Date: 30th August, 2018

To,

The National Stock Exchange of India Ltd.

Exchange Plaza,

Plot no. C/1, G Block,

Bandra-Kurla Complex

Bandra (E), Mumbai - 400 051.

Scrip Code No. VADILALIND-EQ

To

Department of Corporate Services,

BSE Limited,

Phiroze Jeejeebhoy Towers

Dalal Street, Fort,

Mumbai - 400 001.

Scrip Code : 519156

Dear Sir,

Subject: Annual Report for F.Y. 2017-18

Please find herewith annual report of the Company for the period of 2017-2018 pursuant to regulation 34 of SEBI (Listing obligation and disclosure requirement), 2015

Please take the same on record.

Thanking you,

Yours faithfully,

For VADILAL INDUSTRIES LIMITED

Ruchita Gurjar

Company Secretary & Compliance Officer

VADILAL INDUSTRIES LIMITED Ahmedabad

VADILAL INDUSTRIES LIMITED

Corporate Office : 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Bopal, Ahmedabad-380015. Ph. No.: 079-30921200

Reg. Office : VadilalHouse, 53, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad-380009. Ph. No. : 079-26564019-24

Email id : info@vadilalgroup.com Website : vadilalicecreams.com / www. vadilalgroup.com CIN No. L91110GJ1982PLC005169

Vadilal®

THE BEST PART OF EVERYDAY





ANNUAL REPORT 2017-18

VADILAL INDUSTRIES LTD.

FLAVOURS OF TOGETHERNESS



Creative Visualisation. Ice Cream

Richness of almonds in every sip

Vadilal Quick Treat





Thandai | Chocolate | Elaichi | Mango | Butterscotch | Rose

Vadilal Quick Treat

PURE, ASLI SHRIKHAND.





Contents

BOARD OF DIRECTORS :

Executive Directors

Rajesh R. Gandhi	Chairman & Managing Director
Devanshu L. Gandhi	Managing Director

Non-Executive & Non-Independent Directors

Deval D. Gandhi
Kalpit R. Gandhi (CFO)

Independent Directors

Vijay R. Shah
Jignesh J. Shah
Malay R. Mahadevia
Chetan M. Tamboli

COMPANY SECRETARY : Ruchita Gurjar

AUDITORS : Deloitte Haskins & Sells LLP, Chartered Accountants

BANKERS :
Bank of Baroda
State Bank of India
IDBI Bank Ltd.
Indusind Bank

REGISTERED OFFICE :
Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
CIN: L91110GJ1982PLC005169
Phone : 079 - 26564019 to 24, 30153347
Fax : 079 – 26564027
Web : www.vadilalgroup.com

SHARE DEPARTMENT :
9th Floor, Colonnade Building,
Opp. Iscon Temple BRTS Bus Stand,
Ambli-Bopal Road, Ahmedabad-380015
Phone : 079-30921200

REGISTRAR & SHARE TRANSFER AGENT :
(For Physical & Demat)
MCS Share Transfer Agent Ltd.,
201, Shatdal Complex,
2nd Floor, Opp. Bata Show Room,
Ashram Road, Ahmedabad – 380 009.
Phone : 079-26580461/62/63
Fax : 079-26581296

FACTORIES :

Ice-cream Division :
1. Village Pundhra, Tal. Mansa, Dist. Gandhinagar (Gujarat)
2. Parsakhera Industrial Area, Bareilly (Uttar Pradesh)

Processed Foods Division
Dharampur, Dist. Valsad (Gujarat)

Forex Division
(Money Changing Business)
Vadilal House, Navrangpura, Ahmedabad.
Ph.: 079-26564025, 26421193

34th ANNUAL GENERAL MEETING

Day - Monday

Date - 24th September, 2018

Time - 11.00 a.m.

Venue - H T Parekh Convention Center,
1st Floor, Ahmedabad Management Association,
ATIRA Campus, Dr. Vikram Sarabhai Marg,
Ahmedabad, Gujarat 380 015.

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Email for Investor Grievances :
shareslogs@vadilalgroup.com

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NOTICE

NOTICE is hereby given that the 34th **ANNUAL GENERAL MEETING** of the members of **VADILAL INDUSTRIES LIMITED** will be held on Monday, the 24th day of September, 2018 at 11.00 a.m. at H T Parekh Convention Center, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015, to transact the following business :

ORDINARY BUSINESS :

1) To consider and adopt:

   (a) The audited financial statement of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon; and

   (b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2018.

2) To declare dividend on Equity Shares for the financial year ended on March 31, 2018.

3) To appoint a Director in place of Mr. Rajesh R. Gandhi (DIN: 00009879) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. If re-appointed, the same shall not be termed as discontinuation of his office as Managing Director of the Company.

4) To appoint a director in place of Mrs. Deval D. Gandhi (DIN: 00674579) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

5) To ratify the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company for the financial year – 2018-2019 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to provision of Section 139 of the Companies Act, 2013 read with rules made thereunder, the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Ahmedabad (FRN: 117366W/W-100018) be and is hereby ratified to continue as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of next Annual General meeting at a remuneration as may be mutually decided."

For VADILAL INDUSTRIES LIMITED

RAJESH R. GANDHI
Chairman & Managing Director
DIN : 00009879

Registered Office :
Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169
Email : shareslogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 30153189
Dated : 11th August, 2018

NOTES :

1) **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office/ Share Department of the Company not less than forty-eight hours before the commencement of the Meeting.**

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

2) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts is not annexed to the notice as there is no Special Business to be transacted at the Meeting.

4) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5) (a) The Company has notified closure of Register of Members and Share Transfer Books from 15th September, 2018 to 24th September, 2018 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

(b) Dividend of Re. 1.25/- per share (@12.50%) on Equity Shares for the year ended on 31st March, 2018 as recommended by the Board, if declared at the meeting, will be paid without deduction of tax at source :

to those members, whose names appear on the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company/Share Transfer Agent on or before 14th September, 2018, or

in respect of shares held in electronic form, to those "Beneficial Owners" whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 14th September, 2018.

6) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

7) **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.**

8) The amount of dividend for the financial year ended on 31st March, 2011, 31st March, 2012, 31st March, 2013, 31st March, 2014, 31st March, 2015, 31st March, 2016 and 31st March, 2017 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 1st November, 2018, 3rd November, 2019, 26th October, 2020, 29th October, 2021, 1st November, 2022, 1st November, 2023 and 6th November, 2024, respectively.

Members, who have so far not encashed their dividend warrants for the said financial years, are requested to approach the Company for revalidation or duplicate dividend warrants. Thereafter, no claims shall lie against the said Fund or the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims.

9) Members, who hold shares in dematerialised form, are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

10) Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.

11) Relevant documents referred to in the accompanying Notice and the explanatory statement are open for inspection for the members at the Share Department of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.

12) Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.

13) Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its **Share Department**, at least 10 days before the date of the meeting.

14) In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company were appointed as Statutory Auditors of the Company at the 33rd Annual General Meeting of the Members of the Company held on Friday, 29th September, 2017 for a period of 5 years from the conclusion of the 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the 38th Annual General Meeting.

The Board of Directors has, on recommendation of Audit Committee, recommended to the Members about the ratification of appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company.

The Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

15) At this Annual General Meeting, Mr. Rajesh R. Gandhi, Chairman & Managing Director of the Company and Mrs. Deval D. Gandhi, Director of the Company, shall retire by rotation and being eligible, offer themselves 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 as Directors of the Company :-

Mr. Rajesh R. Gandhi

Mr. Rajesh R. Gandhi aged 60 is commerce graduate and has been associated with the Company since its inception having experience on hands for Ice-cream & Processed Food Business. He looks after day-to-day affairs of the Company pertaining to the hereby-mentioned areas : Production, QA/QC, R & D, Logistics (Ice-cream Transportation), Cups & Cones, Purchase (Capital Goods & Deep Freeze Machines) of Ice-cream Division is taken care by him. He also looks after Sales & Marketing of Ice-cream Exports and Happinezz Parlors owned and/or managed by Group. For Processed Food Division, Mr. Rajesh R. Gandhi looks after exports and domestic sales, international freight, Government subsidies of entire division. For construction, he takes care of sales and marketing and legal. The total portfolio of Finance, Accounts, MIS, Taxation, Internal Audit, EDP, Secretarial, Legal, Insurance, Systems, all Taxes and DGFT, and Human Resource of all above mentioned departments and P & A of Head Office is taken care by him.

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

Directorship:	**Member of the Board Committees:**
➢ Vadilal Enterprises Limited	**Audit Committee :**
➢ Vadilal Chemicals Limited	➢ Vadilal Enterprises Limited
➢ Steelcast Limited	➢ Steelcast Limited
➢ Vadilal International Private Limited	**Shareholders/Investors' Grievance Committee and/or**
➢ Vadilal Gases Limited	**Share Transfer Committee:**
➢ Vale Properties Private Limited	➢ Vadilal Enterprises Limited (Chairman)
➢ Vadilal Marketing Private Limited	➢ Vadilal Chemicals Limited
➢ Numen Technologies Private Limited	➢ Steelcast Limited

Mrs. Deval D. Gandhi

Mrs. Deval D. Gandhi aged 47 is a commerce graduate & a diploma in design. As an exclusive designer, with a keen eye for aesthetics and interesting interpretation of traditional Indian craftsmanship and clothes design heritage.

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

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

Directorship:
➢ Vadilal Chemicals Limited
➢ Vadilal International Private Limited
➢ Byad Packaging Industries Private Limited
➢ Esveegee Wires and Metals Private Limited

Relationship between the Directors :-

- ➢ Mr. Kalpit R. Gandhi is the son of Mr. Rajesh R. Gandhi.
- ➢ Mrs. Devalben D. Gandhi is the spouse of Mr. Devanshu L. Gandhi.

None of the other directors are related to any other director on the Board.

16) Voting through electronic means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of SEBI (Listing Obligation and Disclosure Requirement), 2015 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote through e-voting services provided by Central Depository Services (India) Limited (CDSL) and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

The process and manner of e-voting is provided is provided and enclosed alongwith this Notice.

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

18) **Shareholders holding shares in Physical mode:**

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

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

For VADILAL INDUSTRIES LIMITED

RAJESH R. GANDHI
Chairman & Managing Director
DIN : 00009879

Registered Office :
Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169
Email : shareslogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 30153189
Dated : 11th August, 2018

Process and manner for availing remote e-voting facility

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

1. The Process and manner of remote e-voting is being sent to all members whose e-mail ids are registered with the Company/ Depository Participants/Share Transfer Agents for communication purpose through electronic mode.
2. The members who have casted there vote by remote e-voting may also attend meeting but shall not entitled to cast their vote again.
3. The Board of Director has appointed **Mr. Manoj Hurkat**, of M/s. Manoj Hurkat & Associates Practicing Company Secretary, Ahmedabad as Scrutinizer to scrutinize the poll and remote e-voting process in fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
4. Voting rights shall be reckoned on the paid up value of shares registered in the name of the members/ beneficial owner (in case of electronic shareholding) as on cutoff date i.e. **17th September, 2018**
5. Any person, who acquires shares of the Company and becomes member of Company after dispatch of the notice of the AGM and holding shares on cut-off date i.e. **17th September, 2018** may obtain the User ID and Password in manner mentioned bellow:
   - If e-mail address or mobile number of member is registered against folio number/DP ID/Client ID, then on homepage of www.evotingindia.com., the member may click on “Forgot Password” and enter folio number/DP ID/Client ID and PAN to generate a password
   - Member may send request at helpdesk.evoting@cdslindia.com
   - Member may call CDSL toll free number 18002005533
   - If person is already registered with CDSL for e-voting then excising user id and password can be used for casting vote.

6. The Scrutinizer, after scrutinizing the votes cast at the meeting (poll) and through remote e-voting, will not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to Chairman. The results declared along with consolidated scrutinizer's report shall be placed on the website of the Company www.vadilalgroup.com and on the website of CDSL viz. www.evotingindia.com. The results shall simultaneously be communicated to Stock Exchanges.

7. The instruction for shareholders voting electronically are as under:

(i) The voting period begins on **21st September, 2018 (9.00 a.m.) and ends on 23rd September, 2018 (5.00 p.m.)** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **17th September, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
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. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(xi) Click on the EVSN for the relevant **Vadilal Industries Limited** on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting" available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

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

Name of Official – Mr. Rakesh Dalvi
Designation – Manager
Address - 25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound,
NM Joshi Marg, Lower Parel (E), Mumbai - 400 013
E Mail ID -helpdesk.evoting@cdslindia.com
Phone No. - 1800225533

DIRECTORS' REPORT

To,
The Members,
VADILAL INDUSTRIES LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith the 34th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2018.

FINANCIAL HIGHLIGHTS:

(` in Lacs)

Particulars	Year ended on 31-03-2018		Previous year ended on 31-03-2017	
(a) Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		5344.32		5757.90
(b) Finance Cost	1522.19		1596.99	
(c) Depreciation and amortization expenses	1598.38		1483.34	
		3120.57		3080.33
(d) Profit before Tax		2223.75		2677.57
(e) Tax Expenses				
(a) Current Tax	608.05		939.57	
(b) Deferred Tax	131.17		74.81	
Total Tax Expenses		739.22		1014.38
(f) Profit for the year		**1484.53**		**1663.19**
(g) **Other Comprehensive income :**				
A (i) Item that will not be reclassified to profit or loss Remeasurement of defined benefit plans		(28.35)		(45.49)
(ii) Income tax relating to items that will not be reclassified to profit or loss		9.81		15.74
Other Comprehensive Income for the year :		**(18.54)**		**(29.75)**
(h) Total Comprehensive income for the year :		**1465.99**		**1633.44**

STATE OF COMPANY'S AFFAIRS:

The Company has earned Revenue from Operations of ` 52304.47 Lacs during the year ended on 31st March, 2018 as against ` 48438.10 Lacs earned during the previous year ended on 31st March, 2017 giving a rise of 7.98% as compared to previous year.

After adding thereto the other income of ` 453.04 Lacs earned by the Company, the Company has earned total income of ` 52757.51 Lacs during the year under review. The Company has incurred total expenses of ` 50533.76 Lacs including Finance cost of ` 1522.19 Lacs and Depreciation and Amortization expenses of ` 1598.38 Lacs, during the year under review.

The Company has earned profit before Tax of ` 2223.75 Lacs during the year under review as compared to Profit ` 2677.57 Lacs incurred during the previous year ended on 31st March, 2017. The Company has earned profit for the year of ` 1484.53 Lacs during the year ended on 31st March, 2018 after deducting Current Tax of ` 608.05 Lacs and Deferred Tax of ` 131.17 Lacs, as compared to Profit of ` 1663.19 Lacs incurred by the Company during the previous year ended on 31st March, 2017.

DIVIDEND :

The Directors have recommended dividend of `1.25 per share (@12.50%) on 71,87,830 Equity Shares of ` 10/- each of the Company for the Financial Year ended on 31st March, 2018 as compared to Dividend of `1.25 per share (@10.25%) declared for the previous Financial Year ended on 31st March, 2017. If approved, the dividend will be paid without deduction of tax at source to the shareholders.

TRANSFER TO RESERVE :

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

EXTRACT OF ANNUAL RETURN:

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

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report has been enclosed herewith as per ***Annexure – B*** and forming part of the Directors' Report.

QUALITY ASSURANCE AND AWARDS

AWARDS AND CERTIFICATIONS:

Vadilal has won 27 awards over 4 consecutive years: 2008 to 2011 at 'The Great Indian Ice Cream Contest' organized by the Indian Dairy Association. The various categories for awards were: The Best in Class (3): Chocolate Frozen Dessert, Standard Chocolate Ice Cream, Rose Coconut Shell (Innovation – Novelty), Gold Medal (4): Standard Chocolate Ice Cream, Chocolate Frozen Dessert, Vanilla Frozen Dessert and Rose Coconut Shell (Innovation – Novelty), Bronze Medal (1): Natural Orange (Premium without Inclusion). Best in Class in Kids category – Joker Ice Trooper, Gold in Kids category – Joker Face Ice Trooper, Silver in Vanilla Frozen Dessert, Bronze in Vanilla Ice Cream – Happinezz Vanilla Ice cream, Bronze in Premium – Pista Happinezz Ice Cream garnished with Green Pista.

Vadilal Ice Creams has been voted as the "Most Trusted Ice Cream Brand in India" as per The Brand Trust Report - 2013. The Economic Times Survey ranked us among the "Top 20 Food and Beverages" brands in India.

ISO 22000:2005 AND ISO 9001:2008 CERTIFICATES

The Company has always made continuous efforts to improve the **"OVERALL PRODUCT QUALITY"** by following the stringent **GMP norms** and continuous process innovation. This is evident with the achievement of **FSMS** (Food Safety Management System) Certifications i.e. **BRC: Issue-6** with Grade **"A", ISO-22000:2005** and **HALAL** for our Processed Food Division (PFD), located at Dharampur, Dist. Valsad, Gujarat.

The PFD Manufacturing facility is also listed in **"Two Star Export House"** Status by Joint Director General of Foreign Trade, Ministry of Commerce and Industry for export of Processed Foods Products-**APEDA**.

The Ice Cream plants of the Company located in two locations - Pundhra in Gujarat & Barelly in UP are also certified for **ISO-22000:2005, ISO 9001:2008 and BRC: Issue 6** for Food Safety Management System is another feather in the cap for the Company.

FINANCE:

During the year under review, the company has raised ` 60.00 Crore from Indusind Bank without personal guarantee of promoters as Long Term Borrowing, with low rate of Interest, to replace Short Term Borrowing, to avoid mismatch of long term fund v/s long term assets. It has improved various financial parameters including current ratio.

The Company has availed Unsecured Working Capital Loan of ` 10.00 crores from HDFC Bank for the period of 6 months, for procurement of raw materials, in winter season.

The Company has also availed finance from American Express Banking Corporation for ` 13.45 crores, as a Corporate Credit Card facility for Vendor payment.

During the year company has made regular repayment of Loan & interest thereon and there is no any overdue payment to Banks and FIs. During the year, the Banks have also reduced the Rate of Interest and the Company has upgraded external rating from BBB (Stable) to BBB (Plus).

During the financial year – 2017-2018, the Company has deposited unclaimed/ unpaid fixed deposit amount of ` 37595/- to Investor Education and Protection Fund - IEPF.

During the Financial year – 2017-2018, the Company has also transferred ` 46403/- being amount of unpaid dividend for the year – 2009-2010 to Investor 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 :

i. Details of Deposit from Shareholders : **(` in Lacs)**

(a) Amount of existing deposits as at 1st April, 2017	:			1764.90
(b) Amount of deposits accepted or renewed during the year				
(i) Secured deposits	:	0		
(ii) Unsecured deposits	:	1586.15		
Total (b) :	:			1586.15
(c) Amount of deposits repaid during the year	:			613.42
(d) Balance of deposits outstanding at the end of the year (a+b-c)				**2737.63**

ii. Details of Deposit from Public [Accepted under Companies Act, 1956 and Companies (Acceptance of Deposit) Rules, 1975] :

(` in Lacs)

(a) Amount of existing deposits as at 1st April, 2017	:		0.15
(b) Amount of deposits accepted or renewed during the year			
(i) Secured deposits	:	0	
(ii) Unsecured deposits	:	0	
Total (b) :	:		0
(c) Amount of deposits repaid during the year	:		0
(d) Balance of deposits outstanding at the end of the year (a+b-c)			**0.15**

b. As on 31st March, 2018, deposits of ` 15000/- was remained unpaid or unclaimed by the Company.

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

d. The Company has not accepted or renewed any deposit which is not in compliance with the provisions of Chapter – V of the Companies Act, 2013.

SUBSIDIARY COMPANY:

The Company is having a wholly-owned subsidiary company namely Vadilal Industries (USA) Inc., USA.

During the year under review, the company has incorporated a new subsidiary company in United Arab Emirates in the name of VADILAL GULF (FZE) on 20-02-2018. The company has also incorporated a new subsidiary company in Australia in the name of Vadilal Industries Pty Ltd, on 16-04-2018. However, the Company has not made any investment in the securities of the said companies yet.

A report on the financial position of the subsidiary and associate as per first proviso to sub-section(3) of Section 129 of the Companies Act, 2013 and Rules made thereunder in the prescribed Form – AOC-1 is provided as ***Annexure – C*** to the Directors' Report. The Policy for determining material subsidiaries may be accessed on the Company's website viz www.vadilalgroup.com.

Pursuant to the provisions of Section 136 of the Act, separate Audited Accounts in respect of subsidiary company for the year ended on 31st March, 2018 are available at the web-site of the Company viz. www.vadilalgroup.com.

CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to the requirements of Section 129(3) read with Schedule – III of the Companies Act, 2013 and Rules made thereunder, and Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement), 2015 and other applicable Accounting Standards, the Consolidated Financial Statements of the Company, its subsidiaries and associates, for the year ended on 31st March, 2018 have been attached with the financial statement of the Company. The Audited Consolidated Financial Statements form part of the Annual Report.

CORPORATE GOVERNANCE:

Being a Listed Company, the Company has taken necessary measures to comply with the provisions of Chapter-IV of SEBI (Listing Obligation and Disclosure Requirement), 2015 regarding Corporate Governance. A separate report on Corporate Governance for the year ended on 31st March, 2018 is attached herewith as a part of this Annual Report viz ***Annexure - D***. A certificate from Statutory Auditors of the Company regarding compliance of Corporate Governance as stipulated under Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirement), 2015 is obtained by the Company and annexed to the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

(*a*) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(*b*) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(*c*) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(*d*) The directors had prepared the annual accounts on a going concern basis;

(*e*) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(*f*) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

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

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

Your Directors draw attention of the members to Note – 46 to the financial statement which sets out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Rajesh R. Gandhi, Managing Director (DIN: 00009879) of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offer himself for re-appointment. The retiring by rotation of Mr. Rajesh R. Gandhi, as aforesaid and his re-appointment shall not be termed as discontinuation in his office as Managing Director of the Company. The Members are requested to consider his re-appointment as Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mrs. Deval D. Gandhi (DIN: 00988905) of the Company shall retire by rotation at this Annual General Meeting and being eligible, offer herself for re-appointment The Members are requested to consider her re-appointment as Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

The brief resume/details relating to the said Directors, who are to be re-appointed are furnished in the Notes to the Notice of the Annual General Meeting.

BOARD EVALUATION:

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual independent directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement), 2015.

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

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

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

COMMITTEES OF DIRECTORS:

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

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

OTHER POLICIES AND MEASURES AS PER THE REQUIREMENT OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT), 2015

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

NUMBER OF BOARD MEETINGS:

During the year under review, 9 Meetings of Board of Directors and one adjourned Board Meeting were held the details of which are mentioned in the Corporate Governance Report annexed with the Directors' Report.

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

As required under Section 134(1)(m) of the Companies Act, 2013 and Rules made thereunder, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the ***Annexure – G*** attached herewith and forming part of the Directors' Report.

RISK MANAGEMENT:

The Company is exposed to various business risks from time to time. Risk management involves handling appropriately risks that are likely to harm an organization. There are various types of risks associated with conducting business of the Company. The ultimate goal of risk management is the preservation of physical and human assets of the organization for successful continuation of its operations.

In view of the same and in terms of requirements of the Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement), 2015 regarding Corporate Governance, the Board of Directors had, approved the risk assessment and minimization procedure adopted by the Company in relation to its business.

The Board periodically reviews the risk assessment and minimization procedure in relation to the business of the Company.

CORPORATE SOCIAL RESPONSIBILITY:

In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a committee of the Directors of the Company has been constituted as Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee has formulated a policy on the Corporate Social Responsibility measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.

The Corporate Social Responsibility Policy is available on the Company's web-site viz. www.vadilalgroup.com.

The Annual Report on CSR activities is annexed herewith marked as ***Annexure - H.***

INTERNAL FINANCIAL CONTROLS

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

AUDITORS:

In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company were appointed as Statutory Auditors of the Company at the 33rd Annual General Meeting of the Members of the Company held on Friday, 29th September, 2017 for a period of 5 years from the conclusion of the 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the 38th Annual General Meeting.

The Board of Directors has, on recommendation of Audit Committee, recommended to the Members about the ratification of appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company.

The Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder.

COST ACCOUNTING RECORDS :

The provisions of Section 148 of the Companies Act, 2013 are not applicable to the Company and hence, the Company does not maintain Cost Accounting records.

AUDITORS' REPORT OF THE COMPANY:

The Auditors' Report on the Annual Accounts of the Company for the year ended on 31st March, 2018 does not contain any qualification / reservation / observation or negative remark.

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 – 2017-2018. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as ***Annexure – I*** to this Report.

The explanation to the observation made in the Secretarial Audit Report is Provided in Annual Report on CSR Activities as per Annexure-H to the report.

INSURANCE:

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

LISTING WITH STOCK EXCHANGES:

The Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company confirms that it has paid Annual Listing Fees due to the BSE Limited and National Stock Exchange of India Limited upto the Financial Year –2018-2019.

PARTICULARS OF EMPLOYEES:

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

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

MATERIAL INFORMATION :

During the period under review, a Company Petition (being Company Petition No. 42 of 2017) has been filed against the Company, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013. In connection to the said Company Petition No. 42 of 2017, the Petitioners and some of the parties to the petition are seeking to arrive at an amicable resolution of matter. The matter was lastly heard by the Hon'ble NCLT on 27-07-2018.

GENERAL:

- During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31st March, 2018 till the date of this report.
- During the year under review, there was no significant and/or material order passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.
- The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013 does not require.
- During the year under review, no Director or Managing Director of the Company has received any remuneration or commission from subsidiary of the Company in terms of provisions of Section 197(14) of the Companies Act, 2013.
- The disclosure in terms of Rule – 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.
- The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has also organized an awareness program for its employees on the said policy on prevention, prohibition and redressal of sexual harassment at workplace adopted by the Company.
- The trademark "Vadilal" and its associated trademarks are owned by Vadilal International Pvt. Ltd. The Company is a licensee of the said Trademarks.

ACKNOWLEDGEMENT:

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

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

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

By order of the Board of Directors

Date : 11th August, 2018
Place : Ahmedabad

RAJESH R. GANDHI
Chairman and Managing Director
DIN : 00009879

ANNEXURE – A TO THE DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L91110GJ1982PLC005169
2	Registration Date	28-4-1982
3	Name of the Company	VADILAL INDUSTRIES LIMITED
4	Category/Sub-category of the Company	Public Limited Company
5	Address of the Registered office & contact details	Vadilal House, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad – 380 009. Ph.: 079-30153189.
6	Whether listed company	Listed at BSE Limited and National Stock Exchange of India Limited
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. Tel. Nos. : (079) 26580461/62/63 Fax No. : (079) 26581296

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Ice-cream and Frozen Desert Product	1050	87.83%
2	Fruit Pulp, Frozen Fruits etc.	1030	10.90%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	Vadilal Industries (USA) Inc. 44, Woodbrook Drive, Edison, New Jersey - 08820	N.A.	Wholly Owned Subsidiary	100%	2(87)(ii)
2	Vadilal Gulf (FZE)# SAIF Office P8-14-13 P. O. Box 513893 Sharjah, U.A.E.	N.A.	Subsidiary	Nil	N.A.

