations/findings, in terms of reference made to them, which can be considered to be prejudicial to the interest of the Company.
- B) However, the Company is yet to receive the reports/findings for the following, primarily due to the second wave of the COVID-19:
- Cross allegations between the Promoter Directors, during the period 2013-14 to 2017-18 and 2013-14 to 2018-19 respectively, for the appropriateness of expenses amounting to ₹ 45.90 lakh and ₹ 53.39 lakh respectively.
 - Allegation by a Promoter director relating to matter involving operations and management issue wherein marketing expenses of advertisement amounting to ₹ 38 crore paid by the Company during the period 2015-16 to 2018-19, without following the process of the Company.
- C) The Board of Directors in its meeting held on June 28, 2021 have accepted the Recommendation of the Committee of Independent Directors to close all the matters not requiring any further course of action, except matter as referred to in para (b) above, and believes that the items in para (b) above shall not have any material financial impact on the financial statements of the Company for the year.

NOTE :43

The business has been significantly impacted during the year on account of COVID-19. The Company has witnessed lower revenues due to lockdown imposed during the beginning of the year, being the peak period of the ice-cream business. With the unlocking of restrictions, the business improved gradually in the last two months of the year. Whilst there has been a second wave of the COVID-19 pandemic in April and May, 2021, the domestic ice-cream business of the Company once again got impacted, being the peak period.

The Company has also assessed the possible impact of COVID-19 in preparation of the financial statements, including recoverable value of its financial and non-financial assets and impact on revenues and cost. The Company, using reasonably available information, estimates and judgments has determined an additional overlay on expected credit loss (ECL) amounting to ₹ 34.35 lakh for the year ended March 31, 2021 (₹ 100.22 lakh for year ended March 31, 2020). The Company has considered internal and external sources of information and based on current estimates, expects to recover the carrying amount of these assets. The impact of COVID-19 may be different from that estimated at the date of the approval of these financial results and the Company will continue to closely monitor any material changes to the future economic conditions.

The Company, has availed moratorium in respect of term loans (interest and instalments) and interest on cash credit account up to August 31, 2020 and is generally regular in payment of interest and principal to its various lenders.

As at the year end, the Company has noticed that there has been a breach in maintaining/complying certain financial ratios as stipulated in the long-term loan agreements by the lenders. Considering the impact of COVID-19 as exceptional, and there being no default in the payments to the lenders, the Company considers such breach in compliance of certain stipulated ratios as a minor breach of a debt covenant, not warranting any action at this stage.

The Company believes, with the support of the lenders, in its ability to continue as a going concern and meeting its liabilities as and when they fall due in the foreseeable future.

NOTE :44

The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette of India on September 29, 2020, which could impact the contributions of the Company towards certain employment benefits. The effective date from which changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period of notification of the relevant provisions.

NOTE :45

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 30, 2021

For and on behalf of the Board of Directors**Rajesh R. Gandhi**

Chairman
(DIN - 00009879)

Ranveersinh Raol

Chief Executive Officer

Rajesh I. Bhagat

Chief Financial Officer

Place : Ahmedabad

Date : June 30, 2021

Devanshu L. Gandhi

Director
(DIN - 00010146)

Kamal N Varma

Chief Executive Officer

Darshan Shah

Company Secretary

NOTES :

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NOTES :

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