The Company has floated a subsidiary company namely Vadilal Gulf (FZE) on 20-02-2018 at U.A.E. However, the Company has not made any investment in the shares of the said Company yet.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	186351	0	186351	2.59	186351	0	186351	2.59	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	3382615	30560	3413175	47.49	3382615	30560	3413175	47.49	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Directors' Relatives	1071591	12208	1083799	15.08	1050472	2208	1052680	14.64	0.44
Sub Total(A)(1)	**4641167**	**43018**	**4684185**	**65.16**	**4619438**	**32768**	**46522060**	**64.72**	**-0.44**
(2) Foreign									
Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	**0.00**
Bodies Corporate	0	0	0	0	0	0	0	0	**0.00**
Institutions	0	0	0	0	0	0	0	0	**0.00**
Any Others(Specify)	0	0	0	0	0	0	0	0	**0.00**
Sub Total(A)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
Total shareholding of Promoter (A)	**4641167**	**43018**	**4684185**	**65.16**	**4619438**	**32768**	**4652206**	**64.72**	**-0.44**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2161	7450	9611	0.13	4136	6750	10886	0.15	0.02
b) Banks / FI	1605	1650	3255	0.05	2102	1650	3752	0.05	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	500	500	0.01	10000	500	10500	0.15	0.14
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**3766**	**9600**	**13366**	**0.19**	**16238**	**8900**	**25138**	**0.35**	**0.16**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	526272	7346	533618	7.42	488707	7346	496053	6.90	1.91
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	938049	327924	1265973	17.61	953680	305872	1259552	17.52	-0.09
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	605183	0	605183	8.42	629086	0	629086	8.75	0.33
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	38198	0	38198	0.53	55612	0	55612	0.77	0.24
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Hindu Undivided Families (HUF)	48167	9	48158	0.67	70174	9	70183	0.98	0.31
Sub-total (B)(2):-	**2155860**	**335279**	**2491139**	**34.66**	**2197259**	**313227**	**2510486**	**34.93**	**0.27**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2159626**	**344879**	**2504505**	**34.84**	**2213497**	**322127**	**2535624**	**35.28**	**0.44**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**6800793**	**387037**	**7187830**	**100**	**6832935**	**354895**	**7187830**	**100**	0

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2017)			Shareholding at the end of the year (31-3-2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Vadilal International Private Limited	2809704	39.09	0	2809704	39.09	0	0.00
2	Vadilal Finance Company Pvt. Ltd.	328311	4.57	0	328311	4.57	0	0.00
3	Veronica Construction Pvt. Ltd.	244600	3.40	0	244600	3.40	0	0.00
4	Vadilal Marketing Private Limited	10330	0.14	0	10330	0.14	0	0.00
5	Byad Packaging Private Limited	10137	0.14	0	10137	0.14	0	0.00
6	Vortex Ice-Cream Private Limited	9943	0.14	0	9943	0.14	0	0.00
7	Vadilal Enterprises Limited	150	0.00	0	150	0.00	0	0.00
8	Ramchandra R. Gandhi	10000	0.14	0	0	0	0	-0.14
9	Virendra R. Gandhi	160252	2.23	0	158634	2.21	0	-0.02
10	Rajesh Ramchandra Gandhi	227721	3.17	0	227721	3.17	0	0.00
11	Devanshu Laxmanbhai Gandhi	340450	4.74	0	341450	4.75	0.00	0.01
12	Ila V. Gandhi	107931	1.50	0	107931	1.50	0	0.00
13	Mamta Rajesh Gandhi	122251	1.70	0	122251	1.70	0	0.00
14	Deval Devanshu Gandhi	59266	0.82	0	59266	0.82	0	0.00
15	Naynaben Surendrabhai Chokshi	21637	0.30	0	0	0	0	-0.30
16	Janmajay Virendrabhai Gandhi	14893	0.21	0	14893	0.21	0	0.00
17	Nitaaliashemali Piyush Surati	11558	0.16	0	11558	0.16	0	0.00
18	Ushaben Navinchandra Modi	7840	0.11	0	7354	0.10	0	-0.01
19	Virendra Ramchandra Gandhi (Huf)	119699	1.67	0	119699	1.67	0	0.00
20	Rajesh R. Gandhi - HUF	62411	0.87	0	62411	0.87	0	0.00
21	Laxman R. Gandhi (HUF)	4241	0.06	0	4241	0.06	0	0.00
22	Khevna Raj Shah	0	0	0	811	0.01	0	0.01
23	Dharini Ketan Khambhatta	0	0	0	811	0.01	0	0.01
	Total	**4683325**	**65.16**	0	**4652206**	**64.72**	0	**-0.44**

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

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2017)		Cumulative Shareholding during the year (from 1-4-2017 to 31-3-2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Name : Mr. Ramchandra R. Gandhi				
	At the beginning of the year	10000	0.14	10000	0.14
	Increase / Decrease in Promoters Shareholding during the year due to Transfer	-10000	-0.14	0	0
	At the end of the year	0	0	0	0
	Name : Mr. Virendra R. Gandhi				
	At the beginning of the year	160252	2.23	160252	2.23
	Increase / Decrease in Promoters Shareholding during the year due to Transfer	-1618	-0.02	158634	2.21
	At the end of the year	158634	2.21	158634	2.21
	Name : Mr. Devanshu L. Gandhi				
	At the beginning of the year	340450	4.74	340450	4.74
	Increase / Decrease in Promoters Shareholding during the year due to Transfer	1000	0.01	341450	4.75
	At the end of the year	341450	4.75	341450	4.75
	Name : Mrs. Naynaben Surendrabhai Chokshi				
	At the beginning of the year	21637	0.30	21637	0.30
	Increase / Decrease in Promoters Shareholding during the year due to Transfer	-21637	-0.30	0	0
	At the end of the year	0	0	0	0
	Name : Mrs. Khena Raj Shah				
	At the beginning of the year	0	0	0	0
	Increase / Decrease in Promoters Shareholding during the year due to Transfer	811	0.01	811	0.01
	At the end of the year	811	0.01	811	0.01
	Name : Mrs. Dharini Ketan Khambhatta				
	At the beginning of the year	0	0	0	0
	Increase / Decrease in Promoters Shareholding during the year due to Transfer	811	0.01	811	0.01
	At the end of the year	811	0.01	811	0.01

Note : Apart from the above, there is no change in the shareholding of promoters.

D) Shareholding Pattern of top ten Shareholders:

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

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2017)		Increase/decrease in the shareholding during the year		Cumulative Shareholding during the year (from 1-4-2017 to 31-3-2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ashish Kacholia	381183	5.3032	137249	1.9094	518432	7.2126
2	Sanjiv Dhireshbhai Shah	200000	2.7825	-200000	-2.7825	0	0
3	KIFS International LLP	111776	1.5551	-5484	-0.0763	106292	1.4788
4	Infina Finance Private Ltd	45195	0.6288	-5200	-0.0724	39995	0.5564
5	Aditya Birla Money Limited	27448	0.3819	-8863	-0.1233	18585	0.2586
6	Joindre Capital Services Ltd. Client A/C Bse	25740	0.3581	-25740	-0.3581	0	0
7	Edelweiss Broking Ltd	25733	0.358	-25733	-0.358	0	0
8	Pathik Gandotra	24000	0.3339	0	0	24000	0.3339
9	IL And Fs Securities Services Limited	18895	0.2629	4583	0.0637	23478	0.3266
10	Artha Vrddhi Securities Limited	17199	0.2393	-17199	-0.2393	0	0
11	Rajasthan Global Securities Private Limited	25017	0.348	0	0	25017	0.348
12	Jayesh Pratapchand Shah	25000	0.3478	0	0	25000	0.3478
	Malti Mukesh Shah						
	Yashvina Dinesh Shah						
14	Integrated Master Securities Pvt. Ltd.	20000	0.2782	0	0	20000	0.2782

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 1-4-2017)		Cumulative Shareholding during the year (from 1-4-2017 to 31-3-2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Mr. Rajesh R. Gandhi, Chairman and Managing Director**				
	At the beginning of the year	227721	3.17	227721	3.17
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	227721	3.17
	At the end of the year	227721	3.17	227721	3.17
2.	**Mr. Devanshu L. Gandhi, Managing Director**				
	At the beginning of the year	340450	4.74	340450	4.74
	Increase / Decrease in Promoters Shareholding during the year due to transmission	1000	0.01	341450	4.75
	At the end of the year	341450	4.75	341450	4.75
3.	**Mr. Deval D. Gandhi, Director**				
	At the beginning of the year	59266	0.82	59266	0.82
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	59266	0.82
	At the end of the year	59266	0.82	59266	0.82

4.	**Mrs. Ruchita Gurjar, Company Secretary**				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	1	0	1	0

Note : Apart from the above, other Directors and Key Managerial Personnel are not holding any shares in the Company.

V) INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Sr No	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
1	**Indebtedness at the beginning of the financial year**				
i	Principal Amount	9,351.26	780.02	1,765.05	11,896.33
ii	Interest due	27.40	18.90	-	46.30
iii	Interest accrued but not due	0.59	6.79	58.22	65.60
	Total (i+ii+iii)	9,379.25	805.71	1,823.27	12,008.23
2	**Change in Indebtedness during the financial year**				
i	Addition				
	Principal Amount	4,508.35	438.00	1,522.15	6,468.50
	Interest due but not paid	21.23	15.32	-	36.55
	Interest accrued but not due	1.61	27.70	108.32	137.63
i	Reduction				
	Principal Amount	(3,162.51)	(505.68)	(549.42)	(4,217.61)
	Interest due but not paid	(27.40)	(18.90)	-	(46.30)
	Interest accrued but not due	(0.59)	(6.79)	(58.22)	(65.60)
	Net Change	1,340.69	(50.35)	1,022.83	2,313.17
3	**Indebtedness at the end of the financial year**				
i	Principal Amount	10,697.10	712.34	2,737.78	14,147.22
ii	Interest due	21.23	15.32	-	36.55
iii	Interest accrued but not due	1.61	27.70	108.32	137.63
	Total (i+ii+iii)	**10,719.94**	**755.36**	**2,846.10**	**14,321.40**

Note : Deposits include Unclaimed Fixed deposits shown in other current liabilities opening interest shown as paid and closing interest shown as receipt Interest accrued and due is debited by bank subsequently

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Remuneration paid during the Financial year – 2017-2018)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Rajesh R. Gandhi, Chairman and Managing Director	Mr. Devanshu L. Gandhi, Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4500000	4500000	9000000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2136000	2136000	4272000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Rajesh R. Gandhi, Chairman and Managing Director	Mr. Devanshu L. Gandhi, Managing Director	
4	Commission - as % of profit - others, specify…	4550500	4550500	910100
5	Others, please specify: -Contribution to Provident Fund - Medical Reimbursement	 540000 40800	 540000 40800	 1080000 81600
	Total (A)	**11767300**	**11767300**	**23534600**
	Ceiling as per the Act			10% of net profit

B) REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors				Total Amount (`)(Gross)
1	**Independent Directors**	**Mr. Chetan Tamboli**	**Mr. Malay Mahadevia**	**Mr. Jignesh Shah**	**Mr. Vijay Shah**	
	Fee for attending board committee meetings	297500	0	317500	317500	932500
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	**297500**	**0**	**317500**	**317500**	**932500**
2	**Other Non-Executive Directors**	**Mrs. Deval D. Gandhi**				
	Fee for attending board committee meetings	160000				160000
	Commission	0				0
	Others, please specify	0				0
	Total (2)	**160000**				**160000**
	Total Remuneration (1+2)					**1092500**

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Kalpit R. Gandhi, Chief Financial Officer	Mrs. Ruchita Gurjar, Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1099344	321612	1420956
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1524768	608952	2133720
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit			
	others, specify…			
5	Others (Medical reimbursement, Bonus, Insurance, Gratuity, Ex-gratia, Provident Fund, KRA)	366792	141540	508332
	Total	**2990904**	**1072104**	**4063008**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

ANNEXURE – B TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS (2017-2018)

1) INDUSTRY STRUCTURE & DEVELOPMENT AND OUTLOOK.

a) Ice Cream Division

Overview

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

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

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

The structure of the industry and the ongoing transformation offer ample and more opportunities for organized players to invest and grow. Vadilal Ice Cream division has shown a sustainable annual growth and aims at maintaining it further in the years to come.

Since the inception of the company, Vadilal has been committed towards delivering the best quality products at affordable prices to every customer and to cater to every class of society with a diverse product range. Vadilal is constantly working towards improving their products in terms of their nutritional profile and benefits.

Developments

Taking forward the tradition of introducing innovative products at regular intervals, Vadilal has made numerous additions in 2017 including Special Occasion Ice Cream Tubs, Range of delicious Indian flavours under *Ocassionzz* ice cream tubs. This year, the company has revamped the entire brand identity by introducing a refreshed brand logo with a new template and packaging.

Our existing brands like Gourmet, Badabite, Flingo and Ice trooper continue to show substantial movement in the market. The challenge of sustaining the innovative trends has been confronted by introducing new variants like Badabite Select, Badabite Mango, Badabite Red Velvet, Flingo Belgian Chocolate , Chocolate cassatta, and Special *Occasionzz*.

As multi-national ice cream brands enter India, it has become imperative for the company to reinvent its strategy to consolidate its leadership. Vadilal has always endeavored to offer innovative products to the consumers and have been the pioneers in introducing products that have gone ahead to become regular products for all ice cream manufacturers in India.

The overall consumer awareness and the size of the premium ice cream segment has increased with the entry of international brands in India. Following these developments, we too have launched many variants in the premium segment like ice cream bars, ice cream sandwiches and Artisan ice cream cakes.

To break away from the clutter in a heavily-crowded retail environment, a new packaging template has been introduced this year to revamp and register our presence in the market.

With an upgrade to the production technology, it has become more feasible for us to offer premium and innovative products in the market.

Our Ice Trooper range continues to consolidate the kids' market and has become every kid's favorite across India. This year, a new variant called Double Spin has been added to this popular range.

New mega brands, installation of state-of-the-art machines and significant expansion in production facilities will make us an even stronger force to reckon with in the domestic ice cream market.

Vadilal has India's fastest cone-making machine. With the production capacity of 3.5 lakh cones per day, it is the first and the only ice cream producer in India to have a machine with such a huge capacity. Vadilal is the largest player in Cones, Cups and Candies categories.

Vadilal has started exclusive parlors in three formats: Scoop Shop, Hangout & Express. These parlors offer a delicious range of Premium Ice Creams, Scoops and Concoctions in a very enjoyable ambience. The purpose of launching these formats is to give the brand a modern and trendy new avatar. It is in line with the brand's efforts towards shifting the focus from mass to mass premium.

Like every other industry, the ice cream industry too has a vast unorganized market that works at low costs and margins. Here competitions is intense with organized and unorganized players.

Brand Vadilal as the 2nd largest ice cream brand in India, we have always been focusing towards maintaining our product quality, constantly improving the same with the products availability at across outlets. Instead of seeing the unorganized market and intense competition as a hurdle, we see it as a motivator to deliver our best and expand our presence in the premium ice creams segment.

We are making steady progress in launching new products in the premium segment. We have introduced a new range of Jumbo Ice Cream Cups that are made with pure milk cream and fine ingredients. Apart from these, we have also added more ice cream flavors in our popular party pack segment.

Vadilal's MELT IN parlour offering a range of high-end artisanal gelato ice cream has gained a lot of popularity in the past few years. With its success, Vadilal has once again proven its mettle in launching international ice cream experiences in India.

Vadilal has two ice cream production facilities – one at Pundhra in Gandhinagar district, Gujarat and the other at Bareilly in Uttar Pradesh. To increase the production capacity and to have better automation, we had undertaken expansion-cum-modernisation project of the factories, which has been successfully completed.

Apart from ice creams, Vadilal is also aggressively expanding in categories which offer value chain benefits and show a strong potential to grow. Vadilal already has strong backward linkages with the farmer community for its milk procurement for ice creams at its plant near Ahmedabad. Taking the relationship further, Vadilal has recently forayed in the flavored milk segment under the brand name "Power Sip". Power Sip comes in a uniquely shaped bottle ensuring a proper grip for the customer and is available in flavors like "Kesar", "Elaichi", "Coffee" and "Rose". R&D is going on for development of other flavors.

b) Processed Food Division

i. OVERVIEW:

Adjudged as the Sunrise Sector, the processed food industry has gained immense prominence in recent years. Expanding global population, changing consumer lifestyles and dietary habits, increasingly hectic schedules of people and urbanization trend are all propelling consumption of processed foods and ready-to-eat/cook, convenience foods, thus driving growth and demand in this segment.

But with the changing and demanding times, organisations have also been quick enough to understand and act according to the consumer's need. Offering over and above their expectation is what an organisation now aims.

With the right mix of traditional taste and uncompromised quality, Vadilal has not only been meeting and surpassing the demands of its customers but has also opened new avenues to market the products. Innovation being Vadilal's forte, it has expanded its portfolio across the food chain with an unbeatable range of processed foods. The ever demanding ice cream range has been expanded further with new Indian flavours. *Sweets of India* range has been expanded extensively to meet the demands during the festivities. An all-new healthy Beans & Sprouts range has been included in the IQF category.

ii. GLOBAL MARKET VIEW:

Rise in the global population, changing customer preferences, and emerging economies are making the way for the food retail industry. Rising middle-class population is creating growth opportunities for food retail market and is expected to drive the market further. According to a U.S.-based research firm, about 1.5 billion households globally would be in the middle-class category by 2020, this will further expand the processed food market and open up new intra-segment categories.

North America has emerged as the largest market for processed food due to increased snacking trend. Furthermore, busy lifestyle, packaging innovation and expanded lifestyle plays a major role in increasing demand of the processed food being sold here. In Middle East, the limited agricultural production because of the nature of climate, terrain and water scarcity has led to a significant increase in the processed food market. United Nations estimated that the population of Africa will be doubled by 2020 which will be a market driver in this region. Processed food market is fast growing in Asia pacific region as well due to increase in population and in consumer buying power. Europe has high demand for high quality and nutritious food. The strict government regulations is the major challenge in this market.

iii. GROWTH OPPORTUNITIES:

Being considered as 'priority sector' by the Indian Govt., processed food industry has been given a big boost by easing the policies for exports as well. According to the Food and Agriculture Organisation (FAO), India is likely to have an overwhelming impact on world demand and supply of food products. With its vast production base, India has the potential to become one of the largest food suppliers to the world and at the same time serve its own vast population.

According to Harvard Business Review, food demand is expected to increase anywhere between 59% and 98% by 2050 out of which a major chunk will be of the packaged and processed foods. Market size is expected to garner $3.03 trillion by 2020, registering a CAGR of 4.5% during the forecast period 2015 - 2020.

c) Forex Division

RBI AUTHORISED AD.II CATEGORY LICENCE HOLDER.

The Division is RBI approved Authorized Dealer Category II and carries out Money Changing and current account related transactions [other than trade related]. The Division takes care in Money Changing activities such as buying and selling Travelers Cheques, Travel Card, Currency Notes of all major traded currencies of the world. Besides having license under AD.II category, the division takes care of issuance of Demand Drafts, transfer of money abroad through Swifts, Telegraphic Transfer, etc. The Division is among the leading AD II category money changers and is especially competitive in permitted Outward Remittances.

The Year gone by has seen World Trade particularly India's International Trade emerging from contraction and finally things look rosy providing opportunities for Money changing as well as Forex Advisory businesses.

2) OPPORTUNITY AND THREATS

a) Ice-cream Division

India's ice cream market was dominated by the 'impulse' category of ice creams from past 5 years, and this category is further expected to continue its dominance during the forecast period as well, owing to growing demand for premium ice creams and changing consumer taste.

Looking at the trends from the recent past, we foresee fast growth in the traditional "out of home food" category like ice creams and frozen desserts. However, along with the increasing demand for convenience, the continuing need for value as a trend is also growing. We plan to continue with the strategy of consolidating our presence in the high end premium segment. Earlier, Vadilal was only focused on offering mass segment products. However, we have been able to increase our share in the premium segment as well and it has helped the overall growth.

Distribution plays a key role in the success of our business. We are planning to increase our reach in the existing market in terms of consolidating our presence in Cash and Carry format as well as the Modern Retail segment. The logistics of ice cream, being a cold chain product, are complex and we are continuously expanding our cold chain distribution network through refrigerated vehicles and deep freezers.

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

Along with various ATL campaigns, we also plan various BTL activities to enhance consumer experience with Vadilal. We plan to organize innovative cross promotional activities to enhance the brand engagement with consumers and use the digital media actively as well. We are also planning to increase the branding activity at various retail levels.

The Company primarily focuses on increasing the ice cream consumption by continuously offering innovative products at affordable rates. The Company is committed to eliminate the barriers in availability of ice cream with expansion in distribution.

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

b) Processed Food Division

In US, after tasting success and tremendous demand in smaller retail formats, Vadilal products will foray into the top grossing hyper retail formats. We'll further strengthen our key success factors, i.e; the distribution channel, by acquiring more warehouses for easier and quicker transit.

Catching on the trend and expanding to new avenues to reach out to the audience will hold the key. Apart from retailers, we have already started and further dig deeper to reach out to audience via digital medium – retailing and distributing via e-commerce and tapping the social media demands will be of key importance.

Vadilal also will be expanding its product portfolio significantly by inclusion of new variety of snacks, IQF vegetables and dairy products.

Vadilal is comfortably on route the journey from being excellent to progressing towards going par excellence.

3) HIGHLIGHTS OF FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE.

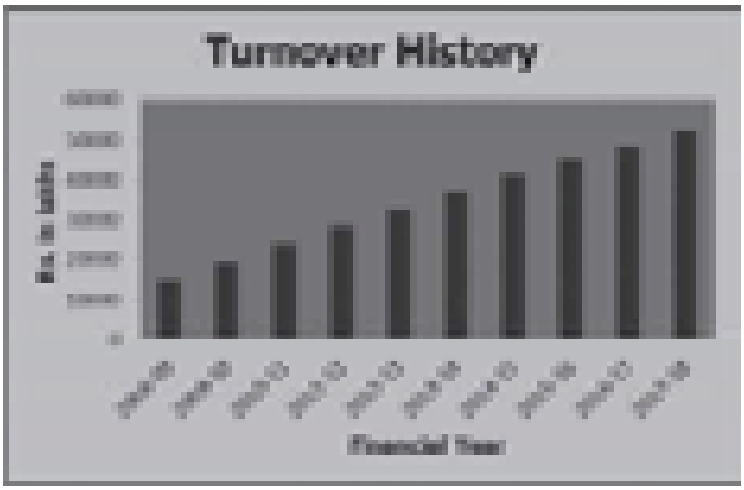
The Company has earned Revenue from Operations of ` 52304.47 Lacs during the year ended on 31st March, 2018 as against ` 48438.10 Lacs earned during the previous year ended on 31st March, 2018 giving a rise of 7.98% as compared to previous year.

After adding thereto the other income of ` 453.04 Lacs earned by the Company, the Company has earned total income of ` 52757.51 Lacs during the year under review. The Company has incurred total expenses of ` 50533.76 Lacs including Finance cost of ` 1522.19 Lacs and Depreciation and Amortization expenses of ` 1598.38 Lacs, during the year under review.

The Company has earned profit before Tax of ` 2223.75 Lacs during the year under review as compared to Profit ` 2677.57 Lacs incurred during the previous year ended on 31st March, 2017. The Company has earned profit for the year of ` 1484.53 Lacs during the year ended on 31st March, 2018 after deducting Current Tax of ` 608.05 Lacs and Deferred Tax of ` 131.17 Lacs, as compared to Profit of ` 1663.19 Lacs incurred by the Company during the previous year ended on 31st March, 2017.

Turnover History

Financial year	Rs. in lakhs
2008-09	14792.60
2009-10	18890.77
2010-11	23613.82
2011-12	28580.25
2012-13	32765.9
2013-14	37170.32
2014-15	41288.57
2015-16	45538.21
2016-17	48438.10
2017-18	52304.47



4) SEGMENT WISE PERFORMANCE.

The company is primarily engaged in one business segment namely Food segment as determined by the chief operating decision maker in accordance with IND AS 108 - "Operating segment" and hence, Segment-wise Performance of the Company has not been provided.

5) RISKS AND CONCERNS

a) Ice Creams Division

Brand Vadilal have 10% of organized market share against which the total organized Indian ice cream market is estimated at approx. ` 6000 crores. Vadilal having extensive pan-India distribution network over 1,25,000 retailers and trade partners that cater to every nook and corner of the country.

For Vadilal, competition is not seen a risk. We track our competition closely to continuously innovate and make better products that will keep us a step ahead of our competitors. The Company has tackled competition successfully in the past and can overcome them efficiently in the future too. The market is flooded with new local and regional players with cheaper and shoddy product options but Vadilal, with its experience and expertise of over decades of providing quality ice cream products, is well equipped to face such challenges.

However, there are certain concerns like infrastructure and rising input costs, which the Company shall keep in mind.

b) Processed Food Division

The major concerns for the frozen food industry has been the same for over so many years, inadequate infrastructure, poor agricultural input management and semi-organized supply chain management have been the major bottle necks. Additionally increasing fuel puts an extra burden on the overall operational costs. The special requirement for transportation makes it even difficult to keep the costs low.

The frequent fluctuation of foreign currency, especially US Dollar with respect to Indian Rupee keeps the companies on worried every time.

6) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :

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

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

7) KEY DEVELOPMENT ON HUMAN RESOURCE RELATIONS :

The Company recognizes the important role that its employees need to play for the growth of various business activities. The human resource policies and processes of the Company are in line with this.

The Company has been maintaining cordial and healthy Industrial Relations, which has helped to a great extent in achieving the steady growth.

As on 31st March, 2018, the Company has employed total 676 employees at all locations.

8) CAUTIONARY STATEMENT :

The statements made and figures given in the various sections of "Management Discussion and Analysis" are keeping in mind the Company's objectives, estimates and expectations. The Actual results may differ from those expected depending upon the economic conditions, changes in Govt. Regulations, tax regimes and other external and internal factors.

ANNEXURE – C TO THE DIRECTORS' REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

PY AS PER ANNUAL REPORT

Sr. No.	Particulars	` in Lacs	` in Lacs	
1	Name of the subsidiary	Vadilal Industries (USA) Inc., (wholly owned subsidiary	Vadilal Industries (USA) Inc., (wholly owned subsidiary	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2018	31..03.2017	
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary	1 $ - Rs. 65.04	1 $ - Rs. 64.83	
4	Share capital	136.41	136.41	*
5	Reserves & surplus	38.17	-230.67	**
6	Total assets	2472.35	948.68	**
7	Total Liabilities	2472.35	948.68	**
8	Investments	Nil	Nil	
9	Turnover	5411.3	1771.78	***
10	Profit / (Loss) before taxation	277.43	253.52	***
11	Provision for taxation	11.98	1.34	***
12	Profit / (Loss) after taxation	265.45	252.18	***
13	Proposed Dividend	Nil	Nil	
14	% of shareholding	100.00%	100.00%	

Notes :

1	**Names of subsidiaries which are yet to commence operations**	**Vadilal Gulf (FZE)**
2	**Names of subsidiaries which have been liquidated or sold during the**	**NA**

NOTES - EXCHANGE RATE CONSIDERED			
		`	`
*	Rate of exchange (Initial) 1 USD	60.63	60.63
**	Rate of exchange 1 USD (Closing Rate)	65.04	64.83
***	Rate of exchange 1 USD (Average Rate)	64.2068	67.0896

Part "B": Associates and Joint Ventures

The Company does not have any Associate or Joint Ventures as on 31-03-2018.

Notes :

1. Names of associates or joint ventures which are yet to commence operation - NA
2. Names of associates or joint ventures which have been liquidated or sold during the year. - NA

ANNEXURE – D TO THE DIRECTORS' REPORT

Report on Corporate Governance for the year ended on 31st March, 2018 (2017-2018)

Pursuant to Schedule – V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

❖ **Brief statement on Company's philosophy on Code of Governance :-**

SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as "SEBI (LODR) Regulations, 2015") envisages various compliances and disclosure requirements in terms of Corporate Governance. Further, Schedule – V read with regulation 34(3) and 53(f) of the SEBI (LODR) Regulation, 2015 the Annual Report of a listed entity shall contain various Additional Disclosures which includes Corporate Governance Report.

Over the past few years, the transition in the business environment, coupled with liberalisation and changing market conditions, has led to a fundamental shift in the management's approach to enhancing shareholder value. In this context, Corporate Governance has attained paramount importance for ensuring fairness, transparency, accountability and responsibility to all stakeholders.

The Company's philosophy on Corporate Governance is aimed at making the top management of the Company in the efficient conduct of its business and in making its obligation to Shareholders.

❖ **The Report on Corporate Governance is divided into ten parts :-**

1) Board of Directors,
2) Remuneration of Directors,
3) Committees of the Board,
4) General Body Meetings,
5) Means of Communication
6) General Shareholder information
7) Other Disclosures
8) Disclosure of Compliance with Corporate Governance Requirements
9) Non-compliance, if any, of requirement of Corporate Governance Report
10) Compliance of discretionary requirements

1) Board of Directors

(i) Composition and category of Directors :

The Board of the Company comprises Executive and Non-executive Directors. The majority Directors on the Board are Non-executive Directors. The day-to-day management of the Company is conducted by the Managing Directors of the Company, subject to the supervision, direction and control of the Board of Directors of the Company.

The Board of Directors of the Company as on 31-03-2018 consists the following 8 Directors, out of which, majority Directors are Non-executive Directors and one half of the total Directors are Independent Directors :-

	Category		**Name of the Directors**
A.	Promoters and Executive Directors	1 2	Mr. Rajesh R. Gandhi, Chairman & Managing Director Mr. Devanshu L. Gandhi, Managing Director
B.	Promoters, Non-executive and Non-Independent Directors	3 4	Mrs. Devalben D. Gandhi Mr. Kalpit R. Gandhi*
C.	Independent Directors	5 6 7 8	Mr. Malay Mahadevia Mr. Chetan Jamboli Mr. Jignesh Shah Mr. Vijay Shah

* Mr. Kalpit R. Gandhi is also Chief Financial Officer, Key Managerial Personnel, of the Company.

(ii) Number of Board Meetings held and the dates on which held :

During the year under review, 9 Board Meetings and 1 adjourned Board Meeting were held on 10-4-2017, 25-5-2017, 30-5-2017 (Adjourned Meeting), 22-6-2017, 26-8-2017, 14-9-2017, 12-10-2017, 27-11-2017, 2-12-2017 and 13-2-2018. The gap between two Board Meetings did not exceed 120 days.

(iii) Attendance of each Director at the Board Meetings (9 Board Meetings and 1 Adjourned Meeting) held during the year from 01-04-2017 to 31-03-2018, last Annual General Meeting (AGM) and number of Directorship and Chairmanship / Membership of Committee of each Director in various Companies as on 31-03-2018:

Name of Director	Attendance Particulars		No. of Directorships and Committee membership/chairmanship held in Listed Entities(including Vadilal Industries Limited)		
	Board Meetings (9 Board Meetings and 1 adjourned meeting)	Last AGM	Directorship*	Committee Member ship **	Committee Chairmanship ** (Out of Committee Membership
Mr. Rajesh R. Gandhi	10	Y	4	6	1
Mr. Devanshu L. Gandhi	9	N	3	6	0
Mrs. Deval D. Gandhi	8	N	2	0	0
Mr. Kalpit R. Gandhi	10	Y	2	2	0
Mr. Malay R. Mahadevia	9	N	2	1	0
Mr. Chetan M. Tamboli	9	N	2	2	1
Mr. Jignesh J. Shah	10	Y	3	5	3
Mr. Vijay R. Shah	10	Y	2	3	0

* This excludes Directorships held in Private/Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.

** Committees of Directors include Audit Committee and Stakeholders' Relationship Committee.

None of the Directors of the Company is a member of Board of more than 20 Companies and more than 10 Public Limited Companies, in terms of Section 165 of the Companies Act, 2013. None of the Directors is a member of more than 10 Board level Committees or a Chairman of more than 5 such Committees as required under Regulation 26(1) of SEBI (LODR) Regulation, 2015. The necessary disclosures regarding Committee positions have been made by the Directors.

(iv) Relationship between the Directors :-

- Mr. Kalpit R. Gandhi is the son of Mr. Rajesh R. Gandhi.
- Mrs. Devalben D. Gandhi is the spouse of Mr. Devanshu L. Gandhi.

None of the other directors are related to any other director on the Board.

(vi) Independent Directors :

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Every Independent Director is abide by the provisions specified in Schedule – IV to the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulation, 2015 related to obligation of Independent Directors.

The policy decisions are considered by the Nomination and Remuneration Committee for appointment as Independent Director on the Board. The Board considers the committee's recommendation and takes appropriate action.

During the year under review, the Company's Independent Directors met on 13-2-2018 without the presence of Executive Directors or management personnel, to inter alia:

- review the performance of non-independent directors and the Board as a whole.
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(vi) Information supplied to the Board :-

The information in respect of the following matters, among others, are regularly placed before the Board of Directors:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.

- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Appointment, remuneration and resignation of Directors.
- Formation/reconstitution of Board Committees.
- Declaration of Independent Directors at the time of appointment/annually
- Disclosure of Directors' interest and their shareholding
- Appointment or removal of the Key Managerial Personnel
- Appointment of Internal Auditors and Secretarial Auditors
- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors
- Dividend declaration
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made
- Significant changes in accounting policies and internal controls
- Issue of securities including debentures
- Recommending appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee
- Internal Audit findings and External Audit Reports(through the Audit Committee)
- Proposals for major investments, mergers, amalgamations and reconstructions

The Board is routinely presented with all information required under Regulation 17(7) read with Schedule – II of the SEBI (LODR) Regulation, 2015 wherever applicable and materially significant. These are normally submitted as a part of the Agenda papers and circulated in advance to the Directors. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Action taken report on the decision / minutes of the previous meeting is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

The Board evaluated its own performance and that of its committees and individual directors in terms of the provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 17(10) read with Regulation 25(4) of the SEBI (LODR) Regulation, 2015.

2) Remuneration to all Directors:

The Policy on appointment and remuneration of Directors is enclosed with the Directors' report.

The aggregate value of salary, perquisites and other allowances paid including contribution towards Provident Fund to the two Managing Directors of the Company during the year ended on 31-03-2018 (i.e. from 01-04-2017 to 31-03-2018) are as follows:-

Amount (` in Lacs)

Name of Managing Director	Salary	Perquisites/ Allowances	Commission	Contribution to PF	Total
Mr. Rajesh R. Gandhi	45.00	21.77	45.50	5.40	117.67
Mr. Devanshu L. Gandhi	45.00	21.77	45.50	5.40	117.67

Besides this, the above Managing Directors are also entitled to Superannuation or Annuity Fund, to the extent not taxable and Gratuity and encashment of Leave as per Rules of the Company.

The Company has not paid Bonus to the above Managing Directors of the Company for the financial year ended on 31-03-2018.

The Managing Directors are required to give 3 months' notice in writing to the Company to resign from the office of Managing Director. The Company does not have a scheme for grant of stock options either to the Managing Directors or Employees.

Apart from the Managing Directors, Mr. Kalpit R. Gandhi, who is a non-executive and non-independent Director and Chief Financial Officer of the Company, has received remuneration, as under, in his capacity of Chief Financial Officer, during the year – 2017-2018: (` in Lacs)

Name of the Director	Salary	Perquisites/Allowances	Others	Total
Mr. Kalpit R. Gandhi	10.99	15.25	3.67	29.91

Except the above, none of the other Directors are paid remuneration except sitting fees for attending Board and Committee Meetings.

The Company has paid sitting fees to all Non-executive Directors of the Company for attending Board Meetings, as under, held during the year ended on 31-03-2018:

Sr. No.	Name of the Director	Amount in ` (Gross)
1	Mrs. Deval D. Gandhi	160000
2	Mr. Kalpit R. Gandhi*	0
3	Mr. Malay Mahadeviya**	0
4	Mr. Chetan M. Tamboli	180000
5	Mr. Jignesh J. Shah	200000
6	Mr. Vijay R. Shah	200000

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

**Mr. Malay Mahadevia has voluntarily waived the payment of sitting fees for attending meetings of the Board and committee thereof and hence, he is not receiving any sitting fees.

The Company has also paid sitting fees to the following Non-executive Directors of the Company for attending Audit Committee meetings, held during the year ended on 31-03-2018:-

Sr. No.	Name of the Member of the committee	Amount in ` (Gross)
1	Mr. Devanshu L. Gandhi *	0
2	Mr. Kalpit R. Gandhi *	0
3	Mr. Malay Mahadevia**	0
4	Mr. Chetan M. Tamboli	87500
5	Mr. Jignesh J. Shah	87500
6	Mr. Vijay R. Shah	87500

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

**Mr. Malay Mahadevia has voluntarily waived the payment of sitting fees for attending meetings of the Board and committee thereof and hence, he is not receiving any sitting fees.

The Company has also paid sitting fees to the following Non-executive Directors of the Company for attending Nomination and Remuneration Committee meeting, held during the year ended on 31-03-2018 :-

Sr. No.	Name of the Director	Amount in ` (Gross)
1	Mr. Malay Mahadevia**	0
2	Mr. Chetan M. Tamboli	30000
3	Mr. Jignesh J. Shah	30000
4	Mr. Vijay R. Shah	30000

**Mr. Malay Mahadevia has voluntarily waived the payment of sitting fees for attending meetings of the Board and committee thereof and hence, he is not receiving any sitting fees.

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

Mrs. Devalben D. Gandhi is holding 59266 Equity Shares of the Company. Except the above, no other Non-executive Directors of the Company hold any shares in the Company.

There was no pecuniary relationship or transaction of Independent Directors with the Company.

3) Committees of the Board:

The Board of Directors of the Company has formulated the following committees in terms of the provisions of the SEBI (LODR) Regulation, 2015 and Companies Act, 2013 and Rules made thereunder :

(a) Audit Committee

(b) Nomination and Remuneration Committee

(c) Stakeholders' Relationship Committee

(d) Corporate Social Responsibility Committee

The composition and terms of reference of the said committees are as under :

(a) Audit Committee :

(i) Composition

As on 31-03-2018, there were 6 members of Audit Committee as under :-

Sr. No.	Name of the Member		Designation	Category
1	Mr. Chetan M. Tamboli	-	Chairman	Independent Director
2	Mr. Devanshu L. Gandhi	-	Member	Executive Director
3	Mr. Kalpit R. Gandhi	-	Member	Non-Executive and Non-independent Director
4	Mr. Malay Mahadevia	-	Member	Independent Director
5	Mr. Jignesh J. Shah	-	Member	Independent Director
6	Mr. Vijay R. Shah	-	Member	Independent Director

The constitution of the Audit Committee fulfills the requirements of Regulation 18 of the SEBI (LODR) Regulation, 2015 and Section 177 of the Companies Act, 2013.The members of audit committee are financially literate and having accounting or related financial management expertise.

Mrs. Ruchita Gurjar, who is a Company Secretary of the Company, is the Secretary to the Audit Committee.

(ii) Meeting and Attendance :

The Audit Committee met 7 times (including adjourned meeting) during the year under review on 25-5-2017, 30-5-2017 (adjourned meeting), 26-8-2017, 14-9-2017, 27-11-2017, 2-12-2017 and 13-2-2018.

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

Sr. No.	Name of the Director	No. of Audit Committee Meetings attended.
1	Mr. Chetam Tamboli	7
2	Mr. Devanshu L. Gandhi	6
3	Mr. Kalpit R. Gandhi	7
4	Mr. Malay Mahadevia	7
5	Mr. Jignesh J. Shah	7
6	Mr. Vijay R. Shah	7

The representative of the Statutory Auditors was present in all meetings of the Audit Committee. The Internal Auditors were present in the meetings as and when called for. The Managing Directors of the Company were also generally invited to attend the Audit Committee meetings. The Minutes of the Audit Committee Meetings are placed before all Directors of the Company at the time of Board Meeting and are confirmed in the Board Meeting.

The Chairman of the Audit Committee could not attend the 33rd Annual General Meeting of the Company due to ill health. He authorized Mr. Kalpit R. Gandhi CFO and Director of the Company and a Member of the Audit Committee, to remain present at the 33rd Annual General Meeting, on his behalf, as a representative of the Audit Committee.

(iii) Terms of reference:

The terms of reference of the Audit Committee are as under and they are in accordance with the provisions of Regulation 18 read with Part C of Schedule II of the SEBI (LODR) Regulation, 2015 and Section 177 of the Companies Act, 2013:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

3. Examination of the financial statement and the auditors' report thereon; Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Modified Opinions/Qualifications in the draft audit report
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
10. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
11. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate."

(b) Nomination and Remuneration Committee :

(i) Composition

The Nomination and Remuneration Committee of the Company comprises the following Directors of the Company, as on 31st March, 2018, namely:

Sr. No.	Name of the Member		Designation	Category
1	Mr. Malay Mahadevia	-	Chairman	Independent Director
2	Mr. Chetan M. Tamboli	-	Member	Independent Director
3	Mr. Vijay R. Shah	-	Member	Independent Director
4	Mr. Jignesh J. Shah	-	Member	Independent Director

The constitution of Nomination and Remuneration Committee fulfills the requirements of the Regulation 19 of the SEBI (LODR) Regulation, 2015 and Section 178 of the Companies Act, 2013. All members of the Nomination and Remuneration Committee are independent Directors of the Company.

(ii) Meeting and attendance:

The Nomination and Remuneration Committee normally meets for considering proposal related to appointment and/or remuneration of any Director or Key Managerial Personnel of the Company and for considering any other matter as may be specified under the terms of reference of the committee.

During the year under review, the Nomination and Remuneration Committee met 3 times on 22-6-2017, 26-8-2017 and 13-2-2018.

The presence of the Members of the aforesaid Nomination and Remuneration Committee Meetings are as under:

Sr. No.	Name of the Member		No. of meetings attended
1	Mr. Malay Mahadevia	-	3
2	Mr. Chetan M. Tamboli	-	3
3	Mr. Vijay R. Shah	-	3
4	Mr. Jignesh J. Shah	-	3

(iii) Terms of Reference:

Pursuant to Section 178 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) and Regulation 19 read with Part – D of Schedule – II of SEBI (LODR) Regulation, 2015, the role of the Nomination and Remuneration committee shall, *inter-alia*, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of the Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

(c) Stakeholders' Relationship Committee:

(i) Composition:

The Stakeholders' Relationship Committee of the Company comprises the following Directors of the Company, as on 31st March, 2018, namely:

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

The constitution of Stakeholders' Relationship Committee fulfills the requirements of Regulation 20 read with Part D of Schedule II of the SEBI (LODR) Regulation, 2015 and Section 178 of the Companies Act, 2013.

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

(ii) No. of Shareholders complaints received and not solved to the satisfaction of the Shareholders:

The total number of complaints received and replied to the satisfaction of Shareholders during the year under review were as under :

No. of Complaints outstanding as on 31-03-2017	0
No. of complaints received during the year under review	0
No. of complaints disposed off during the year under review	0
No. of complaints outstanding as on 31-03-2018	0

(iii) Name and designation of Compliance Officer :

The Board has designated Mrs. Ruchita Gurjar, Dy. General Manager (Secretarial) and Company Secretary, as the Compliance Officer of the Company in terms of Regulation 6 and 20 of the SEBI (LODR) Regulation, 2015.

(c) Risk Management Committee :

The provisions of Regulation 21 of the SEBI (LODR) Regulation, 2015 regarding constitution of Risk Management Committee of the Directors are not applicable to the Company, as the company does not fall in the list of top 100 listed entities determined on the basis of market capitalization.

The Board always takes endeavors to minimize risk associated with the Company and has laid down the plan for risk assessment and minimization and reviews the same periodically.

(d) Corporate Social Responsibility Committee :

(i) Composition :

In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a committee of the Directors of the Company has been constituted as Corporate Social Responsibility Committee, comprising the following Directors:

Sr. No.	Name of the Member		Designation	Category
1	Mr. Vijay R. Shah	-	Chairman	Independent Director
2	Mr. Devanshu L. Gandhi	-	Member	Executive Director
3	Mr. Kalpit R. Gandhi	-	Member	Non-Executive Director & Non- Independent Director
4	Mr. Jignesh J. Shah	-	Member	Independent Director

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

(ii) Terms of Reference :

The Corporate Social Responsibility Committee shall,—

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (*a*);
3. Monitor the Corporate Social Responsibility Policy of the company from time to time and;
4. Institute a transparent mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.

(iii) Corporate Social Responsibility Policy:

The Corporate Social Responsibility Committee has formulated a policy on the measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.

4) General Body Meetings:

(i) Location and Time for last 3 Annual General Meetings (AGM) were along with details of Special Resolution Passed:

Year	AGM	Location	Date	Time	Special Resolution Passed
2016-2017	33rd	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	29-09-2017	4.00 p.m.	1. To approve the remuneration to be paid to Mr. Rajesh R. Gandhi, Chairman and Managing Director for remaining period of 2 years of his term w.e.f. 1st April, 2017. 2. To approve the remuneration to be paid to Mr. Devanshu L. Gandhi, Managing Director for remaining period of 2 years of his term w.e.f. 1st April, 2017.
2015-2016	32nd	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	27-09-2016	3.00 p.m.	No special resolution.
2014-2015	31st	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	28-09-2015	2.00 p.m.	1. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 2. To approve the Related Party Transactions under Section 188 of the Companies Act, 2013 and Rules made thereunder and Clause – 49 of the Listing Agreement

(ii) Resolution carried out through Postal Ballot:

No postal ballots were used/invited for voting at the above meetings in respect of Special Resolutions passed in the above said meetings.

At the forthcoming 34th AGM, no resolution is proposed to be passed through Postal Ballot.

5) Means of communication:

- **Annual Reports :**

The Company has total 14885 shareholders as on 31st March, 2018. The main channel of communication to the shareholders is through Annual Report, which includes inter alia, the Director's Report, Management Discussions & Analysis and Report on Corporate Governance and Audited Financial Results. The Annual Report is also posted on the web-site of the Company viz. www.vadilalgroup.com/reports.

- **Quarterly Results:**

The Unaudited Quarterly Results of the Company for the quarters ended on 30-06-2017 (1st Quarter), 30-09-2017 (2nd Quarter) and 31-12-2017 (3rd Quarter) and the Annual Audited Accounts for the year ended on 31-03-2018 including notes there to and also the Consolidated Financial Results and half-yearly Statement of Assets and Liabilities and Limited Review Report thereon were submitted to the Stock Exchanges immediately after conclusion of the Board Meetings in which, they were approved by the Board.

The said results were published in the newspapers of Ahmedabad edition, namely, Indian Express (English) and Financial Express (Gujarati). The said results including Notes there to are displayed on the corporate website of the Company viz. www.vadilalgroup.com.

- **Company's Web-site :**

The website of the Company viz. www.vadilalgroup.com has an exhaustive investor-relations section. It contains comprehensive guidelines and procedure for the investors. It also contains all statutory disclosures required to be placed under the provisions of various statute.

- **NSE Electronic Application Processing System (NEAPS):**

The NEAPS www.connect2nse.com/LISTING/is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre viz. www.listing.bseindia.com is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

- **SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

- **Designated Exclusive email-id:**

The Company has designated email-id viz. shareslogs@vadilalgroup.com exclusively for resolving investor grievance.

6) General Shareholder' information:

(i) Annual General Meeting, i.e. next AGM

- Date & Time : Monday, 24th September, 2018 at 11.00 a.m.
- Venue : Shri H. T. Parekh Auditorium, C/O Ahmedabad Management Association, AMA Management House, Torrent AMA Management Centre, Atira CAM, Dr Vikram Sarabhai Road, Vastrapur, Ahmedabad–380015.

(ii) Financial Calendar (from 01-04-2018 to 31-03-2019) (Tentative) :

- Results for quarter ended on 30-06-2018 : On or before 14th August, 2018
- Results for quarter ending on 30-09-2018 : On or before 14th November, 2018
- Results for quarter ending on 31-12-2018 : On or before 14th February, 2019
- Audited Results for the year ending on 31-03-2019 : On or before 30th May, 2019
- AGM for the year ending on 31-03-2019 : In the month of September, 2019

(iii) Book-closure date :

Book-closure shall be from 15th September, 2018 to 24th September, 2018 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2018.

(iv) Dividend payment date :

The Dividend of ` 1.25 per share (@ 12.50%) on Equity Shares for the year ended on 31st March, 2018, if approved and declared, will be paid within the prescribed time limit.

(v) Listing of Equity Shares on Stock Exchanges at -

The Company's shares are listed at the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai- 400001
Phone: 91-22-2272 1234 / 1233

The National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
Phone: 91-22-26598100/8114

Listing fees upto the Financial Year –2018-2019 has already been paid to the above Stock Exchanges. The Annual Custody/ Issuer fee for the year –2018-2019 has also been paid by the Company to NSDL and CDSL.

(vi) Security Code No. :

- BSE Limited : 519156
- National Stock Exchange of (India) Limited : VADILALIND-EQ
- ISIN No. of NSDL & CDSL for demat of Equity Shares : INE694D01016

(vii) Stock Market Data :

The monthly High, Low and Closing Prices of Shares of the Company at BSE Limited, (BSE) and National Stock Exchange of India Limited (NSE), for the year under review are as under:

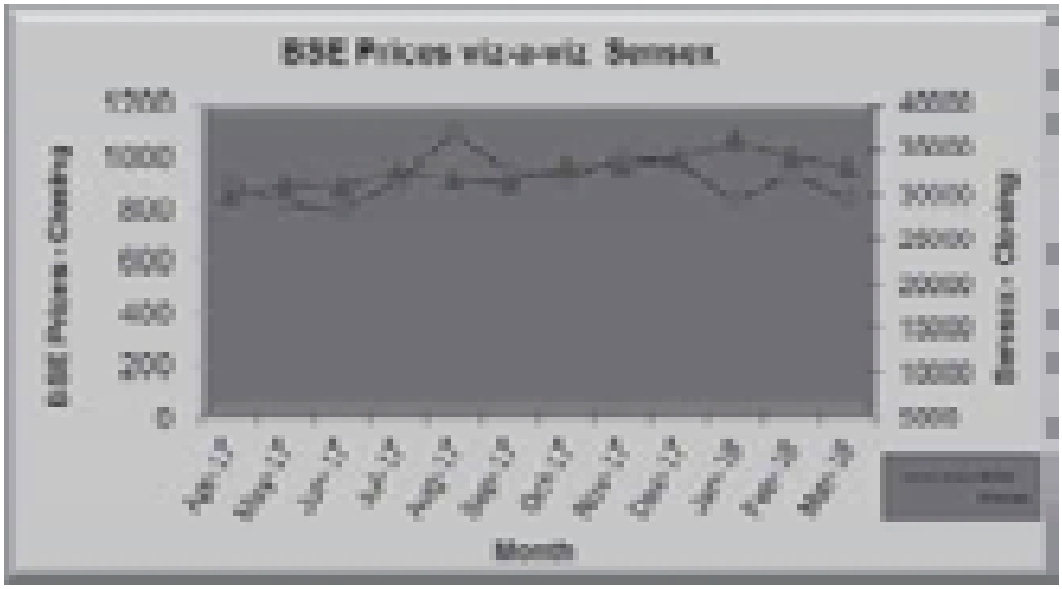
Months	BSE			NSE		
	High (`)	Low (`)	Closing (`)	High (`)	Low (`)	Closing (`)
April, 2017	1,015.00	885.55	903.35	1017.00	886.85	903.20
May, 2017	997.00	767.6	823.30	996.00	762.05	819.50
June, 2017	879.00	783.05	799.50	880.00	779.20	801.75
July, 2017	946.00	800.85	908.65	948.00	803.15	911.10
August, 2017	1,092.00	799.95	1,090.05	1088.20	801.20	1080.65
September, 2017	1,174.00	922.00	944.85	1173.40	927.45	941.35
October, 2017	1,046.45	915.00	920.00	1032.50	915.30	921.10
November, 2017	1,089.45	901.00	995.55	1100.00	905.00	991.80
December, 2017	1,040.00	965.00	980.10	1039.90	960.00	978.65
January, 2018	995.00	824.9	838.05	995.00	826.75	831.90
February, 2018	971.45	774.7	934.20	970.00	787.00	932.90
March, 2018	998.75	808.45	846.75	997.00	812.10	845.85

(viii) Vadilal Industries Limited BSE Share Price versus the BSE Sensex :

Market - Price data : The monthly closing prices of the shares of the Company, during the financial year under review and performance of the same in comparison to BSE Sensex are given below :

Months	BSE Closing (`)	SENSEX Closing (`)
April, 2017	903.35	29,918.40
May, 2017	823.30	31,145.80
June, 2017	799.50	30,921.61
July, 2017	908.65	32,514.94
August, 2017	1,090.05	31,730.49
September, 2017	944.85	31,283.72
October, 2017	920.00	33,213.13
November, 2017	995.55	33,149.35
December, 2017	980.10	34,056.83
January, 2018	838.05	35,965.02
February, 2018	934.20	34,184.04
March, 2018	846.75	32,968.68

Price Chart:

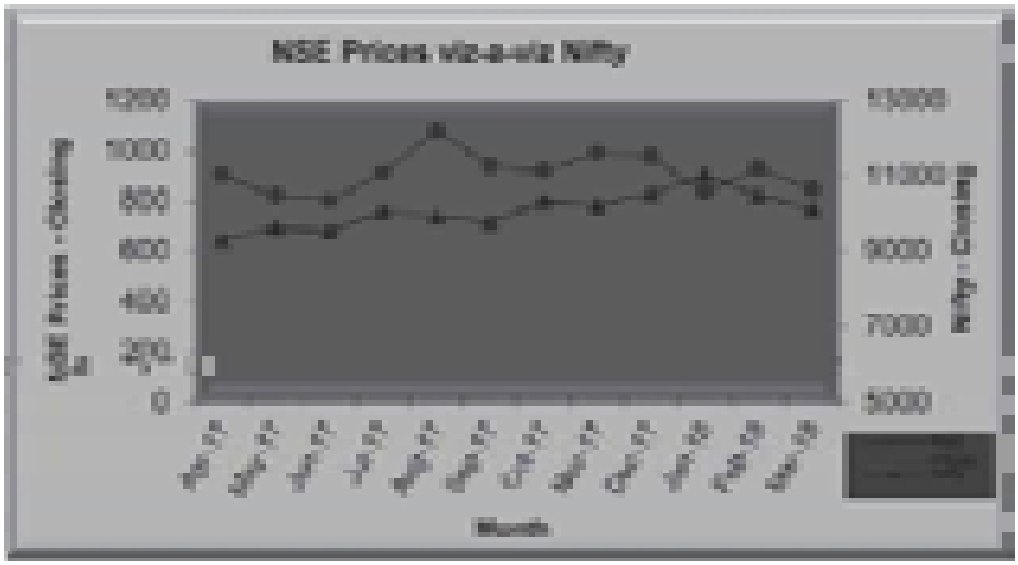


(ix) Vadilal Industries Limited NSE Share Price versus the NSE NIFTY

Market - Price data : The monthly closing prices of the shares of the Company, during the financial year under review and performance of the same in comparison to NSE Nifty are given below :

Months	NSE Closing (`)	Nifty Closing (`)
April, 2017	903.20	9304.05
May, 2017	819.50	9621.25
June, 2017	801.75	9520.90
July, 2017	911.10	10077.10
August, 2017	1080.65	9917.90
September, 2017	941.35	9788.60
October, 2017	921.10	10335.30
November, 2017	991.80	10226.55
December, 2017	978.65	10530.70
January, 2018	831.90	11027.70
February, 2018	932.90	10492.85
March, 2018	845.85	10113.70

Price Chart:



(x) Registrar and Transfer Agent:

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2002, dated 27-12-2002, the Company has assigned all work related to Share Registry in terms of both physical and electronic to MCS Share Transfer Agent Ltd., Ahmedabad, by entering into an Agreement with the said R&T Agent to that effect. Hence, all Shareholders are requested to send/deliver the documents/ correspondence including complaints relating to the Company's share transfer/demat/remat activity to

MCS Share Transfer Agent Ltd.
201, Shatdal Complex,
2nd Floor, Opp. Bata Show Room,
Ashram Road, Ahmedabad-380 009.

(xi) Share Transfer system:

Presently, the requests for share transfer, which are received by the Company or its Registrar & Share Transfer Agent, in physical form, from the shareholders, are processed and the share certificates are returned to the shareholders, within a period of 15/30 days from the date of receipt of such request for transfer, subject to the documents being valid and complete in all respects. The Share Transfer & Investors' Grievance Committee of the Company, normally meets twice a month to approve the transfer, issue of duplicate share certificates, consolidation and splitting of shares etc.

(xii) Share Reconciliation Audit:

M/s PRT & Associates, practicing Company Secretaries carried out Share Reconciliation audit for all quarters in the Financial Year –2017-2018, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

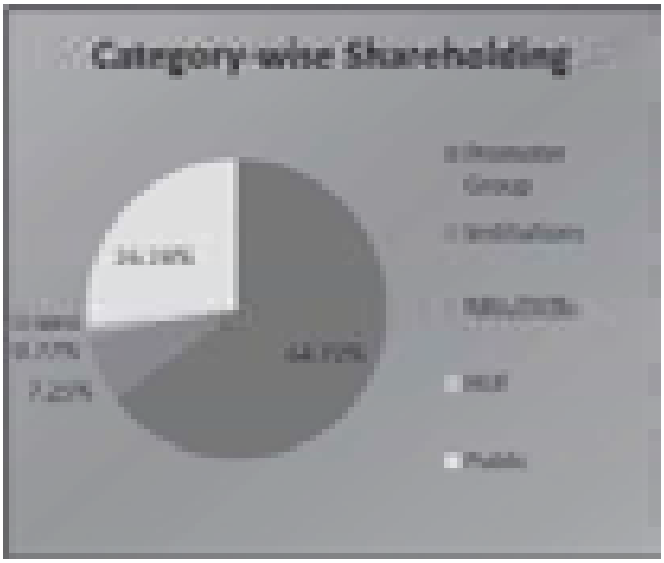
Pursuant to SEBI Cir. D&CC/FITTC/CIR-16/2002 dated December, 2002 , certificates, on half-yearly basis, have been issued by a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

(xiii) Shareholding Details:

(a) Distribution of Shareholding as on 31st March, 2018:

No. of Equity Shares held	No. of Shareholders	No. of Shares	% of Shareholding
1-500	14396	864358	12.03
501-1000	224	175295	2.44
1001-2000	139	199114	2.77
2001-3000	39	97041	1.35
3001-4000	16	57150	0.80
4001-5000	14	65010	0.90
5001-10000	25	193806	2.70
10001- 50000	18	334989	4.66
50001-100000	2	121227	1.69
100001 & above	12	5079840	70.67
Total:	**14885**	**7187830**	**100.00**

(b) Categories of Shareholders as on 31st March, 2018:



Category of Shareholders	No. of Equity Shares held	Percentage of total paid-up capital
A : Promoters and Promoters' Group :		
Directors and Relatives	1052680	14.65
Group Companies	3413175	47.49
HUFs	186351	2.58
Total (A) :	**4652206**	**64.72**
B : Public :		
Institutions	521191	7.25
Public	1888638	26.28
NRIs/OCBs	55612	0.77
HUFs	70183	0.98
Total (B) :	**2535624**	**35.28**
Total	**7187830**	**100.00**

(xiv) Dematerialisation of Shares :

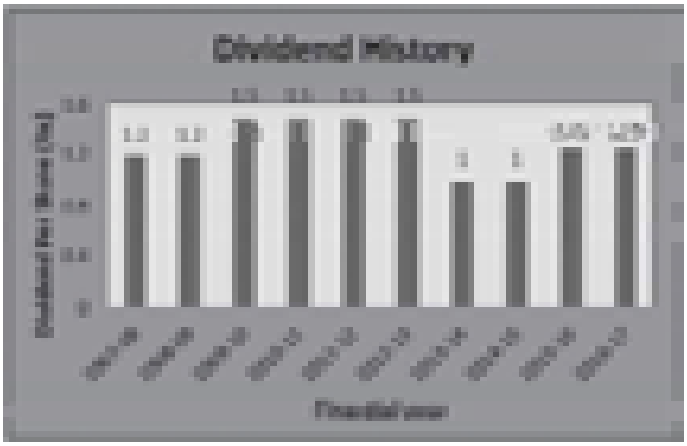
The Company, consequent to introduction of Depository System (DS), has established an electronic connectivity with NSDL & CDSL, Depositories. Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL and CDSL. In view of the numerous advantages offered by the DS, members are requested to avail the facility of dematerialisation of the Company's shares on either of the Depositories as aforesaid.

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

It is reiterated that requests for Dematerialisation and Rematerialisation are to be made only to the DP with whom you have opened an account and not directly to the Company or its Registrar & Share Transfer Agent.

Total 6832935 Equity Shares of the Company representing 95.06% of the total paid-up capital of the Company have been dematerialisedupto 31-03-2018. Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by SEBI.

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



Financial year	Dividend Per Share (`)
2007-08	1.20
2008-09	1.20
2009-10	1.50
2010-11	1.50
2011-12	1.50
2012-13	1.50
2013-14	1.00
2014-15	1.00
2015-16	1.25
2016-17	1.25

(xvi) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity :

Not Applicable

(xvii)Plant locations :

A. Ice-cream Division : 1) Village Pundhra, Taluka Mansa, Dist. Gandhinagar (Gujarat)
2) Parsakhera Industrial Area, Bareilly, Uttar Pradesh.

B. Processed Food Division : Dharampur, Dist. Valsad (Gujarat)

C. Forex Division : Vadilal House, Navrangpura, Ahmedabad (Gujarat)

(xviii) Investor Correspondence:

For transfer and dematerialisation of shares, payment of dividend on shares and interest and redemption on debentures and any other query relating to the shares of the Company :-

1) MCS Share Transfer Agent Limited, (Unit : Vadilal Industries Limited),

201, Shatdal Complex, 2nd Floor,
Opp. Bata Show Room,
Ashram Road, Ahmedabad - 380 009.
Tel. Nos. : (079) 26580461 / 62 / 63
Fax No. : (079) 26581296

2) Secretarial & Share Department

9th Floor, Colonnade Building,
Opp. Iskon Temple BRTS Bus Stop,
Bopal-Ambli Road, Bopal,
Ahmedabad.

Contact person : Mrs. Ruchita Gurjar, Company Secretary
Tel. Nos. : (079) 30921313
Fax No. : (079) 30921200

3) E-mail ID for investors' grievance purpose : shareslogs@vadilalgroup.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

(xix) Amalgamation of Vadilal Financial Services Ltd. with Vadilal Industries Limited - Exchange of Share Certificates :

Vadilal Financial Services Ltd. (VFSL), which was a Subsidiary Company, was amalgamated with Vadilal Industries Limited (VIL) w.e.f. 1st April, 1997. It is observed that some of the members of VFSL have still not exchanged their Share Certificates for new Shares of VIL on amalgamation of VFSL with VIL. As the Share Certificates of VFSL are no longer valid, concerned Shareholders are requested to surrender their Share Certificates of VFSL at the Registered Office of the Company to enable them to get new Shares of VIL in the ratio of 1:4.

(xx)Nomination facility:

Your Company has already offered the facility of nomination to the members. Individual Shareholders can avail of the facility of nomination and may submit to the Company the prescribed SH-13 **at the Share Department** of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name. In case of any assistance, please contact **at the Share Department** of the Company at -

9th Floor, Colonnade Building,

Opp. Iskon Temple BRTS Bus Stop,

Bopal-Ambli Road, Bopal,

Ahmedabad.

Contact person : Mrs. Ruchita Gurjar, Company Secretary

Tel. Nos. : (079) 30921313

Fax No. : (079) 30921200

7) Other Disclosures:

(i) Related party transactions:

Transaction with related parties are disclosed in Note No. 46 of the Notes on Accounts for the year ended on 31st March, 2018, in the Annual Report as required by the Indian Accounting Standard (IND-AS) issued by ICAI.

The details of Related party transactions made by the Company during the year under review are mentioned in the Directors' Report.

However, there are no materially significant related party transactions made by the Company with its promoters, directors or the management or their subsidiaries etc. that may have potential conflict with the interests of the Company at large.

The Independent Directors, who apart from receiving sitting fees for attending Board Meetings and Committee Meetings,

do not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its subsidiary, which in the judgment of the Board may affect independence of the judgment of the Directors.

The Directors regularly make full disclosures to the Board of Directors regarding nature of their interest in the Companies in which they are Directors or Members. Full particulars of contract entered with the Companies / Partnership Firms, in which the Directors are directly or indirectly concerned or interested are entered in the Register of Contract maintained under Section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting and signature of the Directors.

The policy on related party transaction is placed on the company website at www.vadilalgroup.com

(ii) During the last three years, there were no strictures or penalties imposed on the Company by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

(iii) Risk Management :

Business risk evaluation and management is an ongoing process within the Company. During the year under review, the Board of Directors has reviewed frequently the risk assessment and minimisation procedure adopted by the Company covering the business operations of the Company.

(iv) CEO/CFO Certification :

In terms of Regulation 17(8) read with Part – B of Schedule – II of the SEBI (LODR) Regulation, 2015 the Certification by CEO and CFO on the financial statements and internal controls relating to financial reporting of the Company has been obtained and is a part of the Annual Report.

(v) Management:

The Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this report.

Pursuant to the provisions of Regulation 26(5) of the SEBI (LODR) Regulation, 2015 the Senior Management has made disclosures to the Board that during the year ended on 31st March, 2018, they have not entered into any material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company.

(vi) Code of Conduct :

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel. The said Code has been communicated to all the Directors and members of Senior Management. They have also affirmed to the Company about the compliance of the said Code during the Financial Year ended on 31st March, 2018. The Code has also been posted on the Company's website - www.vadilalgroup.com The Certificate received from Managing Directors of the Company, affirming compliance of the said Code of Conduct by all the Board Members and the Senior Management Personnel is annexed separately to this Report.

(vii) Whistle Blower policy / Vigil Mechanism:

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report any act of serious misconduct or wrongful activity being occurred or suspected to occur within the organization, to his immediate HOD or the HR Head or directly to the concern Managing Director of the Company, as he may desire. No employee of the Company is denied access to the Audit Committee.

(viii) Policy on Directors' appointment and remuneration:

The Policy on Directors' appointment and remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors is enclosed with the Directors' report and marked as "Annexure - F".

(ix) Policy on determining 'material' subsidiary:

The Company has prepared policy on determining 'material' subsidiary pursuant to regulation 16 of the SEBI (LODR) Regulation, 2015 were criteria for determining material subsidiary has been clearly specified

The policy on the same has been placed on the company website at www.vadilalgroup.com.

(x) Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015:

The Company has formulated Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders including therein Code of Conduct for fair disclosures of price sensitive information of the Company, in terms of provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015. The same has also been published on the web-site of the Company viz. www.vadilalgroup.com.

8) Disclosure of Compliance with Corporate Governance requirements:

The Company has duly complied with the Corporate Governance requirements as specified in Regulation 17 to 27 of and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulation, 2015.

9) Non-Compliance, if any, of requirements of Corporate Governance Report:

There is no instance of non-compliance of any requirement of corporate governance report as specified in sub-paras (2) to (10) of Part C of Schedule – V of the SEBI (LODR) Regulation, 2015.

10) Compliance of discretionary requirements:

The Company has not adopted the following non-mandatory/discretionary requirements as per Part E of Schedule – II of the SEBI (LODR) Regulation, 2015 regarding Corporate Governance:-

1. The Company does not have any non-executive chairman.
2. Half-yearly declaration of financial performance and summary of significant events in last six months has not been sent to each shareholder of the Company.
3. The Company has not appointed separate post for Chairman and Managing Director.
4. The Internal Auditor reports to Chairman and Managing Director. However, the Internal Auditor provides quarterly Internal Audit Report directly to the Audit Committee for their review.

❖ **Compliance Certificate of the Auditors :**

The Certificate from the Company's Auditors, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Ahmedabad, confirming compliance with conditions of Corporate Governance as stipulated under SEBI (LODR) Regulation, 2015 , is attached to this Report.

By order of the Board of Directors

Date : 11th August, 2018
Place : Ahmedabad

RAJESH R. GANDHI
Chairman and Managing Director
DIN : 00009879

Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

[As per Schedule II, Part B read with Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015]

We the undersigned, certify that:

(a) We have reviewed financial statements and the cash flow statement of Vadilal Industries Limited for the year ended 31st March, 2018 that to the best of their knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which We are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

1. That there Significant changes in internal control over financial reporting during the year;
2. That there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. That there were no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Kalpit Gandhi
Chief Financial Officer & Director
DIN : 02843308

Rajesh R. Gandhi
Chairman & Managing Director
DIN : 00009879

Place : Ahmedabad
Date : 11th August, 2018

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of the Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 regarding Corporate Governance, we hereby confirm that all Board Members and Senior Management Personnel of Vadilal Industries Limited have affirmed the compliance of Code of Business Conduct and Ethics during the year ended on 31st March, 2018.

By order of the Board of Directors

RAJESH R. GANDHI
Chairman and Managing Director
DIN : 00009879

Place : Ahmedabad.
Date : 11th August, 2018.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
VADILAL INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated October 16, 2017.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of VADILAL INDUSTRIES LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, except for regulation 18(1)(d) with regard to attendance at annual general meeting by the chairperson of the audit committee, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

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

Ahmedabad, August 11, 2018

ANNEXURE – E TO THE DIRECTORS' REPORT

FORM NO. AOC -2

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

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

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

Sr. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Vadilal Enterprises Limited (VEL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.
b	Nature of contracts/arrangements/transaction	Agreement between VIL and VEL to sell Ice-cream, Frozen Desserts, Flavoured Milk and other Milk and Dairy products and Processed Food Products by VIL to VEL.
c	Duration of the contracts/arrangements/transaction	Agreement executed on 29.09.2016, which is valid for a period of 10 years w.e.f. 1st October, 2016.
d	Salient terms of the contracts or arrangements or transaction including the value, if any	- Sale of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products and Processed Food Procuts by VIL to VEL on Principal to Principal basis and on credit basis. All matters related to marketing including marketing expenses will be decided and born by VEL. - Payment shall be made by VEL within 180 days from the last date of month in which the Company has supplied the products to VEL. VEL shall be liable to pay interest @15% at the discretion of the Company on all outstanding amount due to the Company, beyond the said credit period of 180 days
e	Date of approval by the Board	The Agreement was approved by the Board at its meeting held on 8-8-2016. The details transactions of sale/purchase between VIL and VEL are placed at the Board Meetings on quarterly basis.
f	Amount paid as advances, if any	No.

ANNEXURE – F TO THE DIRECTORS REPORT

NOMINATION AND REMUNERATION POLICY OF VADILAL INDUSTRIES LIMITED

Introduction:

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

Objective and purpose of the Policy:

The objective and purpose of this policy are:

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

- In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee at its meeting held on 14th August, 2014 and adopted by the Board of Directors at its meeting held on 14th August, 2014.

Effective Date:

This policy shall be effective from 14th August, 2014 and revised on 13th August, 2015.

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of the existing Remuneration Committee of the Company by renaming it as Nomination and Remuneration Committee on 29th May, 2014 and by re-constituting it as per the criteria laid down under Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of following Directors (Reconstituted on 9-2-2017):

Sr. No.	Name of the Member		Designation	Category
1	Mr. Malay Mahadevia	-	Chairman	Independent Director
2	Mr. Chetan M. Tamboli	-	Member	Independent Director
3	Mr. Jignesh J. Shah	-	Member	Independent Director
4	Mr. Vijay R. Shah	-	Member	Independent Director

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions:

1. Board means Board of Directors of the Company.
2. Directors mean Directors of the Company.
3. Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
4. Company means Vadilal Industries Limited.
5. Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
6. Key Managerial Personnel (KMP) means -
   (i) Chief Executive Officer and / or Managing Director;
   (ii) Whole-time Director;
   (iii) Chief Financial Officer;
   (iv) Company Secretary;
   (v) Such other officer as may be prescribed under the applicable statutory provisions /regulations.
7. Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:

The Policy is applicable to :

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

General:

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

PART – A

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

The Committee shall:

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

PART – B

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

- **Appointment criteria and qualifications:**

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

- **Term / Tenure:**

  1. Managing Director/Whole-time Director:

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

  2. Independent Director:

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

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

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

- **Evaluation:**

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

- **Removal:**

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

- **Retirement:**

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

PART – C

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

- **General:**

  1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

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

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

1. Fixed pay:

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

2. Minimum Remuneration:

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

3. Provisions for excess remuneration:

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

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

1. Remuneration / Commission:

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

2. Sitting Fees:

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

3. Commission:

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

4. Stock Options:

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

PART – D

Succession Plan for Appointment of Board of Directors and Senior Management

The Securities and Exchange Board of India (SEBI) revised the Code of Corporate Governance for listed companies and under regulation 17 (4) of SEBI (Listing Obligation and Disclosure Requirement), 2015 it has been mandatory for Board to ensure that proper succession plan for appointment of board of director and senior management is in place.

The Board of Director has authorized Nomination and Remuneration Committee for preparing succession plan for appointment of Board of Director and Senior Management.

Nomination and Remuneration Committee has prepared Succession plan for appointment of Board of Director and Senior Management as follows:

Applicability of Succession Plan

1. Managing Director & CEO and other Board of Directors;
2. Chief Financial Officer
3. Company Secretary

Succession Plan for Director and Senior Management

The Nomination Committee shall periodically review and consider the list of senior managerial personnel due for retirement/attrition within the year. The Committee shall also consider the new vacancies that may arise because of business needs. Considering the above, the Committee shall assess the availability of suitable candidates for the Company's future growth and development. Further, based on the recommendation of the Managing Director & CEO and Head – Human Resources, the Nomination and Remuneration Committee:-

1. Shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board whether the concerned individual (i) be granted an extension in term/service or (ii) be replaced with an identified internal or external candidates.
2. Shall identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning Initiatives. The Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.
3. May recommend to the Board to appoint other suitable external candidate(s) as special recruitment in senior managerial level based on job roles and competency in order to provide a continuous flow of talented people to meet the organizational needs.

Review of the Policy

In case of any amendment (s), clarification (s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.

The Board has the power to replace this Policy entirely with a new policy on recommendation by the Nomination Committee.

ANNEXURE – G TO THE DIRECTORS' REPORT

[Information under Section 134(3)(m) of the Companies Act, 2013 and Rules made thereunder and forming part of the Directors' Report for the year ended on 31st March, 2018]

A) **CONSERVATION OF ENERGY**

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

In order to reduce the cost of production, save consumption of energy and increase the productivity, the Company has taken several measures which mainly include the following:

Ice-cream Division at Pundhra, Gujarat :

- Installed another new Slant Conveyer in cold room area of Pundhra Plant of the Company, which will give benefits of fast material transfer and dispatch of finished goods and also manpower saving.
- Installed two nos. VFD Controlled low stage screw compressor in Refrigeration plant for candy machine & Hardening tunnel operation respectively, which will save the power & improve the temperature of hardening tunnel.
- Made modification in Refrigeration plant condenser piping and added the PHE condenser, for improving the efficiency of condenser.
- Installed new Basundi preparation tanks for increasing the production capacity of Kulfi.
- Installed Mix super chiller after mix pasteurizer for improving the Mix Outlet Temperature, which will improve the quality of Ice-cream Mix.
- Replaced the old sell & tube condenser with new PHE condenser at Ahmedabad plant, which will improve the Condenser efficiency and save the power.
- Installed new water treatment plant, which will improve the water quality and in turn, will improve the product quality.
- Installed Oil Storage Tank to increase the storage capacity of oil in the Pundhra Plant.
- Installed Public Addressing system in cold room area for fast communication and for improving work quality.
- Installed new Kulfi Making Machine for Conical Kulfi production, which will increase the production capacity of Kulfi.
- Installed Mix-Return line on each machine to reduce the reprocess mix.

Ice-cream Division at Bareilly, Uttar Pradesh:

- During the year under review, the cone machine converted in to single head to double head so that production capacity enhanced by two times with same manpower & energy.
- During the year under review, cup filling machine converted in to a double head to four head so that production capacity enhanced by two times with same men power & energy.
- One conveyor installed from multi story cold room to dispatch area to save time and manpower.
- One conveyor installed from cold room gallery to dispatch area to save time and manpower.

- One conveyor installed for wood shifting from boiler area ground floor to mezzanine like first and second floor to save time and manpower.
- One conveyor installed for PM material shifting from ground floor to first floor of PM to save time & men and manpower.
- One conveyor installed for PM material shifting from first floor to second floor of PM (DG sets area) to save time and manpower.
- The Cold room lighting converted from HPSV lamp to LED light to save energy.

Processed Food Division at Dharampur, Gujarat:

So far as Processed Foods Division is concerned, the Company has taken the following measures towards conservation of energy and technology updates :

- The Company has installed to PHE (PLATE HEATE EXCHGER) to save electricity and water consumption and to increase the efficiency of new refrigeration plant.
- At Boiler area, the Company has installed PRV (PRESSURE REDUCING VALVE) to save steam consumption and maintain consistent steam flow.
- The Company had stopped usage of one cold and managing inventory of all SFG/FG Materials in 8 cold rooms instead of 9 cold rooms.
- The Company has replaced high pressure ammonia receiver at old refrigeration plant to improve efficiency of plant.
- The Company has installed fruit & vegetables washer at IQF area for proper washing and to reduce to microbial load as well as to save water consumption.
- The Company has installed PHE System at old refrigeration to save electricity cost.

b) Capital investments on energy conservation equipments:

Ice-cream Division at Pundhra, Gujarat:

- The Company is planning to install work of Hot gas defrosting system which will save the water & prevent ice formation in cold room.
- The Company is planning to construct a new warehouse for packing material, which will increase the packing material storage capacity.
- Expansion work of quality control & R & D laboratory is in progress. It will improve the facility of quality control.
- New continuous Hardening tunnel installation work is in progress, which will increase the capacity of production and quality of ice cream.

Ice-cream Division at Bareilly, Uttar Pradesh:

- The Company is planning to install One rotory cone machine 12000 pcs/hr capacity for mini cone (50ML) to enhance production.
- The Company is planning to install One linear cone filling machine 18000pcs/hr.
- The Company is planning to install One 110kw air compressor for new generated air consumption.
- The company is planning to install 1250 KVA DG set required to full fill power back up capacity.
- The Company is planning to install High stage screw compressor to meet refrigeration load.

Processed Food Division at Dharampur, Gujarat:

- The Company is planning to install Spiral freezer for RTE product at Dharampur Factory, to improve the quality and reduce the manpower.
- HVAC system to be installed for comfort atmosphere at work place to increase the productivity.
- Check Weighed to be installed to cross check the final product weight to reduce the market complaint.
- Kitchen to be expanded to increase the production from 2.5 Mt to 4.5 Mt.
- Anti-rooms for all cold store (Ground floor) are proposed to avoid ice formation and energy saving.
- Continuous fryer machine to be installed to improve the product quality ,output as well as energy saving.
- Tooty fruity production to be started to supply this to our ice cream plant in order to reduce the cost

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

Ice-cream Division

- By installing new PHE condenser at Ahmedabad about there will be a power saving of about 10%.

- Installing new continuous hardening tunnel will improve the quality of finished product & capacity of production.
- New packing material warehouse will increase the storage capacity and improve the productivity.
- New paneer packing machine will improve the capacity of paneer production.

Processed Food Division

- The measures listed in above (a) and (b) would result in energy saving, increase in production rate, improvement in quality and avoiding in production break-down due to power-off.

B) TECHNOLOGY ABSORPTION

a) Efforts in brief, made towards technology absorption, adaptation and innovation :

- The Company is planning to install IQF in paneer section for quick freezing of Paneer block.
- The Company has installed ulma packing machine for paneer to increase self-life.
- The Company has installed Paneer cube/Block cutting machine to reduce wastage.

b) Benefits derived as a result of the above efforts :

As per A (b) above.

c) In case of Imported technology (imported during last three years reckoned from the beginning of the financial year) information to be furnished :

During the year under review, the Company has imported the following technologies:

Details of Imported Technology	Year of import	Whether fully absorbed or not	Areas where absorption has not taken place and reason.
"Cao-tech" make Chocolate making machine from Netherland	2017	Yes	N.A.
"Product in Product machine" (PIP) for candy product from china	2017	Yes	N.A.
Extrusion ice cream machine with Continuous tunnel from china	2017	Yes	N.A.
"Ulma" make Paneer packing machine	2017	No.	The installation and commissioning work completed and the machine is ready for use. However, the packaging material is awaited and after procurement of Packaging material, the machine will be taken in production.
"Gram" make continuous ice cream making freezer -02 nos. from Denmark	2017	Yes	N.A.
Ice cream freezing Continuous tunnel with candy filling attachment from China	2017	Yes	N.A.

d) The expenditure incurred on Research and Development :

During the year under review, the Company has incurred expenditure of ` 19.55 Lacs towards Research of Development.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

As against Foreign Exchange Earnings of ` 4170.33 Lacs for the previous year ended on 31st March, 2017, the Company has earned Foreign Exchange of ` 5488.19 Lacs for Export of Goods on FOB value for the year ended on 31st March, 2018.

As against Foreign Exchange Outgo of ` 1303.21 Lacs for the previous year, the Outgo during the year under review was ` 1187.13 Lacs.

ANNEXURE-H TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year – 2017-2018

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Refer Section on Corporate Social Responsibility in Directors' Report
2.	Composition of CSR Committee	Mr. Vijay R. Shah – Chairman Mr. Rajesh R. Gandhi Mr. Devanshu L. Gandhi Mr. Jignesh J. Shah
3.	Average net profit of the Company for last three financial years	` 2030.92 lakhs
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	` 40.62 lakhs
5.	Details of CSR spent during the financial year:	
	Total amount spent for the financial year	` 16.92 lakhs
	Amount unspent, if any Current year Previous years	 ` 23.70 lakhs ` 40.46 lakhs
	Manner in which the amount spent during the financial year	Providing Medical Aid to the Villagers near Pundhra Factory of the Company

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR – 2016-2017:

1	2	3	4	5	6	7	8
Sr. No.	**CSR project or Activity Identified**	**Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)**	**Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken**	**Amount Outlay (Budget) Project or Program wise (` in crore)**	**on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (` in crore)**	**Cumulative Expenditure upto the reporting period i.e. FY 2017-2018 (` in crore)**	**Amount Spent Direct or through Implementing Agency**
1	Providing Medical Aid to the Villagers near Pundhra Factory of the Company	Clause (i) of Schedule VII Promoting healthcare	Pundhra Village, Taluka : Mansa, Dist. Gandhinagar, State : Gujarat	As per requirement of CSR expenditure	` 16.92 lakhs	` 29.80 lakhs	Through Trust
NIL							

REASONS FOR NOT SPENDING THE TWO PER CENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF:

Due to shortage of manpower and resources required in the respective activity, the Company could not spend towards Corporate Social Responsibility measures during the year – 2017-2018, as required. The Directors ensure that the Company will spend sufficient amount towards Corporate Social measures in the next financial year.

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility and Governance (CSR&G) Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

_____

RAJESH R. GANDHI
CHAIRMAN & MANAGING DIRECTOR
VADILAL INDUSTRIES LIMITED
DIN : 00009879

_____

VIJAY R. SHAH
CHAIRMAN OF CSR COMMITTEE
VADILAL INDUSTRIES LIMITED
DIN : 00376570

Date : 11th August, 2018
Place : Ahmedabad.

ANNEXURE – I to the Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Members,
Vadilal Industries Limited
Vadilal House, Shrimali Society,
Nr. Navrangpura Rly Crossing,
Navrangpura, Ahmedabad – 380 009,
Gujarat, INDIA

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vadilal Industries Limited** (CIN: L91110GJ1982PLC005169) (hereinafter called '**the Company'**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of yearly secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on **31st March, 2018** ('**Audit Period'**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

i. The Companies Act, 2013 ('**the Act'**) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings *(Not Applicable to the Company during the Audit period)*;

v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act')**: -

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 *(Not Applicable to the Company during the Audit period)*;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 *(Not Applicable to the Company during the Audit period);*

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable to the Company during the Audit period)*;

   f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not Applicable to the Company during the Audit period)*; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not Applicable to the Company during the Audit period).*

vi. We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

   a. Prevention of Food Adulteration Act, 1954 and rules and regulations made thereunder ;

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

c. The Standards of Weights and Measurers Act, 1976 and Standards of Weights and Measurers (Packaged Commodities) Rules, 1977 and other rules and regulations made thereunder ;

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

For the purpose of other laws as may be applicable specifically to the Company, we have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliance under other laws as may be applicable specifically to the Company and verification of document and records on test-check basis.

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

i) Secretarial Standards issued by the Institute of Company Secretaries of India; and

ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- As per Section 135 of the Act, the Company was required to spend 2% of average net profit of the Company during last three financial years amounting to ` 40.62 Lacs towards Corporate Social Responsibility as per CSR policy. However, as per CSR Report pertaining to the financial year ended 31st March, 2018, ` 16.92 Lacs was spent during the financial year 2017-18 and the remaining amount including certain amount of previous year was unspent.

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 Audit Period were carried out in compliance with the provisions of the Act.

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

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

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

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

During the period under review, a Company Petition (being Company Petition No. 42 of 2017) has been filed against the Company, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013. In connection to the said Company Petition No. 42 of 2017, the Petitioners and some of the parties to the petition are seeking to arrive at an amicable resolution of matter. The matter was lastly heard by the Hon'ble NCLT on 27-07-2018.

Place : Ahmedabad
Date : 11-08-2018

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

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

Annexure A

To,
The Members,
Vadilal Industries Limited
Vadilal House, Shrimali Society,
Nr. Navrangpura Rly Crossing,
Navrangpura, Ahmedabad – 380 009,
Gujarat, INDIA

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

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

Place : Ahmedabad
Date : 11-08-2018

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

ANNEXURE – J to the Directors' Report

PARTICULARS OF EMPLOYEES:

The information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2018, are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year – 2017-2018 and The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year – 2017-2018:

Name of the Managing Directors, Chief Financial Officers and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year
Mr. Rajesh R. Gandhi, Chairman and Managing Director	1 : 28	9.00%
Mr. Devanshu L. Gandhi, Managing Director	1 : 28	9.00%
Mr. Kalpit R. Gandhi, Chief Financial Officer	N.A.	0.00%
Mrs. Ruchita V. Gurjar, Company Secretary	N.A.	17.00%

The Company does not pay any remuneration to the Non-executive Directors except sitting fees for attending Board and Committee Meetings.

b. The percentage increase in the median remuneration of employees in the financial year – 2017-2018: 11.00%

c. The number of permanent employees on the rolls of Company as on 31-3-2018: 676

d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year – 2017-2018 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

During the year under review, the average annual increase was around 13.75%.

Increase in the managerial remuneration for the year was 9 %. There is no exceptional increase in the remuneration of the Managing Directors of the Company.

In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

e. Affirmation:

The Company affirms that the remuneration of the Managing Directors and the employees of the Company are as per the remuneration policy of the Company.

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

INDEPENDENT AUDITOR'S REPORT

To The Members of Vadilal Industries Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Other Matters

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except ` 0.15 Lacs which is held in abeyance pending legal dispute.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place: Ahmedabad
Date: May 28, 2018

ANNEXURE "A"

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

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

We have audited the internal financial controls over financial reporting of Vadilal Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Ahmedabad
Date : May 28, 2018

ANNEXURE "B"

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except for the following :-

Particulars of the land and building	Gross Block (as at March 31, 2018)	Net Block (as at March 31, 2018)	Remarks (give reasons for the exception)
Freehold land located at Dwarka admeasuring 58,096 Sq. Mtrs.	` 348.58 Lacs	` 348.58 Lacs	The title deeds are not readily available.
Freehold land located at Bareily admeasuring 94 Sq. Mtrs.	` 8.82 Lacs	` 8.82 Lacs	The title deeds are not readily available.
House Building Located at, "Pushpak Bungalows", Hill Darshan Co. Op. Housing Society Limited, Ahmedabad admeasuring 200 Sq. Yd.	` 13.39 Lacs	` 8.86 Lacs	The title deed is in dispute.
Residential Flat in Maruti Centre, Ahmedabad admeasuring carpet area 4,750 Sq. Ft.	` 13.34 Lacs	` 4.86 Lacs	The title deeds are not readily available.
Investment property located at Mahalaya Complex, Ahmedabad admeasuring 1,360 Sq. Ft.	` 20.69 Lacs	` 19.74 Lacs	The title deed is not yet on name of the Company

Immovable properties of freehold and leasehold land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmation directly received by us from lender.

In respect of following immovable property of land that has been taken on lease along with buildings constructed thereon and disclosed as fixed asset in the financial statements, final lease deed is yet to be executed on the name of the Company:

Particulars of the land and building	Gross Block (as at March 31, 2018)	Net Block (as at March 31, 2018)
Leasehold land admeasuring 8,575 Sq. Mtrs. and building constructed thereon located at Bareily, Uttar Pradesh.	` 643.15 Lacs	` 643.15 Lacs

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) 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.

(iv) According to the information and explanations given to us, the Company has granted 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, in respect of which:

a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has not been specified by 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, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes, except as given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (` in Lacs)	Amount Unpaid (` in Lacs)
Central Sales tax act and Sales tax act of various states	Sales tax and penalty	HIGH COURT	1998-99	39.07	23.24
	Additional tax demand	JT.COMM., S. TAX	2000-01	12.49	12.49
	Sales tax demand	DY. COMM., S. TAX	2000-01	20.74	15.74
	Sales tax demand	DY. COMM., S. TAX	2001-02	1.55	1.55
	Sales tax demand	SALES TAX TRIBUNAL	2002-03	2.10	0.60
	Sales tax asst dues	JT. COMM., S. TAX	2003-04	2.39	2.39
	Purchase tax	JT. COMM., S. TAX	2003-04	0.46	0.46
	Sales tax	SALES TAX TRIBUNAL	2004-05	3.67	3.67
	Sales tax and penalty	SALES TAX TRIBUNAL	2010-11	24.81	14.81
	Sales tax	ADDITIONAL COMM. GRADE 2	2012-13	2.39	1.44
	Sales tax	ADDITIONAL COMM. GRADE 2	2013-14	3.08	1.54
	Sales tax	ADDITIONAL COMM. GRADE 2	2015-16	11.74	6.00
	Sales tax	ADDITIONAL COMM. GRADE 2	2016-17	45.84	30.26
Income Tax	Income Tax	ITAT	1996-97	1.93	1.93
	Income Tax	AO	2006-07	1.37	1.37
	Income Tax	AO	2007-08	28.77	28.77
	Income Tax	CIT(A)8	2013-14	0.88	0.88
Nayab Nirnayak Adhikari	Food Safety Penalty	HIGH COURT ALLAHABAD	1998-2011	2.85	-
Employees' State Insurance	Employee State Insurance	ESI CORP AHMEDABAD	1997-96 TO 1999-00	4.86	4.11

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

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has utilised the money raised by way of term loans during the year for the purpose for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place : Ahmedabad
Date : May 28, 2018

BALANCE SHEET AS AT MARCH 31, 2018

(` in Lacs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. ASSETS				
(1) Non Current Assets				
(a) Property, Plant and Equipment	3 (a)	25,115.03	24,638.54	24,022.84
(b) Capital Work-in-Progress	3 (b)	728.89	452.23	51.54
(c) Investment Property	3 (c)	19.74	20.08	20.42
(d) Intangible Assets	3 (d)	247.65	351.56	461.63
(e) Financial Assets				
(i) Investments	4	289.86	154.81	166.17
(ii) Loans	5	283.60	32.21	180.25
(iii) Other Financial Assets	6	607.62	424.11	372.50
(f) Non Current Tax Assets (Net)	7	-	-	26.28
(g) Other Non Current Assets	8	559.69	422.77	379.75
Total Non Current Assets		**27,852.08**	**26,496.31**	**25,681.38**
(2) Current Assets				
(a) Inventories	9	9,675.35	11,958.42	9,291.56
(b) Financial Assets				
(i) Investments	10	1.73	2.97	1.83
(ii) Trade Receivables	11	4,523.56	1,442.65	2,292.05
(iii) Cash & Cash Equivalents	12	106.05	122.19	90.67
(iv) Other Balances with Banks	13	211.67	212.36	236.62
(v) Loans	14	13.99	9.03	9.02
(vi) Other Financial Assets	15	85.63	186.82	166.76
(c) Current Tax Assets (Net)	16	47.15	-	-
(d) Other Current Assets	17	996.64	654.50	484.79
Total Current Assets		**15,661.77**	**14,588.94**	**12,573.30**
Total Assets		**43,513.85**	**41,085.25**	**38,254.68**
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	18	718.78	718.78	718.78
(b) Other Equity	19	16,586.97	15,229.12	13,703.82
Total Equity		**17,305.75**	**15,947.90**	**14,422.60**
(2) Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	7,099.10	3,439.56	4,528.24
(ii) Other Financial Liabilities	21	48.49	24.53	0.68
(b) Provisions	22	128.34	154.97	133.06
(c) Deferred Tax Liabilities (Net)	23	2,091.74	1,798.92	1,444.43
(d) Other Non Current Liabilities	24	698.35	678.56	578.79
Total Non Current Liabilities		**10,066.02**	**6,096.54**	**6,685.20**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	25	5,305.16	6,460.47	5,427.29
(ii) Trade Payables	26	7,632.52	8,279.08	7,032.17
(iii) Other Financial Liabilities	27	2,453.69	3,485.22	3,650.11
(b) Other Current Liabilities	28	510.98	622.98	816.30
(c) Provisions	29	239.73	165.03	140.61
(d) Current Tax Liabilities (Net)	30	-	28.03	80.40
Total Current Liabilities		**16,142.08**	**19,040.81**	**17,146.88**
Total Liabilities		**26,208.10**	**25,137.35**	**23,832.08**
Total Equity and Liabilities		**43,513.85**	**41,085.25**	**38,254.68**

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
(Partner)

Place : Ahmedabad
Date : May 28, 2018

For and on behalf of the Board of Directors

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

Devanshu L. Gandhi
Managing Director
(DIN 00010146)

Kalpit R. Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Ruchita Gurjar
Company Secretary

Place : Ahmedabad
Date : May 28, 2018

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

(` in Lacs)

	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from Operations	31	52,304.47	48,438.10
II	Other Income	32	453.04	304.24
III	**Total Income (I+II)**		**52,757.51**	**48,742.34**
IV	**Expenses:**			
	Cost of Materials Consumed	33	28,817.33	26,050.26
	Purchase of Stock-in-trade	34	586.34	466.47
	Changes in Inventories of Finished Goods and Stock-in-trade	35	1,416.56	(316.80)
	Excise Duty on Sale of Goods		493.24	1,147.02
	Employee Benefits Expense	36	3,195.34	2,644.80
	Finance Costs	37	1,522.19	1,596.99
	Depreciation and Amortization Expenses	3	1,598.38	1,483.34
	Other Expenses	38	12,904.38	12,992.69
	Total Expense (IV)		**50,533.76**	**46,064.77**
V	**Profit Before Tax (III-IV)**		**2,223.75**	**2,677.57**
VI	**Tax Expenses**			
	(a) Current Tax	39	608.05	939.57
	(b) Deferred Tax	39	131.17	74.81
	Total Tax Expenses		**739.22**	**1,014.38**
VII	**Profit for the Year (V-VI)**		**1,484.53**	**1,663.19**
VIII	**Other Comprehensive Income**			
	(i) Item that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans		(28.35)	(45.49)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		9.81	15.74
	Other Comprehensive Income for the Year		**(18.54)**	**(29.75)**
	Total Comprehensive Income for the Year (VII+VIII)		**1,465.99**	**1,633.44**
	Earning Per Share (Face Value of ` 10 each)			
	-Basic & Diluted	45	**20.65**	**23.14**

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
(Partner)

Place : Ahmedabad
Date : May 28, 2018

For and on behalf of the Board of Directors

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

Devanshu L. Gandhi
Managing Director
(DIN 00010146)

Kalpit R. Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Ruchita Gurjar
Company Secretary

Place : Ahmedabad
Date : May 28, 2018

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

Ind AS 7 :

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

(` in Lacs)

	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**2,223.75**	**2,677.57**
	Adjustments for:		
	Depreciation and Amortisation Expense	1,598.38	1,483.34
	(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	2.83	(15.82)
	Profit on Sale of Investments	-	(2.77)
	Excess Provision Written Back	(99.91)	(126.75)
	(Gain) / Loss on Fair Value of Current Investment	1.24	(1.15)
	Diminution on Non Current Investments Written back	(135.04)	-
	Financial Guarantee Commission Income	(15.87)	(9.60)
	Grant Income	(86.15)	(88.38)
	Dividend Income	-	(0.13)
	Interest Income	(60.54)	(56.95)
	Amortisation of Ancillary Borrowing Costs	-	1.37
	Finance Costs	1,522.19	1,595.62
	Provision for Doubtful Debts	3.29	8.45
	Provision for Doubtful Advances	(1.10)	19.49
	Bad Debts Written Off	13.41	-
	Advances Written Off	-	23.65
	Share of Loss of Partnership Firm	(4.33)	150.31
		2,738.40	**2,980.68**
	Operating Profit before Working Capital Changes	**4,962.15**	**5,658.25**
	Changes in Working Capital:		
	(Increase) / Decrease in Inventories	2,283.07	(2,666.86)
	(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	(3,659.22)	534.02
	Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	(1,271.39)	1,460.71
	Cash Generated from Operations	**(2,647.54)**	**(672.13)**
	Income Taxes Paid	(511.78)	(670.23)
	Net Cash Generated from / (Used in) Operating Activities (A)	**1,802.83**	**4,315.89**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Loan Given to Subsidiary	(250.00)	-
	Capital Expenditure on Property, Plant & Equipment	(2,268.77)	(2,405.47)
	Proceeds from Sale of Property, Plant & Equipment	18.70	31.96
	Payments for Current Investments	-	(1,300.00)
	Proceeds from Sale of Current Investment	-	1,300.00
	Proceeds from Sale of Non Current Investment	-	14.12
	Interest Received	60.54	56.95
	Dividend Received	-	0.13
	Net Cash Generated from / (Used in) Investing Activities (B)	**(2,439.53)**	**(2,302.31)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from Non Current Borrowings	5,735.45	931.61
	Repayment of Non Current Borrowings	(2,329.25)	(2,243.09)
	Repayment of Current Borrowings (Net)	(1,155.31)	1,033.18
	Interest Paid	(1,522.19)	(1,595.62)
	Dividend Paid (Including Tax on Dividend)	(108.14)	(108.14)
	Net Cash Generated from / (Used in) Financing Activities (C)	**620.56**	**(1,982.06)**
	Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	(16.14)	31.52
	Cash and Cash Equivalents at the beginning of the year (Note-12)	122.19	90.67
	Cash and Cash Equivalents at the end of the year (Note-12)	106.05	122.19

Notes:

1. The above Cash Flow Statement has been prepared as per 'Indirect Method' as set out in Ind AS 7 on Statement of Cash Flow.
2. Figures in brackets represents outflow.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
(Partner)

Place : Ahmedabad
Date : May 28, 2018

For and on behalf of the Board of Directors

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

Devanshu L. Gandhi
Managing Director
(DIN 00010146)

Kalpit R. Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Ruchita Gurjar
Company Secretary

Place : Ahmedabad
Date : May 28, 2018

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

(` in Lacs)

Particulars	Equity Share Capital	Other Equity						Total Other Equity	Total Equity
		Capital Reserve	Securities Premium Reserve	General Reserves	Retained Earning	Revaluation Surplus	Items of other comprehensive income		
Balances as at April 1, 2016	**718.78**	**8.84**	**487.28**	**5,000.00**	**683.53**	**7,524.17**	**-**	**13,703.82**	**14,422.60**
Profit for the year					1,663.19			1,663.19	1,663.19
Other Comprehensive income (Actuarial Loss net of income tax)							(29.75)	(29.75)	(29.75)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**1,663.19**	**-**	**(29.75)**	**1,633.44**	**1,633.44**
Payment of Dividend for the year including tax on dividend					**(108.14)**			**(108.14)**	**(108.14)**
Balances as at March 31, 2017	**718.78**	**8.84**	**487.28**	**5,000.00**	**2,238.58**	**7,524.17**	**(29.75)**	**15,229.12**	**15,947.90**
Profit for the year					1,484.53			1,484.53	1,484.53
Other Comprehensive income (Actuarial Loss net of income tax)							(18.54)	(18.54)	(18.54)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**1,484.53**	**-**	**(18.54)**	**1,465.99**	**1,465.99**
Payment of Dividend for the year including tax on dividend					**(108.14)**			**(108.14)**	**(108.14)**
Balances as at March 31, 2018	**718.78**	**8.84**	**487.28**	**5,000.00**	**3,614.97**	**7,524.17**	**(48.29)**	**16,586.97**	**17,305.75**

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
(Partner)

Place : Ahmedabad
Date : May 28, 2018

For and on behalf of the Board of Directors

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

Devanshu L. Gandhi
Managing Director
(DIN 00010146)

Kalpit R. Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Ruchita Gurjar
Company Secretary

Place : Ahmedabad
Date : May 28, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 COMPANY OVERVIEW:-

Vadilal Industries Limited is a Public Limited Company domiciled in India. The company has its registered office at Vadilal House, 53, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380009.

The Company is engaged in the business of manufacturing Ice-cream, Flavored Milk, Frozen Dessert, Other Dairy Products and processing & exporting Processed Food Products such as Frozen Fruits, Vegetable, Pulp, Ready-to-eat and Ready-to-serve products etc.

The Company is having two ice-cream production facilities – one in Gujarat and the other in Uttar Pradesh.

The Company is processing Frozen Fruits, Vegetables and Processed Foods at factory situated at Dharampur, Dist.Valsad, Gujarat. The Company is exporting to various Countries.

The Company is having RBI license under AD.II category and engaged in Money changing business. The Company's shares are listed on BSE and NSE.

The financial statements for the year ended March 31, 2018 were approved and authorised for issue by the Board of Directors on May 28, 2018.

2 SIGNIFICANT ACCOUNTING POLICIES:-

a) Statement of Compliance

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

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

b) Basis of Preparation of Financial Statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

c) Use of Estimates

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

Estimates and underlying assumptions are reviewed on an on going 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 a first in first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

e) Cash and Cash Equivalents

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

f) Revenue Recognition

Sale of Goods

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

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

g) Government Grant

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

h) Property, Plant and Equipment

Property, plant & equipments are stated at actual cost (including cost of acquisition and installation) less accumulated depreciation and net of impairment, if any.

All items of property, plant and equipments are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the 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 are charged based on straight line method on estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II.

Particulars	Estimated Useful Life
Building	
1) Factory Building	28 Years
2) Others - RCC Structured	58 Years
Plant & Machinery	
1) Continuous Process	18 Years
2) Plastic Crates	5 Years
3) Others	20 Years
Vehicles	
Motor Cars	10 Years

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

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

Transition to Ind AS

For transition to Ind AS, the Company has elected to apply Ind AS retrospective to arrive at carrying value of all of its property, plant and equipments, except land, as of April 1, 2016 (transition date). Land have been valued at Fair Value as of April 1, 2016 (transition date).

i) Intangible Assets

Intangible Assets Acquired Separately

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

Derecognition of Intangible Assets

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

Useful Lives of Intangible Assets

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

Transition to Ind AS

For transition to Ind AS, the Company has elected to apply Ind AS retrospective to arrive at carrying value of all of its intangible assets.

j) Investment Property

Investment property comprise portion of office building that are held for long term yield and / or capital appreciation.

Investment property is initially recognized at cost. Subsequently investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated under the straight line method as per the rates and the useful life prescribed as per Schedule II of the Companies Act.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on value as per local body on periodic basis.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss.

k) Leasing

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

Company as a Lessee

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

l) Foreign Currencies

In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date and differences are recognised in statement of profit and loss. 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.

m) Employee Benefits

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

Defined Contribution Plan:

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

Defined Benefit Plans:

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

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

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

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

Short-term and Long-term Employee Benefits:

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

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

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

n) Borrowing Costs

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

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

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

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

o) Earnings Per Share

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

p) Taxation

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

Current Tax

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

Deferred Tax

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

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

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

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

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

Current and Deferred Tax for the Year

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

q) Provisions, Contingent Liabilities and Contingent Assets and Commitments

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

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

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

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

Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

r) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the previous GAAP carrying amount in accordance with Ind AS-39 as its deemed cost on the date of transition to Ind AS i.e., April 1, 2016.

s) Financial Instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or loss arising on remeasurement recognised in profit and loss.

Initial Recognition and Measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than Financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category generally applies to trade and other receivables.

Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

Financial Asset at Fair Value Through Profit and Loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting period at fair value with all changes recognised in the statement of profit and loss.

Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit and loss if such gain or loss would have otherwise been recognized in profit and loss on disposal of that financial asset.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

Derivative Contracts

The Company enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18

t) Impairment

Financial assets (other than at fair value)

The Company assesses at each Balance sheet whether a financial asset or a group of financial assets is impaired.

Non-financial Assets

Property, Plant and Equipment and Intangible Assets

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

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

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

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

u) Operating Cycle

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The company has identified twelve months as its operating cycle.

v) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

Key Sources of Estimation Uncertainty

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

i. Income Taxes

As described in Note 2(p), the Company's tax jurisdiction is India. Significant judgements are involved in estimating

budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

ii. Discount Rate Used to Determine the Carrying Amount of the Company's Defined Benefit Obligation

As described in Note 47, in determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

iii. Useful Lives of Property, Plant and Equipment

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

iv. Allowances for Doubtful Debts

As described in Note 11, the Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

v. Allowances for Inventories

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

vi. Fair Value Measurement of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Information about the fair value of various assets and liabilities are disclosed in Note 44.

NOTE-3

(` in Lacs)

	Particulars	Land	Building	Leasehold Building Improve-ments	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
3 (a)	**Property, Plant and Equipment**								
	Cost or Fair Value								
	As at April 1, 2016	**7,769.66**	**4,884.31**	**17.13**	**19,944.14**	**199.30**	**562.37**	**417.44**	**33,794.35**
	Additions	-	139.46	-	1,786.27	6.82	51.72	-	1,984.27
	Disposals	-	-	-	34.19	-	15.94	-	50.13
	As at March 31, 2017	**7,769.66**	**5,023.77**	**17.13**	**21,696.22**	**206.12**	**598.15**	**417.44**	**35,728.49**
	Additions	-	313.39	-	1,391.51	20.81	118.43	120.36	1,964.50
	Disposals	-	1.40	-	95.31	-	17.38	38.05	152.14
	As at March 31, 2018	**7,769.66**	**5,335.76**	**17.13**	**22,992.42**	**226.93**	**699.20**	**499.75**	**37,540.85**
	Accumulated Depreciation and Impairment								
	As at April 1, 2016	-	**1,233.53**	**5.46**	**7,784.85**	**145.07**	**406.48**	**196.12**	**9,771.51**
	Depreciation charge for the year	-	182.89	1.80	1,057.02	9.86	63.70	37.16	1,352.43
	Disposals	-	-	-	19.16	-	14.83	-	33.99
	As at March 31, 2017	-	**1,416.42**	**7.26**	**8,822.71**	**154.93**	**455.35**	**233.28**	**11,089.95**
	Depreciation charge for the year	-	194.31	-	1,130.85	18.16	80.99	42.17	1,466.48
	Disposals	-	0.52	-	77.95	-	15.82	36.32	130.61
	As at March 31, 2018	-	**1,610.21**	**7.26**	**9,875.61**	**173.09**	**520.52**	**239.13**	**12,425.82**
	Net carrying value								
	As at March 31, 2018	**7,769.66**	**3,725.55**	**9.87**	**13,116.81**	**53.84**	**178.68**	**260.62**	**25,115.03**
	As at March 31, 2017	**7,769.66**	**3,607.35**	**9.87**	**12,873.51**	**51.19**	**142.80**	**184.16**	**24,638.54**
	As at April 1, 2016	**7,769.66**	**3,650.78**	**11.67**	**12,159.29**	**54.23**	**155.89**	**221.32**	**24,022.84**

Notes

1) For transition to Ind AS, the Company has elected to apply Ind AS retrospectively to arrive at carrying value of all its property, plant and equipments, except land, as of April 1, 2016 (transition date). Land has been valued at fair value as of April 1, 2016 (transition date).
2) Land includes ` 643.15 Lacs (as at March 31, 2017 ` 643.15 Lacs,as at April 1, 2016 ` 643.15 Lacs) and building constructed thereon which is in process of being transferred in the name of the company.
3) Building includes House Building of which Gross Value is ` 13.38 Lacs (as at March 31, 2017 ` 13.38 Lacs, as at April 1, 2016 ` 13.38 Lacs) and Net Value is ` 8.86 Lacs (as at March 31, 2017 ` 9.07 Lacs, as at April 1, 2016 ` 9.29 Lacs) acquired against loan which is yet to be transferred in the name of the company.

3 (b) Capital Work In Progress

	(` in Lacs)
As at April 1, 2016	**51.54**
Additions	400.69
Disposals	-
As at March 31, 2017	**452.23**
Additions	597.81
Disposals	321.15
As at March 31, 2018	**728.89**

3 (c) Investment Property *

	(` in Lacs)
Deemed cost	
As at April 1, 2016	**20.69**
Additions	-
Disposals	-
As at March 31, 2017	**20.69**
Additions	-
Disposals	-
As at March 31, 2018	**20.69**
Accumulated Depreciation	
As at April 1, 2016	**0.27**
Depreciation charge for the year	0.34
Disposals	-
As at March 31, 2017	**0.61**
Depreciation charge for the year	0.34
Disposals	-
As at March 31, 2018	**0.95**
Net Carrying Amount	
As at March 31, 2018	**19.74**
As at March 31, 2017	**20.08**
As at April 1, 2016	**20.42**
Fair Value of Investment Property	
As at March 31, 2018	**51.09**
As at March 31, 2017	**51.09**
As at April 1, 2016	**51.09**

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

3 (d) Intangible Assets (Software & Development Cost)

	(` in Lacs)
Cost or Deemed Cost	
As at April 1, 2016	**675.16**
Additions	21.15
Disposals	-
As at March 31, 2017	**696.31**
Additions	27.61
Disposals	-
As at March 31, 2018	**723.92**
Amortisation	
As at April 1, 2016	**213.53**
Depreciation charge for the year	131.22
Disposals	-
As at March 31, 2017	**344.75**
Depreciation charge for the year	131.52
Disposals	-
As at March 31, 2018	**476.27**
Net Carrying Amount	
As at March 31, 2018	**247.65**
As at March 31, 2017	**351.56**
As at April 1, 2016	**461.63**

Particulars	Face Value	As at March 31, 2018 Units	As at March 31, 2018 (` in Lacs)	As at March 31, 2017 Units	As at March 31, 2017 (` in Lacs)	As at April 1, 2016 Units	As at April 1, 2016 (` in Lacs)
NOTE-4 INVESTMENTS							
Non Current Investments							
A) Investment in Equity Instruments of Subsidiary at deemed cost (Unquoted fully paid up):							
Vadilal Industries (Inc.) USA (Refer Note-46)	$100	2,250	1.36	2,250	1.36	2,250	1.36
Add: Reversal of Impairment Loss on Investments			135.05		-		-
			136.41		1.36		1.36
Vadilal Gulf (FZE)*	-	-	-	-	-	-	-
*The company has incorporated a new Subsidiary company in United Arab Emirates in the name of VADILAL GULF (FZE) dated February 20, 2018. Business is yet to be commenced. Investment yet to be made.							
B) Investment in Equity Instruments of Associate at FVTPL (Unquoted fully paid up):							
Vadilal Forex and Consultancy Services Ltd.	`10	-	-	-	-	72,500	18.85
C) Other Investments							
Investment in Partnership Firm at deemed cost:							
Vadilal Cold Storage (Refer Note-46)	-	-	140.00	-	140.00	-	140.00
Investment in Government and Trust securities at deemed cost (Unquoted):							
7 Year National Saving Certificates (Lodged with Government Authorities)	-	-	0.28	-	0.28	-	0.28
In Equity instruments of other companies at FVTPL (Unquoted fully paid up) :							
Vadilal Forex and Consultancy Services Ltd.	`10	36,250	9.43	36,250	9.43	-	-
Majestic Farm House Ltd. (Refer Note-46)	`10	74,100	3.68	74,100	3.68	74,100	3.68
Padm Complex Ltd.	`10	280	0.03	280	0.03	280	0.03
Volute Construction Ltd.	`10	280	0.03	280	0.03	280	0.03
Textile Traders Coop Bank Ltd.	`25	-	-	-	-	4,195	1.05
Siddhi Coop Bank Ltd.	`25	-	-	-	-	3,540	0.89
Total			**289.86**		**154.81**		**166.17**

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE- 5 LOANS			
Non Current			
Loan to Subsidiary (Refer Note-46)	250.00	-	-
Investments in Current Capital of a Partnership Firm (Refer Note-46)	31.95	27.62	177.93
Loan to employees	1.65	4.59	2.32
Total	**283.60**	**32.21**	**180.25**

(` in Lacs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-6 OTHER FINANCIAL ASSETS				
Non Current				
Margin Money Deposits with banks (original maturity of more than 12 months)		290.95	122.09	116.03
Security Deposits (Refer Note-46)		214.25	189.91	168.33
Other Deposits		102.42	112.11	88.14
	Total	**607.62**	**424.11**	**372.50**
NOTE-7 TAX ASSETS				
Non Current				
Taxes Receivable		-	-	26.28
	Total	**-**	**-**	**26.28**
NOTE-8 OTHER ASSETS				
Non Current				
Capital Advances		240.10	68.94	21.42
Prepaid Expenses		319.59	353.83	358.33
	Total	**559.69**	**422.77**	**379.75**
NOTE-9 INVENTORIES				
(At lower of Cost or Net Realisable Value)				
Raw Materials		4,710.53	5,616.56	3,284.70
Packing Materials		1,492.94	1,520.88	1,459.59
Finished Goods		3,023.36	4,439.92	4,123.11
Stores, Spares and Consumables		448.52	381.06	424.16
	Total	**9,675.35**	**11,958.42**	**9,291.56**

Particulars	Face Value	As at March 31, 2018 Units	As at March 31, 2018 (` in Lacs)	As at March 31, 2017 Units	As at March 31, 2017 (` in Lacs)	As at April 1, 2016 Units	As at April 1, 2016 (` in Lacs)
NOTE-10 INVESTMENTS							
Current Investments							
(Valued at fair value through Profit and Loss)							
Investments in Equity Instruments- Quoted							
Aminex Chemicals Ltd.	`10	400	-	400	-	400	-
Century Enka Ltd.	`10	15	0.05	15	0.07	15	0.03
Essar Steel Ltd.	`10	60	0.01	60	0.01	60	0.01
Golden Agro Tech Industries Ltd.	`10	200	-	200	-	200	-
Great Eastern Shipping Co. Ltd.	`10	100	0.34	100	0.42	100	0.31
Great Offshore Ltd.	`10	25	-	25	-	25	0.01
Interface Financial Services Ltd.	`1	25,000	0.05	25,000	0.05	25,000	0.05
Radhe Developers Ltd.	`10	4,900	0.81	4,900	1.95	4,900	0.95
Saket Projects Ltd.	`10	2,500	0.02	2,500	0.02	2,500	0.02
Sanara Media Ltd.	`1	9,00,000	0.45	9,00,000	0.45	9,00,000	0.45
Total			**1.73**		**2.98**		**1.83**

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-11 TRADE RECEIVABLES			
Secured, Considered Good	90.52	81.67	53.17
Unsecured, Considered Good (Refer Note-46)	4,433.04	1,360.98	2,238.88
Unsecured, Considered Doubtful	22.35	19.06	23.89
	4,545.91	**1,461.71**	**2,315.94**
Less: Allowance for Doubtful Trade Receivables (expected credit loss allowance)	22.35	19.06	23.89
Total	**4,523.56**	**1,442.65**	**2,292.05**
Note: Refer Note-44 for information about credit risk and market risk of Trade receivables.			
Break-up of trade receivables			
Trade receivables from other than related parties	540.51	421.77	424.38
Receivables from related parties (Note-46)	3,983.05	1,020.88	1,867.67
Total	**4,523.56**	**1,442.65**	**2,292.05**

Notes

1. The credit period ranges from 7 days to 30 days.
2. Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. There are no customers who represent more than 5% of the total balance of trade receivable except, as at March 31, 2018 : ` 3,983.05 Lacs are due from two customer (as at March 31, 2017 : ` 1,124.53 Lacs are due from three customers and as at April 1, 2016 : ` 1,867.67 Lacs are due from two customer). The credit risk in respect of these customers is mitigated by additional security cheque.
3. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on company policy and ageing of the receivables that are due.
4. Movement in Expected Credit Loss Allowance

Balance at the beginning of the year	19.06	23.89	13.23
Add: Allowance for the year	3.29	8.45	10.66
Less: Actual Write off during the year (net of recovery)	-	13.28	-
Balance at the end of the year	**22.35**	**19.06**	**23.89**

NOTE-12 CASH AND CASH EQUIVALENTS			
Balances with Banks :			
• In Current Accounts	87.35	69.62	39.79
• In Term Deposit Accounts with maturity of less than 3 months at inception (Includes Security deposit with banks ` NIL (March 31, 2017 ` 35.00 Lacs, April 1, 2016 ` 20.05 Lacs))	-	35.00	20.05
Cash on hand	18.70	17.57	30.83
Total	**106.05**	**122.19**	**90.67**
Note : There are no restrictions with regards to Cash and Cash Equivalents			
NOTE-13 OTHER BALANCES WITH BANKS			
Balances in Fixed Deposits Account	175.59	100.59	90.59
Balances in Unclaimed Dividend Accounts	21.07	21.22	18.79
Deposits with original maturity for more than 3 months (Includes Security deposit with banks ` 115.40 Lacs (March 31, 2017 ` 96.85 Lacs, April 1, 2016 ` 115.30 Lacs))	115.72	97.17	115.62
Margin Money Deposit (towards guarantee and LC issued by banks as well as for loan security)	190.24	115.47	127.65
	502.62	334.45	352.65
Less : Deposits with original maturity of more than 12 months Amount disclosed under Non-Current Financial Assets (Note-6)	290.95	122.09	116.03
Total	**211.67**	**212.36**	**236.62**

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

(` in Lacs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-14 LOANS				
Current				
Loan to Employees		13.99	9.03	9.02
	Total	**13.99**	**9.03**	**9.02**
NOTE-15 OTHER FINANCIAL ASSETS				
Current				
(Unsecured, Considered Good)				
Interest accrued on loans and deposits from related parties (Refer Note-46)		13.55	5.40	5.40
Interest accrued on loans and deposits from others		0.82	2.02	1.42
Other Deposit		5.76	7.35	2.76
Subsidy Receivable		65.50	168.19	157.18
Others		-	3.86	-
	Total	**85.63**	**186.82**	**166.76**
NOTE-16 TAX ASSETS				
Current				
Taxes Receivable (Net of Provision)		47.15	-	-
	Total	**47.15**	**-**	**-**
NOTE-17 OTHER ASSETS				
Current				
Prepaid Expenses		375.69	119.30	111.48
Balances with Govt.Authorities		160.78	137.14	110.59
Export Benefits Receivable		170.57	81.64	78.29
Other Assets		-	-	1.37
	(A)	**707.04**	**338.08**	**301.73**
Advances for Goods & Expenses				
Considered Good		289.60	316.42	183.06
Considered Doubtful		37.45	39.70	20.21
Less: Allowances for Doubtful Advance		37.45	39.70	20.21
	(B)	**289.60**	**316.42**	**183.06**
	Total (A + B)	**996.64**	**654.50**	**484.79**
NOTE-18 EQUITY SHARE CAPITAL				
Authorised Share Capital:				
1,50,00,000 (as at March 31, 2017 and as at April 1, 2016:1,50,00,000) Equity shares of ` 10/- each		1,500.00	1,500.00	1,500.00
		1,500.00	**1,500.00**	**1,500.00**
Issued, Subscribed and Fully paid-up Share Capital				
Issued and Subscribed Share Capital :				
71,88,230 (as at March 31, 2017 and as at April 1, 2016:71,88,230) Equity shares of ` 10/- each		718.82	718.82	718.82
		718.82	**718.82**	**718.82**
Paid up Share Capital:				
71,87,830 (as at March 31, 2017 and as at April 1, 2016:71,87,830) Equity shares of ` 10/- each		718.78	718.78	718.78
		718.78	**718.78**	**718.78**

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period

Equity Shares	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	No. of shares	(` in Lacs)	No. of shares	(` in Lacs)	No. of shares	(` in Lacs)
Shares outstanding at the beginning of the period	71,87,830	718.78	71,87,830	718.78	71,87,830	718.78
Add/Less: Issued shares/buy back during the year	-	-	-	-	-	-
Shares outstanding at the end of the period	71,87,830	718.78	71,87,830	718.78	71,87,830	718.78

b) Rights, preferences and restrictions attached to equity shares:

The company has issued only one class of equity share having par value of ` 10/- per share. Each holder of equity shares is entitled to one vote per share and are entitled to dividend as and when declared. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

All shares rank equally with regard to the company's residual assets after distribution of all preferential amount.

c) Details of shareholders holding more than 5% shares in the company (Equity shares of ` 10 each fully paid)

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Vadilal International Pvt. Ltd.	28,09,704	39.09%	28,09,704	39.09%	28,09,704	39.09%
Ashish Kacholia	5,18,432	7.21%	3,81,183	5.30%	2,60,904	3.63%

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

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-19 OTHER EQUITY		
Capital Reserve		
Balance at beginning of the year	8.84	8.84
Balance at the end of the year	**8.84**	**8.84**
Securities Premium		
Balance at beginning of the year	487.28	487.28
Balance at the end of the year	**487.28**	**487.28**
Revaluation Reserve		
Balance at beginning of the year	7,524.17	7,524.17
Balance at the end of the year	**7,524.17**	**7,524.17**
General Reserve		
Balance at beginning of the year	5,000.00	5,000.00
Balance at the end of the year	**5,000.00**	**5,000.00**
Retained Earnings		
Balance at beginning of the year	2,238.58	683.53
Add : Profit for the year	1,484.53	1,663.19
Less : Appropriations		
Dividend for the year including tax on dividend (Dividend per share ` 1.25 (P.Y. amount per share ` 1.25)	108.14	108.14
Total Appropriations	108.14	108.14
Balance at the end of the year	3,614.97	2,238.58
Other Comprehensive Income		
Balance at beginning of the year	(29.75)	-
Add : Remeasurement of Employee Benefit	(18.54)	(29.75)
Balance at the end of the year	(48.29)	(29.75)
Total Other Equity	**16,586.97**	**15,229.12**

a) On October 1, 2016 & October 6, 2017 a dividend of ` 1.25 per share (total dividend ` 108.14 Lacs) was paid to holders of fully paid equity shares. The total dividend includes dividend distribution tax at applicable rates.

b) The Board of Directors, in its meeting held on May 28, 2018, have proposed a final dividend of ` 1.25 per share for the financial year ended March 31, 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held

in the month of September, 2018 and if approved would result in a cash outflow of approximately ` 108.14 Lacs including dividend distribution tax.

c) **Nature and Purpose of Reserve**

Capital Reserve The company has created capital reserve out of investment utilization reserve written back and forfeited shares.

Securities Premium Reserve The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is available for utilization in accordance with the provisions of the Companies Act, 2013. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

Revaluation Reserve The company has created revaluation reserve out of revaluation of land carried out as at April 1, 2016.

General Reserve The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

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

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-20 BORROWING			
Non Current			
Secured-at amortised Cost			
Term Loans from Banks	6,160.43	3,681.62	5,143.02
Less: Current maturity of long term loans (Note-27)	1,124.00	1,611.83	1,472.83
	5,036.43	**2,069.79**	**3,670.19**
Vehicle Loans	238.90	220.96	196.79
Less: Current maturity of vehicle loans (Note-27)	107.03	90.67	87.57
	131.87	**130.29**	**109.22**
Term Loans from Financial Institution	-	-	200.00
Less: Current maturity of long term loans (Note-27)	-	-	200.00
	-	-	-
	5,168.30	**2,200.08**	**3,779.41**
Unsecured-at amortised Cost			
Public Fixed Deposits	2,442.58	1,530.20	1,126.14
Less: Current maturity of public fixed deposits (Note-27)	511.78	290.72	380.24
	1,930.80	**1,239.48**	**745.90**
Term Loan from others	-	2.93	81.24
Less: Current maturity of long term loans (Note-27)	-	2.93	78.31
	-	**-**	**2.93**
	1,930.80	**1,239.48**	**748.83**
Total	**7,099.10**	**3,439.56**	**4,528.24**

Note

1 Refer Note-44 for information about Liquidity Risk.

2 Amount stated in current maturity is disclosed under the head of " Other Current Financial Liabilities " (Note-27).

Repayment Schedule of Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	Effective Interest Rate	Terms of repayment
Term Loans From Banks					
Bank of Baroda	-	-	150.00	12.65%	60 monthly instalments of ` 16.67 Lacs starting from January, 2012
Bank of Baroda	-	303.33	583.33	13.06%	60 monthly instalments of ` 23.33 Lacs starting from May, 2013
Bank of Baroda	888.89	1222.22	1555.55	14.16%	72 monthly instalments of ` 27.78 Lacs starting from December, 2014

State Bank of Travancore	-	112.25	313.50	13.23%	60 monthly instalments of ` 16.75 Lacs starting from December, 2012
State Bank of Travancore	-	112.25	313.50	13.23%	60 monthly instalments of ` 16.75 Lacs starting from December, 2012
State Bank of India	-	262.50	450.00	15.12%	24 quarterly instalments of ` 37.50 Lacs starting from March, 2013
State Bank of India	1060.25	1684.25	1804.25	15.04%	39 monthly instalments of ` 10 Lacs starting from January, 2014 and 33 monthly instalment of ` 52 Lacs
IndusInd Bank (partially disbursed)	4400.63	-	-	10.00%	72 monthly instalments of ` 83.33 Lacs starting from February, 2019
From Financial Institutions					
Export-Import Bank of India	-	-	200.00	13.75%	20 quarterly instalments of ` 50 Lacs
Vehicle Loans					
HDFC Bank Limited	238.90	220.96	196.79	8.30 % to 14.25%	From 13 to 68 monthly Instalments * of ` 0.07 Lacs to ` 1.21 Lacs
Others					
IBM India Pvt Ltd	-	2.93	35.90	12.50%	16 quarterly instalments * of ` 10.86 Lacs
Magma Fincorp Ltd	-	-	45.34	16.10%	18 monthly instalments * of ` 9.43 Lacs
Total Loan (a)	**6588.67**	**3920.69**	**5648.16**		
Fixed deposits (b)	**2442.58**	**1530.20**	**1126.14**	9.50% to 11.00% based on period of deposit	12 months to 36 months
Grand Total (a)+(b)	**9031.25**	**5450.89**	**6774.30**		

***Includes Interest portion**

A Term Loans from Banks BOB, SBI (including SBT now merged with SBI) and EXIM Bank - ` 1,949.14 Lacs (As at March 31, 2017 ` 3,696.80 Lacs, As at April 1, 2016 ` 5,370.13 Lacs) are secured by way of Mortgage on immovable properties and hypothecation on movable properties of the Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant) (1st charge)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (1st charge)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (1st charge).

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI) (2nd charge)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge)

(viii) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (1st charge)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P. (1st charge)

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 1st charge)

B Above term loans are also secured by mortgage and hypothecation on immovable and movable properties of the Company situated at Bareilly, Parsakhera Industrial Area, U.P. (New Land - F-12) (Leased Property)

C The Term Loan from IndusInd Bank - ` 4,400.63 Lacs (As at March 31, 2017 Nil, As at April 1, 2016 Nil) is secured by way of 1st charge over the following immovable fixed assets of the company, both present and future:

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant)

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(viii) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P.

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 1st charge)

(xii) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats)

D The above Term Loans are also secured by way of Hypothecation on entire current assets of the Company on 2nd pari-passu charge basis.

E Vehicle loans are secured by hypothecation of vehicles.

F The Term Loan are secured by Corporate Guarantee by Majestic Farm House Ltd., Padm Complex Ltd. and Volute Constructions Ltd. The Credit Facilities of IndusInd Bank are also secured by Corporate Guarantee by Majestic Farm House Ltd. and Vadilal Enterprises Ltd.

Collateral / Additional Securities by Group Companies

A Existing Term Loan from SBI of ` 21 crores and Corporate Loan of ` 20 crores from BOB and new Term Loan of ` 60 Crores availed/to be availed from IndusInd Bank are also secured by way of Mortgage on immovable properties of Majestic Farm House Ltd. as Collateral / Additional Securities situated at the following place by way of 1st charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge)

(` in Lacs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-21 OTHER FINANCIAL LIABILITIES				
Non Current				
Financial Guarantee Liabilities (Refer Note-46)		48.49	24.53	0.68
	Total	**48.49**	**24.53**	**0.68**
NOTE-22 PROVISIONS				
Non Current				
Provision for Employee Benefits				
Gratuity (Refer Note-47)		128.34	154.97	133.06
	Total	**128.34**	**154.97**	**133.06**
NOTE-23 DEFERRED TAX LIABILITY (NET)				
Deferred Tax Liabilities		2,631.12	2,546.26	2,416.13
Deferred Tax Assets		(539.38)	(747.34)	(971.70)
	Total	**2,091.74**	**1,798.92**	**1,444.43**

Movement in Deferred Tax Liabilities and Assets

Movement during the year ended March 31, 2017	As at April 1, 2016	Charge/ (Credit) in statement of Profit and Loss	Charge/ (Credit) in Other Comprehensive Income	MAT Utilization/ Short / Excess Provision	As at March 31, 2017
Deferred Tax Liabilities / (Assets)					
Property, plant and equipments	2,263.98	134.66			2,398.64
Investments	7.15	0.40			7.55
Expenditure allowed in the year of payment	(97.25)	(18.81)			(116.06)
Provision for doubtful debts & advances	(15.26)	(5.07)			(20.33)
Government Grant	(222.88)	(35.47)			(258.35)
Discounting of security deposit to present value and corresponding impact on other expenses	135.02	(0.20)			134.82
Discounting of security deposit to present value and corresponding impact on interest income	(151.04)	(2.68)			(153.72)
Increase in borrowing cost pursuant to application of EIR	9.38	(4.13)			5.25
Effect of measuring corporate guarantee liability	(2.10)	(9.04)			(11.14)
Others	0.60	15.14	(15.74)		-
MAT Credit Entitlements (Net)	(483.17)			295.43	(187.74)
Total	**1,444.43**	**74.80**	**(15.74)**	**295.43**	**1,798.92**

Movement during the year ended March 31, 2018	As at April 1, 2017	Charge/ (Credit) in statement of Profit and Loss	Charge/ (Credit) in Other Comprehensive Income	MAT Utilization/ Short / Excess Provision	As at March 31, 2018
Deferred Tax Liabilities / (Assets)					
Property, plant and equipments	2,398.64	38.25			2,436.89
Investments	7.55	(0.44)			7.11
Expenditure allowed in the year of payment	(116.06)	11.65			(104.41)
Provision for doubtful debts & advances	(20.33)	(0.76)			(21.09)
Government Grant under EPCG	(258.35)	26.74			(231.61)
Discounting of security deposit to present value and corresponding impact on other expenses	134.82	(13.22)			121.60
Discounting of security deposit to present value and corresponding impact on interest income	(153.72)	10.33			(143.39)
Increase in borrowing cost pursuant to application of EIR	5.25	60.27			65.52
Effect of measuring corporate guarantee liability	(11.14)	(11.45)			(22.59)
Others	-	9.81	(9.81)		-
MAT Credit Entitlements (Net)	(187.74)			171.45	(16.29)
Total	**1,798.92**	**131.18**	**(9.81)**	**171.45**	**2,091.74**

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-24 OTHER LIABILITIES			
Non Current			
Deferred Govt. Grant	698.35	678.56	578.79
Total	**698.35**	**678.56**	**578.79**
NOTE-25 BORROWINGS			
Current			
Secured-at amortised Cost			
Working Capital Loans from Banks	1,960.20	4,648.68	3,989.63
	1,960.20	**4,648.68**	**3,989.63**
Unsecured-at amortised Cost			
Working Capital Loans (Unsecured)	2,337.57	800.00	-
Foreign Currency Loan (Buyers Credit)	-	-	49.36
Loans from Related Parties (Note-46)	-	-	151.07
Public Fixed Deposits	295.05	234.70	222.03
Inter Corporate Deposits from related parties (Note-46)	-	218.85	-
Inter Corporate Deposits from others	674.00	512.00	985.75
Book Overdraft in current account with Banks	38.34	46.24	29.45
	3,344.96	**1,811.79**	**1,437.66**
Total	**5,305.16**	**6,460.47**	**5,427.29**

A Working Capital facilities from Consortium Banks, namely, BOB, SBI (including SBT now merged with SBI), IDBI and Exim Bank aggregating to ` 65.28 crores (enhanced from ` 45.25 crores) and additional Working Capital Facilities aggregating to ` 5.75 crores from BOB are secured by way of Mortgage on immovable properties and hypothecation on movable properties of the Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant) (2nd charge)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (2nd charge)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (2nd charge)

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (2nd charge)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI) (1st charge)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge)

(viii) Movable Properties situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (2nd charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (2nd charge)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P. (2nd charge)

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 2nd charge)

(xii) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats) (1st charge)

B The above Working Capital facilities are also secured by way of Hypothecation on entire current assets of the Company on 1st pari-passu charge basis.

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

D The cash credit loan is repayable on demand and carries interest @ 11.05 % to 13.20 %

E The Working Capital loan (Unsecured) is repayable on demand and carries interest @ 10.00 % to 11.85 %.

F Loans and Advances from Related Parties are repayable on demand and carry interest @ 10.50 %

G Inter corporate deposits are repayable between 60 days to 200 days and carry Interest @ 10.00 % to 14.00 %

H Fixed deposits are repayable for less than 12 months and carry interest @ 8.00 % to 9.00 %.

Collateral / Additional Securities by Group Companies

A Working Capital facilities from Consortium Banks, namely, BOB, SBI, IDBI and Exim Bank and additional Working Capital Facilities from BOB are also secured by way of Mortgage on immovable properties of [***** Majestic Farm House Ltd. by way of 2nd charge on pari-passu basis], [# Padm Complex Ltd. & Volute Constructions Ltd. by way of exclusive charge on pari-passu basis] and [@ Vadilal Cold Storage by way of 2nd charge on pari-passu basis] as Collateral / Additional Securities situated at the following places :-

***** Unit – II (D-22, D-23, F-11/14/15), Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge) (Leased Property)

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

@ Gomtipur, Ahmedabad (1st charge) (Leased Property)

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-26 TRADE PAYABLES			
Due to Micro, Small and Medium Enterprises-Refer Note (A)	475.27	632.95	544.64
Due to Others (Refer Note-46)	7,157.25	7,646.13	6,487.53
Total	**7,632.52**	**8,279.08**	**7,032.17**

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.

A	i) Principal amount remaining unpaid at the end of the accounting year	475.27	632.95	544.64
	ii) Interest due on above	Nil	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	Nil
C	The amount of interest accrued and remaining unpaid at the end of the financial year	Nil	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	Nil
E	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	Nil	Nil	Nil

NOTE-27 OTHER FINANCIAL LIABILITIES			
Current			
Current maturities of long-term debt (Note-20)			
From Banks (Secured)	1,231.03	1,702.50	1,560.40
From Financial Institution (Secured)	-	-	200.00
From Others (Unsecured)	-	2.93	78.31
Public Fixed Deposits	511.78	290.72	380.24
Interest Accrued	174.39	122.14	148.51
Unclaimed Dividends* (Note-13)	21.07	21.22	18.79
Unclaimed Deposits and Interest accrued thereon*	17.54	15.00	15.82
Financial Guarantee Liabilities	16.83	7.68	5.38
Payable for Capital Goods	356.13	362.66	376.37
Security Deposits from Customers	123.74	960.37	864.89
Others	1.18	-	1.40
Total	**2,453.69**	**3,485.22**	**3,650.11**

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

(` in Lacs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-28 OTHER LIABILITIES				
Current				
Statutory Remittances		291.40	396.60	534.11
Advances Received from Customers		17.54	9.91	26.80
Other Liabilities		148.97	130.60	168.57
Deferred Govt. Grant		53.07	85.87	86.82
	Total	**510.98**	**622.98**	**816.30**
NOTE-29 PROVISIONS				
Current				
Provision for Employee Benefits				
Gratuity (Refer Note-47)		82.96	64.31	54.18
Compensated Absences		156.77	100.72	86.43
	Total	**239.73**	**165.03**	**140.61**
NOTE-30 TAX LIABILITIES (NET)				
Current				
Income Tax Payable (Net of Advance Tax)		-	28.03	80.40
	Total	**-**	**28.03**	**80.40**

(` in Lacs)

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
NOTE-31 REVENUE FROM OPERATIONS			
Sale of Products			
Finished goods (Refer Note-46)		51,557.82	47,795.32
Currency		377.01	399.18
Sale of Services			
Income from Money Changing Business		7.84	6.72
Other Operating Revenues			
Export Licenses		290.49	148.87
Scrap Sales		71.31	88.01
	Total	**52,304.47**	**48,438.10**
NOTE-32 OTHER INCOME			
Interest Income (Refer Note-46)		60.54	56.95
Financial Guarantee Commission Income		15.87	9.60
Gain on Fair Value of Current Investment		-	1.15
Grant Income		86.15	88.38
Dividend income on long term Investment		-	0.13
Net gain on Foreign Currency translations and transactions		21.00	0.01
Share of Profit of Partnership Firm (Refer Note-46)		4.33	-
Profit on sale of investment		-	2.77
Gain / (Loss) on disposal of Property, Plant & Equipment		-	15.82
Excess Provision written back		99.91	126.75
Miscellaneous Income		29.10	2.68
Diminution written back of Non Current Investments (Refer Note-43)		135.04	-
Provision for Doubtful Advance written back		1.10	-
	Total	**453.04**	**304.24**
NOTE-33 COST OF MATERIALS CONSUMED			
Inventory at the beginning of the year		7,137.43	4,744.30
Add : Purchases		27,883.37	28,443.39
Less: Inventory at the end of the year		6,203.47	7,137.43
	Total	**28,817.33**	**26,050.26**

(` in Lacs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
NOTE-34 PURCHASE OF TRADED GOODS		
Processed Food	104.76	-
Dairy Products	103.94	58.48
Others	3.86	11.56
Currency	373.78	396.43
Total	**586.34**	**466.47**
NOTE-35 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE		
Inventories at beginning of the year		
Finished Goods	4,439.92	4,123.12
	4,439.92	4,123.12
Inventories at end of the year		
Finished Goods	3,023.36	4,439.92
	3,023.36	4,439.92
Total	**1,416.56**	**(316.80)**
NOTE-36 EMPLOYEE BENEFIT EXPENSES		
Salary, Wages, Allowances and Bonus etc. (Refer Note-46)	2,801.02	2,283.54
Contribution to Provident and Other funds (Refer Note-47)	191.01	145.23
Staff Welfare Expenses	203.31	216.03
Total	**3,195.34**	**2,644.80**
NOTE-37 FINANCE COSTS		
Interest Expense (Refer Note-46)	1,363.03	1,423.63
Other Borrowing Costs	159.16	171.99
Amortisation of ancillary borrowing costs	-	1.37
Total	**1,522.19**	**1,596.99**
NOTE-38 OTHER EXPENSES		
Job Charges	3,002.70	2,803.73
Power & Fuel	3,073.12	2,938.45
Stores and Spares Consumption	724.64	415.70
Repairs & Maintenance	678.34	552.41
Excise Duty	-	17.34
Rent	664.60	1,094.58
Freight and forwarding charges	2,498.58	2,635.29
Sales Promotion Expense	620.14	625.66
Corporate Social Responsibility Expense	16.92	12.89
Payment to Auditors (Refer details below)	25.52	38.37
Provision for Doubtful Debts	3.29	8.45
Bad Debt written off	13.41	13.28
Less : Provided in earlier years	-	13.28
	13.41	-
Provision for Doubtful Advances	-	19.49
Advances written off	-	23.65
Foreign Exchange Loss (Net)	-	25.39
Loss on Sale of Property, Plant and Equipment (Net)	2.83	-
Loss on fair value of Current Investment	1.24	-
Share of Loss of Partnership Firm	-	150.31
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery etc.) (Refer Note-46)	1,579.05	1,630.98
Total	**12,904.38**	**12,992.69**

(` in Lacs)

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
Payment to Auditors			
As Auditor			
Audit Fees		20.00	14.50
Tax Audit Fees		1.50	6.00
Limited Review		3.90	1.98
In Other Capacity			
Certification Fees		-	10.91
Taxation Matters		-	3.83
Reimbursement of expenses		0.12	1.15
	Total	**25.52**	**38.37**

NOTE-39 TAX EXPENSES

A.	**Income tax recognised in Statement of Profit and Loss:**		
	Current Tax:		
	In respect of the current year	608.05	908.76
	In respect of the prior years	-	30.81
	Total	**608.05**	**939.57**
	Deferred Tax:		
	In respect of the current year	131.17	74.81
	Total	**131.17**	**74.81**
B.	**Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below :**		
	Profit / (loss) before tax	2,223.75	2,677.57
	Income Tax Expense @ 34.608%	769.60	926.65
	Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :		
	Effect of expenses that are not deductible in determining taxable profit	6.82	63.64
	Effect of income that are not taxable	(48.24)	(8.75)
	Effect of allowances	-	(0.83)
	Others	11.04	2.86
		739.22	983.57
	Adjustments in respect of current income tax of previous year	-	30.81
	Total	**739.22**	**1,014.38**
	Tax effect on Items in Other Comprehensive Income	(9.81)	(15.74)
	Tax expense as per Statement of Profit and Loss	**729.41**	**998.64**

The company's weighted average tax rates for the year ended March 31, 2018 and March 31, 2017 are 33.24% and 37.88% respectively.

NOTE - 40 Contingent Liabilities not provided for:

(` in Lacs)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Guarantees given by the company against Borrowings given to companies in which Directors are interested is ` 5,936 Lacs (March 31, 2017 ` 3,621 Lacs; April 1, 2016 ` 2,009 Lacs) Outstanding against this as at March 31	1,806.72	1,444.31	309.20
(b)	For Excise-related to matter decided in favour of the company, against which Excise Dept. has preferred an appeal	43.00	8.86	8.86
(c)	For Income Tax-which is disputed by the company and against which company has preferred appeal, based on the demand notices raised by Income Tax Dept. and received by the company.	31.01	33.15	3.50
(d)	For Income Tax-against which Income Tax dept. has preferred appeal	111.65	111.65	169.77

(` in Lacs)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(e)	In respect of erstwhile Vadilal Financial Services Limited (VFSL) Income Tax Demand (including interest) for which the company has preferred an appeal.	1.93	1.93	1.93
(f)	For Sales Tax-Disputed by the company and against which company has preferred an appeal	188.81	170.53	116.42
(g)	For Other Matters	10.46	8.71	16.55
(h)	Differential amount of custom / excise duty in respect of machinery purchased under EPCG Scheme	531.28	462.44	461.24
(i)	Liability in respect of Bill Discounted with Third Party	-	1,312.81	1,924.47
(j)	Letter of credits and bank guarantees issued by banks and outstanding as on March 31, 2018	450.16	709.27	925.31
	Total	**3,175.02**	**4,263.66**	**3,937.25**

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

Future Cash Outflow in respect of (h) above depends if company is unable to fulfill export obligations between 2018-19 to 2030-31 of ` 3,545.44 (March 31, 2017 ` 3,133.30 Lacs), (April 1, 2016 ` 3,280.07), for import made between the year of 2006-07 to 2017-18. The fulfillment of export obligation is considered on the basis of license claimed at the time of export.

Future Cash Outflow in respect of (i) above depends if Vendors are unable to fulfill the liability.

NOTE - 41

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

NOTE - 42 Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for as on March 31, 2018:

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, Plant & Equipments	400.11	635.29	113.68
Total	**400.11**	**635.29**	**113.68**

NOTE - 43 Disclosure as per Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Amount outstanding:

(` in Lacs)

Name of Party	Relationship	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments				
Vadilal Industries USA (Inc.)	Subsidiary Company	136.41	1.36	1.36
Vadilal Cold Storage	Partnership Firm	140.00	140.00	140.00
Loans				
Vadilal Industries USA (Inc.)	Subsidiary Company	250.00	-	-
Vadilal Cold Storage	Partnership Firm	31.95	27.62	177.93

Maximum outstanding during the year:

(` in Lacs)

Name of Party	Relationship	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments				
Vadilal Industries USA (Inc.)	Subsidiary Company	136.41	1.36	1.36
Vadilal Cold Storage	Partnership Firm	140.00	140.00	140.00
Loans				
Vadilal Industries USA (Inc.)	Subsidiary Company	250.00	-	-
Vadilal Cold Storage	Partnership Firm	31.95	177.93	177.93

Company has made investment in equity of overseas subsidiary company for ` 136.41 Lacs. During the year Subsidiary Company has made a profit of ` 265.30 Lacs (` 240.68 Lacs in the year 2016-17 and ` 25.74 Lacs in the year 2015-16) and net accumulated profit as at March 31, 2018 is ` 151.74 (net accumulated loss ` 113.55 Lacs as at March 31, 2017 and ` 354.24 Lacs as at April 1, 2016). In view of long term involvement and improvement in financial performance of subsidiary, the company considers that the exposure and Trade Receivable from the subsidiary amounting to ` 1,540.42 Lacs as at March 31, 2018 (` 678.70 Lacs as at March 31, 2017 and ` 290.56 Lacs as at April 1, 2016) will be fully realisable.

NOTE - 44 Financial Instruments

I Capital Management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to stakeholder. The Capital structure of the company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholder. 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 20 and 25 off set by cash and bank balances) and total equity of the Company.

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

Gearing Ratio

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Debt *	14,147.07	11,896.18	12,174.48
Less: Cash and cash Equivalents	106.05	122.19	90.67
Net Debt	14,041.02	11,773.99	12,083.81
Total Equity excluding Revaluation Reserve	9,781.58	8,423.73	6,898.43
Net Debt to equity ratio	**143.55%**	**139.77%**	**175.17%**

* Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in notes 20 and 25.

II Category-wise classification of financial instruments

Financial Assets & Financial Liabilities as at March 31, 2018 **(` in Lacs)**

Particulars		Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets				
Investments		14.90	276.69	291.59
Loans		-	297.59	297.59
Trade receivables		-	4,523.56	4523.56
Cash and Cash Equivalents		-	106.05	106.05
Bank balances other than cash and cash Equivalents		-	211.67	211.67
Other Financial Assets		-	693.25	693.25
	Total	**14.90**	**6108.81**	**6123.71**
Financial Liabilities				
Borrowings		-	14,147.07	14147.07
Trade Payable		-	7,632.52	7632.52
Other Financial Liabilities		-	759.37	759.37
	Total	**-**	**22538.96**	**22538.96**

Financial Assets & Financial Liabilities as at March 31, 2017 (` in Lacs)

Particulars		Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets				
Investments		16.14	141.64	157.78
Loans		-	41.24	41.24
Trade receivables		-	1,442.65	1,442.65
Cash and Cash Equivalents		-	122.19	122.19
Bank balances other than cash and cash Equivalents		-	212.36	212.36
Other Financial Assets		-	610.93	610.93
	Total	**16.14**	**2,571.01**	**2,587.15**
Financial Liabilities				
Borrowings		-	11,896.18	11,896.18
Trade Payable		-	8,279.08	8,279.08
Other Financial Liabilities		-	1,513.60	1,513.60
	Total	**-**	**21,688.86**	**21,688.86**

Financial Assets & Financial Liabilities as at April 1, 2016 (` in Lacs)

Particulars		Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets				
Investments		26.36	141.64	168.00
Loans		-	189.27	189.27
Trade receivables		-	2,292.05	2292.05
Cash and Cash Equivalents		-	90.67	90.67
Bank balances other than cash and cash Equivalents		-	236.62	236.62
Other Financial Assets		-	539.26	539.26
	Total	**26.36**	**3,489.51**	**3,515.87**
Financial Liabilities				
Borrowings		-	12,174.48	12,174.48
Trade Payable		-	7,032.17	7,032.17
Other Financial Liabilities		-	1,431.84	1,431.84
	Total	**-**	**20,638.49**	**20,638.49**

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

(` in Lacs)

Particulars	Fair value	Fair value hierarchy		
		Quoted Price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2018				
Investments at fair value through profit and loss	14.90	1.73	-	13.17
As at March 31, 2017				
Investments at fair value through profit and loss	16.14	2.97	-	13.17
As at April 1, 2016				
Investments at fair value through profit and loss	26.36	1.83	-	24.53

III Financial risk management objective

The Company's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other financial assets.

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risks.

The company's senior management has the overall responsibility for establishing and governing the company's risk management framework. The company has constituted a Risk management committee, which is responsible for developing and monitoring

the company's risk management policies. The company's risk management policies are established to identify and analyse the risks faced by the company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the company.

A. Management of Market Risk

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

- Foreign Currency risk
- Equity price risk
- Interest rate risk

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

(i) Currency risk management

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk :

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(a) Derivatives instruments

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Forward contract to sell CAD			
No. of contracts	NIL	NIL	2
In CAD			89,720
In INR			45,80,206
Forward contract to sell GBP			
No. of contracts	NIL	4	NIL
In GBP		1,00,387	
In INR		81,18,297	

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Liabilities (Foreign currency)			
In US Dollars (USD)	94,014.00	37,961.56	23,748.00
In Canadian Dollars (CAD)	-	265.00	-
In Great Britain Pound (GBP)	-	-	3,102.65
In Euro (EUR)	6,300.00	-	65,857.28
In Australian Dollars (AUD)	7,800.00	10,400.00	-
In Dirham (AED)	7,590.00	-	-
Assets (Foreign currency)			
In US Dollars (USD)	32,91,319.00	14,68,711.00	8,07,267.28
In Canadian Dollars (CAD)	55,764.00	40,257.50	-
In Great Britain Pound (GBP)	-	-	26,864.60
In Euro (EUR)	19,847.00	-	-
In Australian Dollars (AUD)	-	-	-
In Dirham (AED)	-	-	-

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Liabilities (INR)			
In US Dollars (USD)	61.15	24.61	15.75
In Canadian Dollars (CAD)	-	0.13	-
In Great Britain Pound (GBP)	-	-	2.95
In Euro (EUR)	5.08	-	49.45
In Australian Dollars (AUD)	3.90	5.16	-
In Dirham (AED)	1.34	-	-
Assets (INR)			
In US Dollars (USD)	2,140.67	952.17	535.46
In Canadian Dollars (CAD)	28.11	19.58	-
In Great Britain Pound (GBP)	-	-	25.54
In Euro (EUR)	16.00	-	-
In Australian Dollars (AUD)	-	-	-
In Dirham (AED)	-	-	-

Foreign currency sensitivity analysis

The following table details, Company's sensitivity to a 1% increase and decrease in the rupee against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding not hedged on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rate.

A change of 1% in Foreign currency would have following Impact on profit before tax and total equity.

(` in Lacs)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
USD	20.80	(20.80)	9.28	(9.28)
CAD	0.28	(0.28)	0.19	(0.19)
GBP	-	-	-	-
EURO	0.11	(0.11)	-	-
AUD	(0.04)	0.04	(0.05)	0.05
AED	(0.01)	0.01	-	-
Increase / decrease in profit & loss	21.14	(21.14)	9.42	(9.42)

(ii) Price Risk (Equity Price Risk)

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity Analysis

The table below summarizes the impact of increases / decreases of the BSE index on the Company's equity and Gain / Loss for the period. The analysis is based on the assumption that the index has increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

A change of 5% in market index would have following Impact on profit before tax

(` in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
BSE Index 100 - Increase by 5%	0.09	0.15
BSE Index 100 - Decrease by 5%	(0.09)	(0.15)

The above referred sensitivity pertains to quoted equity investments. Profit for the year would increase/decrease as a result of gains / losses on equity securities as at Fair Value through Profit and Loss (FVTPL).

(iii) Interest rate risk

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

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

Exposure to interest rate risk

Interest rate sensitivity

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

(` in Lacs)

Particulars	Increase/Decrease in basic points	Effect on PBT
As at March 31, 2018	100 bps	59.05
As at March 31, 2017	100 bps	29.23

B. Management of Credit Risk

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

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

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

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

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

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
0-3 months	4,219.45	1,329.99	2,157.41
3-6 months	234.69	54.79	84.86
6-12 months	18.58	20.46	32.39
More than 12 months	50.84	37.41	17.39
Total	**4,523.56**	**1,442.65**	**2,292.05**

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

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Allowances	**19.06**	**23.89**
Add: Additional Allowances made	3.29	8.45
Less: Actual Write off during the year (net of recovery)	-	13.28
Closing Allowances	**22.35**	**19.06**

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

C. Management of Liquidity Risk

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

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

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

Exposure as at March 31, 2018 **(` in Lacs)**

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	7,047.97	7,099.10	-	14,147.07
Trade Payable	7,632.52	-	-	7,632.52
Other Financial Liabilities	710.88	48.49	-	759.37
Total Financial Liabilities	**15,391.37**	**7,147.59**	-	**22,538.96**

Exposure as at March 31, 2017 **(` in Lacs)**

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	8,456.62	3,439.56	-	11,896.18
Trade Payable	8,279.08	-	-	8,279.08
Other Financial Liabilities	1,489.07	24.53	-	1,513.60
Total Financial Liabilities	**18,224.77**	**3,464.09**	-	**21,688.86**

Exposure as at April 1, 2016 **(` in Lacs)**

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	7,646.24	4,528.24	-	12,174.48
Trade Payable	7,032.17	-	-	7,032.17
Other Financial Liabilities	1,431.16	0.68	-	1,431.84
Total Financial Liabilities	**16,109.57**	**4,528.92**	-	**20,638.49**

Financial Arrangements

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

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Expiring within one year (Bank overdraft and other facilities)	2,990.15	542.67	1,366.58
Expiring beyond one year (Bank loans)	1,599.37	-	-

NOTE - 45 Earnings per Share (EPS) as per Indian Accounting Standard 33:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year attributable to owners of the Company (` in Lacs)	1,484.53	1,663.19
Weighted average number of Equity Shares (in Lacs)	71.88	71.88
Earning per Equity Share (Basic & Diluted)	20.65	23.14

NOTE - 46 Related Party Transactions as per Indian Accounting Standard 24:

The disclosure in pursuance to Indian Accounting Standard-24 on "Related Party Disclosures" is as under:

(a) Name of Related Parties & Relationship

Sr. No.	Name	Description of Relationship
1	Vadilal Industries (USA) Inc.	Wholly owned subsidiary company
2	Vadilal Cold Storage	Partnership firm where company has 98% Ownership Interest
3	Rajesh R. Gandhi	Key Managerial Personnel
4	Devanshu L. Gandhi	Key Managerial Personnel
5	Kalpit R. Gandhi	Key Managerial Personnel
6	Ruchita Gurjar	Key Managerial Personnel
7	Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
8	Vadilal International Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
9	Veronica Construction Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
10	Padm Complex Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
11	Majestic Farm House Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
12	Volute Construction Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
13	Byad Packaging Industries Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
14	Vadilal Marketing Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
15	Vadilal Chemicals Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
16	Mamta R. Gandhi	Relative of Key Managerial Personnel
17	Deval D. Gandhi	Relative of Key Managerial Personnel
18	Aakansha D. Gandhi	Relative of Key Managerial Personnel

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

(` in Lacs)

Transaction	Total	Subsidiary	Control Exists	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person or relatives of Key Managerial Personnel
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Sales						
Vadilal Enterprises Ltd.	44,327.07					44,327.07
P.Y.	*(47,366.27)*					*(47,366.27)*
Vadilal Industries (USA) Inc.	2,367.44	2,367.44				
P.Y.	*(1,055.73)*	*(1,055.73)*				
Veronica Construction Pvt. Ltd.	74.96					74.96
P.Y.	*(108.75)*					*(108.75)*
(b) Purchases						
Veronica Construction Pvt. Ltd.	142.70					142.70
P.Y.	-					-
Vadilal Chemicals Ltd.	14.73					14.73
P.Y.	*(10.17)*					*(10.17)*
(c) Hire Charges / Rent Expense						
Vadilal Cold Storage	*27.61*		*27.61*			
P.Y.	*(29.05)*		*(29.05)*			
(d) Rent Income						
Vadilal Enterprises Ltd.	-					
P.Y.	*(0.90)*					*(0.90)*

(1)	(2)	(3)	(4)	(5)	(6)	(7)
(e) Interest Paid						
Veronica Construction Pvt. Ltd.	-					
P.Y.	*(1.60)*					*(1.60)*
Byad Packaging Industries Pvt. Ltd.	5.38					5.38
P.Y.	*(5.68)*					*(5.68)*
Vadilal Marketing Pvt. Ltd.	27.71					27.71
P.Y.	*(4.52)*					*(4.52)*
Devanshu L. Gandhi	1.82			1.82		
P.Y.	*(10.66)*			*(10.66)*		
Rajesh R. Gandhi	-			-		
P.Y.	*(1.06)*			*(1.06)*		
Kalpit R. Gandhi	-			-		
P.Y.	*(1.08)*			*(1.08)*		
Deval D. Gandhi	2.13				2.13	
P.Y.	-				-	
(f) i) Managerial Remuneration						
Rajesh R. Gandhi	117.67			117.67		
P.Y.	*(123.85)*			*(123.85)*		
Devanshu L. Gandhi	117.67			117.67		
P.Y.	*(123.82)*			*(123.82)*		
ii) Remuneration						
Kalpit R. Gandhi	29.91			29.91		
P.Y.	*(26.97)*			*(26.97)*		
Ruchita Gurjar	10.02			10.02		
P.Y.	*(6.55)*			*(6.55)*		
Mamta R. Gandhi	7.70				7.70	
P.Y.	*(6.82)*				*(6.82)*	
Aakansha D. Gandhi	1.20				1.20	
P.Y.	-				-	
(g) Interest Income						
Vadilal International Pvt. Ltd.	6.00					6.00
P.Y.	*(6.00)*					*(6.00)*
Vadilal Industries USA (Inc.)	8.15					8.15
P.Y.	-					-
(h) Share of Profit in partnership Firm						
Vadilal Cold Storage	4.33		4.33			
P.Y.	*(-150.31)*		*(-150.31)*			
(i) Royalty Expense						
Vadilal International Pvt. Ltd.	22.28					22.28
P.Y.	*(20.19)*					*(20.19)*
(j) Loan or Deposits Received						
Vadilal Marketing Pvt. Ltd.	106.00					106.00
P.Y.	*(245.00)*					*(245.00)*
Byad Packaging Industries Pvt. Ltd.	59.00					59.00
P.Y.	-					-
Devanshu L. Gandhi	61.00			61.00		
P.Y.	*(173.00)*			*(173.00)*		
Rajesh R. Gandhi	-			-		
P.Y.	*(77.00)*			*(77.00)*		
Kalpit R. Gandhi	-			-		
P.Y.	*(78.00)*			*(78.00)*		
Deval D. Gandhi	*50.00*				50.00	
P.Y.	-				-	

(1)	(2)	(3)	(4)	(5)	(6)	(7)
(k) Loan or Deposits Repaid						
Veronica Construction Pvt. Ltd.	-					-
P.Y.	*(33.12)*					*(33.12)*
Byad Packaging Industries Pvt. Ltd.	59.00					59.00
P.Y.	*(54.11)*					*(54.11)*
Vadilal Marketing Pvt. Ltd.	324.85					324.85
P.Y.	*(26.15)*					*(26.15)*
Devanshu L. Gandhi	61.00			61.00		
P.Y.	*(236.85)*			*(236.85)*		
Rajesh R. Gandhi	-			-		
P.Y.	*(77.00)*			*(77.00)*		
Kalpit R. Gandhi	-			-		
P.Y.	*(78.00)*			*(78.00)*		
Deval D. Gandhi	50.00				50.00	
P.Y.	-				-	
(l) Loan Given						
Vadilal Industries USA (Inc.)	250.00	250.00				
P.Y.	-	-				
Balance outstanding at year end:						
Investments						
Vadilal Industries (USA) Inc.	136.41	136.41				
P.Y.	*(1.36)*	*(1.36)*				
Vadilal Cold Storage	140.00		140.00			
P.Y.	*(140.00)*		*(140.00)*			
Majestic Farm House Ltd.	3.68					3.68
P.Y.	*(3.68)*					*(3.68)*
Trade Receivable						
Vadilal Enterprises Ltd.*	2,442.63					2,442.63
P.Y.	*(342.17)*					*(342.17)*
Vadilal Industries (USA) Inc.	1,540.42	1,540.42				
P.Y.	*(678.70)*	*(678.70)*				
Interest Receivable						
Vadilal International Pvt. Ltd.	5.40					5.40
P.Y.	*(5.40)*					*(5.40)*
Loans & Advances Given						
Vadilal International Pvt. Ltd.	600.00					600.00
P.Y.	*(600.00)*					*(600.00)*
Vadilal Cold Storage	31.95		31.95			
P.Y.	*(29.03)*		*(29.03)*			
Majestic Farm House Pvt. Ltd.	4.48					4.48
P.Y.	*(4.20)*					*(4.20)*
Loan or Deposits Taken						
Vadilal Marketing Pvt. Ltd.	-					-
P.Y.	*(218.85)*					*(218.85)*
Security Deposits Taken						
Vadilal Enterprises Ltd.	-					-
P.Y.	*(560.00)*					*(560.00)*
Trade Payable						
Vadilal International Pvt. Ltd.	*4.87*					*4.87*
P.Y.	*(4.55)*					*(4.55)*
Vadilal Cold Storage	*2.57*		*2.57*			
P.Y.	-		-			
Vadilal Chemicals Ltd.	*1.28*					*1.28*
P.Y.	*(1.72)*					*(1.72)*

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Corporate Guarantee Given						
Vadilal Enterprises Ltd.	5,936.00					5,936.00
P.Y.	*(3,621.00)*					*(3,621.00)*
Corporate Guarantee Taken						
Majestic Farm House Pvt. Ltd.	25,503.00					25,503.00
P.Y.	*(18,503.00)*					*(18,503.00)*
Vadilal Enterprises Ltd.	1,050.00					1,050.00
P.Y.	*(800.00)*					*(800.00)*
Personal Guarantee Taken						
Directors	10,489.00			10,489.00		
P.Y.	*(12,040.00)*			*(12,040.00)*		

Notes

1) Previous Year's transaction of Sales and Outstanding of Trade Receivables are inclusive of VAT / CST.

2) * Outstanding balances are shown net of Acceptance.

3) Previous Year figures are shown in bracket.

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

Compensation to Key Managerial Personnel of the Company:

(` in Lacs)

Nature of Benefits	For the year ended March 31, 2018	For the year ended March 31, 2017
Short Term Employee Benefits	392.91	305.59
Post Employment Gratuity Benefits*	36.10	23.72
Total	**429.01**	**329.31**

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

NOTE - 47 Employee Benefits

I Post Employment Benefit Plans as per Indian Accounting Standard 19:

Defined Contribution Plan:

The company makes provident fund (PF) contributions to defined contribution benefit plans for eligible employees. Under the scheme the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions specified under the law are paid to the government authorities (PF commissioner).

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note 36 ` 103.27 Lacs (Previous Year: ` 91.18 Lacs).

Defined Benefit Plan:

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

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

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

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

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

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

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

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

a) Movement in present value of defined benefit obligation are as follows : **(` in Lacs)**

Particulars	Gratuity	
	As at March 31, 2018	As at March 31, 2017
Obligations at the beginning of the year	**399.02**	**318.99**
Current service cost	27.25	21.96
Past service cost	20.43	-
Interest cost	29.09	24.88
Actuarial (gain) / loss-due to changes in Demographic Assumptions	2.00	(10.98)
Actuarial (gain) / loss-due to changes in Financial Assumptions	(15.74)	17.31
Actuarial (gain) / loss-due to Experience Adjustments	40.32	37.41
Benefits paid	(18.58)	(10.55)
Present value of benefit obligation at the end of the year	**483.79**	**399.02**

b) Movement in the fair value of defined plan assets are as follows : **(` in Lacs)**

Particulars	Gratuity	
	As at March 31, 2018	As at March 31, 2017
Plan assets at the beginning of the year at fair value	**179.74**	**131.76**
Interest Income	13.10	10.28
Return on plan assets excluding interest income	(1.78)	(1.75)
Contributions from the employer	100.00	50.00
Benefits paid	(18.58)	(10.55)
Plan assets at the end of the year at fair value	**272.48**	**179.74**

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, 2018	As at March 31, 2017
Present value of benefit obligation at the end of the period	483.78	399.02
Fair value of plan assets at the end of the period	(272.48)	(179.74)
Net liability / (assets) arising from defined benefit obligation	**211.30**	**219.28**

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

Gratuity	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	27.25	21.96
Net Interest Cost	15.99	14.60
Past Service Cost	20.43	-
Net impact on the Profit / (Loss) before tax	**63.67**	**36.56**
Gain / (Expense) recognised in Other Comprehensive Income		
Return on plan assets excluding actuarial return on plan assets	1.78	1.75
Actuarial (gains) / losses arising from changes in Demographic Assumption	2.00	(10.98)
Actuarial (gains) / losses arising from changes in Financial Assumption	(15.74)	17.31
Experience (gains) / losses arising on Experience Adjustments	40.32	37.41
Net expense recognised in the Other Comprehensive Income before tax	**28.36**	**45.49**

e) The defined benefit obligations shall mature after year end March 31, 2018 as follows : **(` in Lacs)**

Gratuity	As at March 31, 2018
1st Following Year	93.30
2nd Following Year	40.77
3rd Following Year	25.37
4th Following Year	32.37
5th Following Year	27.03
Sum of Years 6 To 10	206.93

f) Sensitivity Analysis

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

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Projected Benefit Obligation on Current Assumptions	483.78	399.02
Delta Effect of +1% Change in Rate of Discounting	(32.32)	(32.72)
Delta Effect of -1% Change in Rate of Discounting	37.31	38.20
Delta Effect of +1% Change in Rate of Salary Increase	34.23	37.93
Delta Effect of -1% Change in Rate of Salary Increase	(30.53)	(33.09)
Delta Effect of +1% Change in Rate of Employee Turnover	2.60	0.57
Delta Effect of -1% Change in Rate of Employee Turnover	(2.91)	(0.67)

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

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

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

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Financial Assumptions		
Discount rate	7.73%	7.29%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate		
For Service (4 years & below)	8.00%	8.00%
For Service (5 years & above)	2.00%	1.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

h) Investment details of plan assets :

To fund the obligations under the gratuity plan, Contributions are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines.

II. Other Long Term Employee Benefits

Compensated Absences

The liability towards compensated absences (leave encashment) for the year ended March 31, 2018 based on actuarial valuation carried out by using Projected Unit Credit Method is ` 156.77 Lacs . (As at March 31, 2017 : ` 100.72 Lacs)

Compensated Absences	As at March 31, 2018	As at March 31, 2017
Financial Assumptions		
Discount rate	7.73%	7.29%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate		
For Service (4 years & below)	8.00%	8.00%
For Service (5 years & above)	2.00%	1.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE - 48 Schedule of Government Grant: (Refer Note 24 & 28)			
Opening balance of Grant	764.43	665.61	25.26
Grant Received during the Year	73.14	187.20	644.02
Amortised to the statement of Profit & Loss	(86.15)	(88.38)	(3.67)
Closing balance of Grant	**751.42**	**764.43**	**665.61**
Current	53.07	85.87	86.82
Non-Current	698.35	678.56	578.79
Total	**751.42**	**764.43**	**665.61**
NOTE - 49 CSR Expenditure:			
Gross amount required to be spent by the Company during the year	40.62	24.09	13.10
Amount spent during the year			
i) for providing Medical Aid to the villagers near Pundhra Factory of the company	16.92	12.89	-
ii) On purposes other than (i) above	-	-	-
Total	**16.92**	**12.89**	**-**

NOTE - 50 First time Ind AS adoption reconciliation

Transition to Ind AS – Reconciliation

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

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

1 **Reconciliation of Balance Sheet as at April 1, 2016 (Transition Date)**

(` in Lacs)

Particulars	Note	I GAAP	Adjustment	Ind AS
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	(h),(i)	21,870.15	2,152.69	24,022.84
(b) Capital Work-in-Progress		51.54	-	51.54
(c) Investment Property	(b)	-	20.42	20.42
(d) Intangible Assets		461.63	-	461.63
(e) Financial Assets				
(i) Investments	(a),(b)	166.66	(0.49)	166.17
(ii) Loans		180.25	-	180.25
(iii) Other Financial Assets	(d)	808.94	(436.44)	372.50
(f) Non Current Tax Assets (Net)		26.28	-	26.28
(g) Other Non Current Assets	(d),(k)	505.84	(126.09)	379.75
Total Non Current Assets		24,071.29	1,610.09	25,681.38
Current assets				
(a) Inventories		9,291.56	-	9,291.56
(b) Financial Assets				
(i) Investments	(c)	1.09	0.74	1.83
(ii) Trade Receivables		2,292.05	-	2,292.05
(iii) Cash & Cash Equivalents		90.67	-	90.67
(iv) Other Balances with Banks		236.62	-	236.62
(v) Loans		9.02	-	9.02
(vi) Other Financial Assets		166.76	-	166.76
(c) Other Current Assets	(d)	451.71	33.08	484.79
Total Current Assets		12,539.48	33.82	12,573.30
Total Assets		**36,610.77**	**1,643.91**	**38,254.68**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		718.78	-	718.78
(b) Other Equity		12,090.01	1,613.81	13,703.82
Total Equity		**12,808.79**	**1,613.81**	**14,422.60**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	(g)	4,555.35	(27.11)	4,528.24
(ii) Other Financial Liabilities	(j)	-	0.68	0.68
(b) Provisions		133.06	-	133.06
(c) Deferred Tax Liabilities (Net)	(k)	1,929.16	(484.73)	1,444.43
(d) Other Non Current Liabilities	(h)	21.59	557.20	578.79
Total Non Current Liabilities		**6,639.16**	**46.04**	**6,685.20**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		5,427.29	-	5,427.29
(ii) Trade Payables		7,032.17	-	7,032.17
(iii) Other Financial Liabilities	(j)	3,644.73	5.38	3,650.11
(b) Provisions	(h)	53.79	86.82	140.61
(c) Current Tax Liabilities (Net)	(e)	188.54	(108.14)	80.40
(d) Other Current Liabilities		816.30	-	816.30
Total Current Liabilities		**17,162.82**	**(15.94)**	**17,146.88**
Total Liabilities		**23,801.98**	**30.10**	**23,832.08**
Total Equity & Liabilities		**36,610.77**	**1,643.91**	**38,254.68**

Reconciliation of Balance Sheet as at March 31, 2017

(` in Lacs)

Particulars	Note	I GAAP	Adjustment	Ind AS
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	(h),(i)	22,340.99	2,297.55	24,638.54
(b) Capital Work-in-Progress		452.23	-	452.23
(c) Investment Property	(b)	-	20.08	20.08
(d) Intangible Assets		351.56	-	351.56
(e) Financial Assets				
(i) Investments	(a),(b)	167.29	(12.48)	154.81
(ii) Loans		32.21	-	32.21
(iii) Other Financial Assets	(d)	868.28	(444.17)	424.11
(f) Non Current Tax Assets (Net)		-	-	
(g) Other Non Current Assets	(d),(k)	257.62	165.15	422.77
Total Non Current Assets		**24,470.18**	**2,026.13**	**26,496.31**
Current assets				
(a) Inventories		11,958.42	-	11,958.42
(b) Financial Assets				
(i) Investments	(c)	1.07	1.90	2.97
(ii) Trade Receivables		1,442.65	-	1,442.65
(iii) Cash & Cash Equivalents		122.19	-	122.19
(iv) Other Balances with Banks		212.36	-	212.36
(v) Loans		9.03	-	9.03
(vi) Other Financial Assets		186.82	-	186.82
(c) Other Current Assets	(d)	617.80	36.70	654.50
Total Current Assets		**14,550.34**	**38.60**	**14,588.94**
Total Assets		**39,020.52**	**2,064.73**	**41,085.25**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		718.78	-	718.78
(b) Other Equity		13,722.97	1,506.15	15,229.12
Total Equity		**14,441.75**	**1,506.15**	**15,947.90**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	(g)	3,454.75	(15.19)	3,439.56
(ii) Other Financial Liabilities	(j)	-	24.53	24.53
(b) Provisions		154.97	-	154.97
(c) Deferred Tax Liabilities (Net)	(k)	2,003.87	(204.95)	1,798.92
(d) Other Non Current Liabilities	(h)	17.92	660.64	678.56
Total Non Current Liabilities		**5,631.51**	**465.03**	**6,096.54**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		6,460.47	-	6,460.47
(ii) Trade Payables		8,279.08	-	8,279.08
(iii) Other Financial Liabilities	(j)	3,477.54	7.68	3,485.22
(b) Provisions		165.03	-	165.03
(c) Current Tax Liabilities (Net)		28.03	-	28.03
(d) Other Current Liabilities	(h)	537.11	85.87	622.98
Total Current Liabilities		**18,947.26**	**93.55**	**19,040.81**
Total Liabilities		**24,578.77**	**558.58**	**25,137.35**
Total Equity & Liabilities		**39,020.52**	**2,064.73**	**41,085.25**

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

(` in Lacs)

Particulars	Note	I GAAP	Adjustment	Ind AS
I REVENUE				
Revenue from Operations		48,438.10		48,438.10
Other Income	(a),(d),(h),(j),(c)	196.31	107.93	304.24
Total Income (I)		**48,634.41**	**107.93**	**48,742.34**
II EXPENSES				
Cost of Materials Consumed		26,050.26	-	26,050.26
Purchases of Stock-in-Trade		466.47	-	466.47
Changes in Inventories of Finished Goods and Stock-in-Trade		(316.80)	-	(316.80)
Excise Duty on Sale of Goods		1,147.02	-	1,147.02
Employee Benefits Expense	(f)	2,690.29	(45.49)	2,644.80
Finance Costs	(j),(g)	1,549.31	47.68	1,596.99
Depreciation and Amortization Expense	(h),(i)	1,441.01	42.33	1,483.34
Other Expenses	(d)	12,959.61	33.08	12,992.69
Total Expenses (II)		**45,987.17**	**77.60**	**46,064.77**
III Profit Before Tax (I-II)		**2,647.24**	**30.33**	**2,677.57**
IV Tax Expense:				
(a) Current Tax		939.57	-	939.57
(b) Deferred Tax	(k)	74.71	0.10	74.81
Total Tax Expenses (IV)		**1,014.28**	**0.10**	**1,014.38**
V Profit for the Year (III-IV)		**1,632.96**	**30.23**	**1,663.19**
Other Comprehensive Income				
(i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods:				
(a) Remeasurements of the defined benefit plans	(f)	-	(45.49)	(45.49)
(ii) Income Tax effect	(k)	-	15.74	15.74
		-	**(29.75)**	**(29.75)**
VI Total Other Comprehensive Income (i-ii)		**-**	**(29.75)**	**(29.75)**
VII Total Comprehensive Income for the year (V+VI)		**1,632.96**	**0.48**	**1,633.44**

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

(` in Lacs)

Particulars	As at March 31, 2017	As at April 1, 2016
Total Equity as per previous GAAP	**14,441.74**	**12,808.78**
Effect of measuring current investment at fair value through profit and loss (FVTPL)	1.90	0.74
Effect of measuring non current Investment at fair value through profit and loss (FVTPL)	7.60	19.93
Effect on depreciation on account of valuation of Property, Plant and Equipment	(42.33)	-
Effect of measuring security deposit at fair value	(54.61)	(46.31)
Increase in borrowing cost pursuant to application of EIR	15.19	27.12
Impact on adopting Ind AS Cost method for Property, Plant and Equipment & Revaluation in case of Land	1,508.67	1,508.67
Proposed dividend including tax on dividend	-	108.14
Effect of measuring corporate guarantee liability	(32.21)	(6.06)
Effect of amortisation of deferred govt. grant	84.71	-
Increase / (Decrease) in defined benefit cost	45.49	-
Tax impact in respect of above adjustments	1.50	1.59
Other Comprehensive Income (OCI) (Net of Tax)	(29.75)	-
Total Equity as per Ind AS	**15,947.90**	**14,422.60**

4 Reconciliation of Profit for the year ended March 31, 2017

(` in Lacs)

Particulars	Year ended March 31, 2017
Net Profit after tax under Previous IGAAP	**1,632.96**
Effect of measuring Current Investment at fair value through profit and loss (FVTPL)	1.16
Effect of measuring Non Current Investment at fair value through profit and loss (FVTPL)	(12.33)
Effect on depreciation on account of valuation of Property, Plant and Equipment	(42.33)
Increase / (Decrease) in defined benefit cost	45.49
Effect of measuring security deposit at fair value	(8.30)
Increase in borrowing cost pursuant to application of EIR	(11.93)
Effect of measuring Corporate Guarantee Liability	(26.14)
Effect of amortisation of Deferred Govt. Grant	84.71
Deferred tax in respect of above adjustments	(0.10)
Net profit after tax as per Ind AS	**1663.19**
Remeasurement of defined benefits plan	(45.49)
Tax expenses on above item	15.74
Total Comprehensive Income as per Ind AS	**1633.44**

5 Adjustments to Statement of Cash flow

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2017 as compared with the previous GAAP.

6 Notes on Reconciliation

(a) Under previous GAAP, non current investment were measured at cost less diminution in value which is other than temporary. Under Ind AS 109, investment in equity instruments are classified as FVTPL. On transition to Ind AS, these financial assets have been measured at fair value which is higher / lower than cost as per previous GAAP.

(b) Under previous GAAP, investment property was disclosed under non current investment which is now shown as per Ind AS under investment property.

(c) Under previous GAAP, current investment were measured at cost or net realisable value whichever is lower. Under Ind AS 109, investment in equity instruments are classified as FVTPL. On transition to Ind AS, these financial assets have been measured at fair value which is higher / lower than cost as per previous GAAP.

(d) Under Ind AS, security deposit given against operating lease are presented at fair value by discounting it taking lease contract period and the differential amount has been treated as advance rentals to be amortised as rent over lease period.

(e) Under previous GAAP, dividend recommended by board of directors on equity shares for the reporting period while approving financial statement, subject to its approval by members in general meeting, was being recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised as liability when declared by the members in a general meeting.

(f) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods.

(g) Under previous GAAP, upfront fees paid to the lenders is charged to statement of profit and loss as and when incurred. However, Ind AS - 109 “Financial instruments” requires long term debt to be recognised at amortised cost and upfront fees are charged on the basis of effective interest rate method.

(h) Under previous GAAP, property, plant and equipment was capitalized net of duty saved amount under EPCG scheme. Now, as per Ind AS it has been capitalized and deferred govt. grant is credited under current and non current liability.

(i) Under previous GAAP, the company had revalued freehold land, leasehold land, building and certain plant & machineries. Under Ind AS, the company has elected to apply Ind AS retrospectively to arrive at carrying value of all of its property, plant and equipments, except land, as of April 1, 2016 (transition date). Land have been valued at fair value as of April 1, 2016 (transition date).

(j) The Company has given financial guarantee on behalf of Vadilal Enterprises Limited. The Company does not charge any amount for the guarantee provided. Under Ind AS, fair value presentation has been done for the notional commission earned on corporate guarantee given on behalf of Vadilal Enterprises Limited.

(k) Consequent to adoption of Ind AS from April 1, 2016, deferred tax at applicable rates has been recognised on effect of Ind AS adoption and transition on retained earnings as at April 1, 2016 and on impact on profit for the year ended March 31, 2017 for the adjustment carried out in the statement of profit and loss.

Under previous GAAP, MAT credit entitlement was classified as other non-current assets.Under Ind AS, MAT credit entitlement is considered as part of deferred tax component.

NOTE - 51 Standards issued but not yet effective

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

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

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

Ind AS 115 - Revenue from contracts with customers

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

NOTE - 52 Previous years' figures have been regrouped and rearranged wherever necessary to comply with requirement of Ind AS.

For and on behalf of the Board of Directors

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

Devanshu L. Gandhi
Managing Director
(DIN 00010146)

Kalpit R. Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Ruchita Gurjar
Company Secretary

Place : Ahmedabad
Date : May 28, 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of Vadilal Industries Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Vadilal Industries Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

a. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ` 2692.46 lacs as at 31st March, 2018, total revenues of ` 5637.61 lacs and net cash outflows of ` 115.24 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries whose financial statements and other financial information have not been prepared in accordance with accounting principles generally accepted in India. The Parent's management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management.

Our opinion in so far as it relates to the balances and affairs of such subsidiaries is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

b. The consolidated Ind AS financial statements includes the unaudited financial statements of one subsidiary, whose financial statements reflect total assets of ` NIL as at March 31, 2018, total revenue of ` NIL and total cash inflows of ` NIL for the period ended March 31, 2018, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

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

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial information.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiary incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent, none of the directors of the Parent Company, being the only company in the Group to which requirements of Section 164(2) of the act are applicable, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent company, being the only company in the Group to which such requirements of the Act are applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of Parent Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent Company, except ` 0.15 lacs which is held in abeyance pending legal dispute, being the only company in the Group to which such requirements of the Act are applicable.

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

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

Place: Ahmedabad
Date: May 28, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF VADILAL INDUSTRIES LIMITED

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Vadilal Industries Limited (hereinafter referred to as "Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

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

Place: Ahmedabad
Date: May 28, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(` in Lacs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. ASSETS				
(1) Non Current Assets				
(a) Property, Plant and Equipment	3 (a)	25,401.36	24,724.52	24,107.56
(b) Capital Work-in-Progress	3 (b)	728.89	452.23	51.54
(c) Investment Property	3 (c)	19.74	20.08	20.42
(d) Intangible Assets	3 (d)	250.23	351.59	461.63
(e) Financial Assets				
(i) Investments	4	57.07	57.07	83.44
(ii) Loans	5	1.65	4.59	2.32
(iii) Other Financial Assets	6	703.14	471.72	390.51
(f) Non Current Tax Assets (Net)	7	5.12	1.04	34.32
(g) Other Non Current Assets	8	564.84	429.28	379.75
Total Non Current Assets		**27,732.04**	**26,512.12**	**25,531.49**
(2) Current assets				
(a) Inventories	9	10,216.36	12,276.46	9,371.24
(b) Financial Assets				
(i) Investments	10	1.73	2.98	1.83
(ii) Trade Receivables	11	4,261.45	1,089.49	2,148.69
(iii) Cash & Cash Equivalents	12	249.76	381.14	122.05
(iv) Other Balances with Banks	13	211.67	212.36	236.62
(v) Loans	14	16.94	12.14	9.02
(vi) Other Financial Assets	15	94.68	186.82	166.76
(c) Current Tax Assets (Net)	16	47.15	-	-
(d) Other Current Assets	17	1,175.07	699.73	688.18
Total Current Assets		**16,274.81**	**14,861.12**	**12,744.39**
Total Assets		**44,006.85**	**41,373.24**	**38,275.88**
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	18	718.78	718.78	718.78
(b) Other Equity	19	16,809.19	15,365.49	13,603.53
Total Equity		**17,527.97**	**16,084.27**	**14,322.31**
Non Controlling Interest		**31.91**	**31.82**	**34.89**
(2) Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	7,099.10	3,439.56	4,528.24
(ii) Other Financial Liabilities	21	48.49	24.53	0.68
(b) Provisions	22	128.34	154.97	133.06
(c) Deferred Tax Liabilities (Net)	23	2,073.22	1,798.92	1,444.43
(d) Other Non Current Liabilities	24	698.35	678.56	578.79
Total Non Current Liabilities		**10,047.50**	**6,096.54**	**6,685.20**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	25	5,305.16	6,460.47	5,427.29
(ii) Trade Payables	26	7,860.16	8,389.27	7,096.20
(iii) Other Financial Liabilities	27	2,461.84	3,485.22	3,650.11
(b) Other Current Liabilities	28	532.58	632.59	838.87
(c) Provisions	29	239.73	165.03	140.61
(d) Current Tax Liabilities (Net)	30	-	28.03	80.40
Total Current Liabilities		**16,399.47**	**19,160.61**	**17,233.48**
Total Liabilities		**26,446.97**	**25,257.15**	**23,918.68**
Total Equity and Liabilities		**44,006.85**	**41,373.24**	**38,275.88**

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
(Partner)

Place : Ahmedabad
Date : May 28, 2018

For and on behalf of the Board of Directors

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

Devanshu L. Gandhi
Managing Director
(DIN 00010146)

Kalpit R. Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Ruchita Gurjar
Company Secretary

Place : Ahmedabad
Date : May 28, 2018

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

(` in Lacs)

Particulars		Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from Operations	31	55,525.94	49,368.14
II	Other Income	32	334.76	344.58
III	**Total Income (I+II)**		**55,860.70**	**49,712.72**
IV	**Expenses:**			
	Cost of Materials Consumed	33	28,817.33	26,050.26
	Purchase of Stock-in-trade	34	1,241.83	664.02
	Changes in Inventories of Finished Goods and Stock-in-trade	35	1,193.59	(555.16)
	Excise Duty on Sale of Goods		493.24	1,147.02
	Employee Benefits Expense	36	3,920.14	2,874.25
	Finance Costs	37	1,531.49	1,598.12
	Depreciation and Amortization Expenses	3	1,612.92	1,493.07
	Other Expenses	38	14,756.16	13,512.18
	Total Expense (IV)		**53,566.70**	**46,783.76**
V	**Profit Before Tax (III-IV)**		**2,294.00**	**2,928.96**
VI	**Tax Expenses**			
	(a) Current Tax	39	622.18	947.91
	(b) Deferred Tax	39	105.48	74.81
	Total Tax Expenses		**727.66**	**1,022.72**
VII	**Profit for the Year (V-VI)**		**1,566.34**	**1,906.24**
VIII	**Profit / Loss Applicable to Non Controlling Interest**		**0.09**	**(3.07)**
IX	**Profit / Loss Attributable to Owner of Group (VII-VIII)**		**1,566.25**	**1,909.31**
X	**Other Comprehensive Income**			
	(i) Item that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans		(28.35)	(45.49)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		9.81	15.74
	Items that will be reclassified to statement of Profit and Loss			
	Exchange difference on translation on foreign operations		4.13	5.55
	Other Comprehensive Income for the Year		**(14.41)**	**(24.20)**
	Total Comprehensive Income for the Year (VII+X)		**1,551.93**	**1,882.04**
	Earning Per Share (Face Value of ` 10 each)			
	-Basic & Diluted	43	**21.79**	**26.56**

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
(Partner)

Place : Ahmedabad
Date : May 28, 2018

For and on behalf of the Board of Directors

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

Devanshu L. Gandhi
Managing Director
(DIN 00010146)

Kalpit R. Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Ruchita Gurjar
Company Secretary

Place : Ahmedabad
Date : May 28, 2018

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

Ind AS 7 :

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

(` in Lacs)

	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	**2,294.00**	**2,928.96**
	Adjustments for:		
	Depreciation and Amortisation Expense	1,612.92	1,493.07
	(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	2.83	(15.82)
	Profit on Sale of Investments	-	(2.77)
	Excess Provision Written Back	(99.91)	(126.75)
	(Gain) / Loss on Fair Value of Current Investment	1.24	(1.15)
	Financial Guarantee Commission Income	(15.87)	(9.60)
	Grant Income	(86.15)	(88.38)
	Dividend Income	-	(0.13)
	Interest Income	(65.01)	(62.69)
	Amortisation of Ancilliary Borrowing Costs	-	1.37
	Finance Costs	1,531.49	1,598.12
	Provision for Doubtful Debts	3.29	8.45
	Provision for Doubtful Advances	(1.10)	190.12
	Bad Debts Written Off	71.45	22.59
	Advances Written Off	-	23.65
	Exchange Rate Difference on Consolidation	4.13	5.55
		2,959.31	**3,035.63**
	Operating Profit before Working Capital Changes	**5,253.31**	**5,964.59**
	Changes in Working Capital:		
	(Increase) / Decrease in Inventories	2,060.10	(2,905.22)
	(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	(3,996.90)	669.54
	Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	(1,133.75)	1,493.88
	Cash Generated from Operations	**(3,070.55)**	**(741.80)**
	Income Taxes Paid	(522.82)	(671.57)
	Net Cash Generated from / (Used in) Operating Activities (A)	**1,659.94**	**4,551.22**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Capital Expenditure on Property, Plant & Equipment	(2,492.32)	(2,416.50)
	Proceeds from Sale of Property, Plant & Equipment	24.73	31.98
	Payments for Current Investments	-	(1,300.00)
	Proceeds from Sale of Current Investment	-	1,300.00
	Proceeds from Sale of Non Current Investment	-	14.13
	Interest Received	65.01	62.69
	Dividend Received	-	0.13
	Net Cash Generated from / (Used in) Investing Activities (B)	**(2,402.58)**	**(2,307.57)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from Non Current Borrowings	5,735.45	931.61
	Repayment of Non Current Borrowings	(2,329.25	(2,243.09)
	Repayment of Current Borrowings (Net)	(1,155.31)	1,033.18
	Interest Paid	(1,531.49)	(1,598.12)
	Dividend Paid (Including Tax on Dividend)	(108.14)	(108.14)
	Net Cash Generated from / (Used in) Financing Activities (C)	**611.26**	**(1,984.56)**
	Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	**(131.38)**	**259.09**
	Cash and Cash Equivalents at the beginning of the year (Note-12)	381.14	122.05
	Cash and Cash Equivalents at the end of the year (Note-12)	249.76	381.14

Notes:

1. The above Cash Flow Statement has been prepared as per 'Indirect Method' as set out in Ind AS 7 on Statement of Cash Flow.
2. Figures in brackets represents outflow.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
(Partner)

Place : Ahmedabad
Date : May 28, 2018

For and on behalf of the Board of Directors

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

Devanshu L. Gandhi
Managing Director
(DIN 00010146)

Kalpit R. Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Ruchita Gurjar
Company Secretary

Place : Ahmedabad
Date : May 28, 2018

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

(` in Lacs)

Particulars	Equity Share Capital	Other Equity							Total Other Equity	Total Equity
		Capital Reserve	Securities Premium Reserve	General Reserves	Retained Earning	Revaluation Surplus	Exchange difference on translating the financial statements of foreign operations	Items of other comprehensive income		
Balances as at April 1, 2016	**718.78**	**8.84**	**487.28**	**5,000.00**	**644.39**	**7,524.17**	**(61.15)**	**-**	**13,603.53**	**14,322.31**
Profit for the year					1,909.31				1,909.31	1,909.31
Current year transfer							5.55		5.55	5.55
Surplus of Associate withdrawn on sale of investment					(15.01)				(15.01)	(15.01)
Other Comprehensive income (Actuarial Loss net of income tax)								(29.75)	(29.75)	(29.75)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**1,894.30**	**-**	**5.55**	**(29.75)**	**1,870.10**	**1,870.10**
Payment of Dividend for the year including tax on dividend					**(108.14)**				**(108.14)**	**(108.14)**
Balances as at March 31, 2017	**718.78**	**8.84**	**487.28**	**5,000.00**	**2,430.55**	**7,524.17**	**(55.60)**	**(29.75)**	**15,365.49**	**16,084.27**
Profit for the year					1,566.25				1,566.25	1,566.25
Current year transfer							4.13		4.13	4.13
Other Comprehensive income (Actuarial Loss net of income tax)								(18.54)	(18.54)	(18.54)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**1,566.25**	**-**	**4.13**	**(18.54)**	**1,551.84**	**1,551.84**
Payment of Dividend for the year including tax on dividend					**(108.14)**				**(108.14)**	**(108.14)**
Balances as at March 31, 2018	**718.78**	**8.84**	**487.28**	**5,000.00**	**3,888.66**	**7,524.17**	**(51.47)**	**(48.29)**	**16,809.19**	**17,527.97**

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
(Partner)

Place : Ahmedabad
Date : May 28, 2018

For and on behalf of the Board of Directors

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

Devanshu L. Gandhi
Managing Director
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Director & Chief Financial Officer
(DIN 02843308)

Ruchita Gurjar
Company Secretary

Place : Ahmedabad
Date : May 28, 2018

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 GROUP INFORMATION:-

Vadilal Industries Limited is a Public Limited Company domiciled in India. Group has its registered office at Vadilal House, 53, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380009.

Group is engaged in the business of manufacturing Ice-cream, Flavored Milk, Frozen Dessert, Other Dairy Products and processing & exporting Processed Food Products, such as Frozen Fruits, Vegetable, Pulp, Ready-to-eat and Ready-to-serve products etc.

Group is having two ice-cream production facilities – one in Gujarat and the other in Uttar Pradesh.

Group is processing Frozen Fruits, Vegetables and Processed Foods at factory situated at Dharampur, Dist.Valsad, Gujarat. Group is exporting to various Countries.

Group is having RBI license under AD.II category and engaged in Money changing business. Group's shares are listed on BSE and NSE.

The consolidated financial statements comprise the financial statements of the Parent Company Vadilal Industries Limited (VIL) and the following subsidiaries / partnership entity (together referred to as "Group"):

Entity	Country of Incorporation
Subsidiaries [having 100% proportion of ownership interest]	
Vadilal Industries (USA) Inc.	U.S.A.
Vadilal Industries Pty Ltd.	Australia
Vadilal Gulf (FZE)	U.A.E.
Partnership Firm [having 98% proportion of ownership interest]	
Vadilal Cold Storage	India

The financial statements for the year ended March 31, 2018 were approved and authorised for issue by the Board of Directors on May 28, 2018.

2 SIGNIFICANT ACCOUNTING POLICIES:-

a) Statement of Compliance

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

Upto the year ended March 31, 2017, Group prepared its financial statements in accordance with generally accepted accounting principles in India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

b) Basis of Preparation of Financial Statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

c) Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Parent Company. All the amounts are stated in the nearest rupee lacs.

d) Use of Estimates

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

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

e) Basis of Consolidation

Group consolidates all entities which it controls. Control is established when Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences and until the date control ceases.

Profit and loss and each component of other comprehensive income are attributed to the owners of Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

f) Inventories

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

g) Cash and Cash Equivalents

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

h) Revenue Recognition

Sale of Goods

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

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

i) Government Grant

Government grants are not recognized until there is reasonable assurance that Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit and loss on a systematic basis over the periods in which Group recognises as expenses the related costs for which the grants are intended to compensate.

j) Property, Plant and Equipment

Property, plant & equipments are stated at actual cost (including cost of acquisition and installation) less accumulated depreciation and net of impairment, if any.

All items of property, plant and equipments are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the 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 are charged based on straight line method on estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II.

Particulars	Estimated Useful Life
Building	
1) Factory Building	28 Years
2) Others - RCC Structured	58 Years
Plant & Machinery	
1) Continuous Process	18 Years
2) Plastic Crates	5 Years
3) Others	20 Years
Vehicles	
Motor Cars	10 Years

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

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

Transition to Ind AS

For transition to Ind AS, Group has elected to apply Ind AS retrospective to arrive at carrying value of all of its property, plant and equipments, except land, as of April 1,2016 (transition date). Land have been valued at Fair Value as of April 1,2016 (transition date).

k) Intangible Assets

Intangible Assets Acquired Separately

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

Derecognition of Intangible Assets

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

Useful Lives of Intangible Assets

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

Transition to Ind AS

For transition to Ind AS, Group has elected to apply Ind AS retrospective to arrive at carrying value of all of its intangible assets.

l) Investment Property

Investment property comprise portion of office building that are held for long term yield and / or capital appreciation.

Investment property is initially recognized at cost. Subsequently investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated under the straight line method as per the rates and the useful life prescribed as per Schedule II of the Companies Act.

Though Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on value as per local body on periodic basis.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss.

m) Leasing

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

Company as a Lessee

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

n) Foreign Currencies

In preparing the financial statements of Group, the transactions in currencies other than the entity's functional currency (INR) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date and differences are recognised in statement of profit and loss. 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.

o) Employee Benefits

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

Defined Contribution Plan:

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

Defined Benefit Plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the 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.

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

1) Service costs comprising current service costs, gains and losses on curtailments and settlements; and

2) Net interest expense or income

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

Short-term Employee Benefits:

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

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

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

p) Borrowing Costs

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

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

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

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

q) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Group did not have any potential to dilutive securities in any period presented.

r) Taxation

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

Current Tax

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

Deferred Tax

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

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

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

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

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

Current and Deferred Tax for the Year

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

s) Provisions, Contingent Liabilities and Contingent Assets and Commitments

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

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

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

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

Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

t) Financial Instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification:

Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or loss arising on re-measurement recognised in profit and loss.

Initial Recognition and Measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than Financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category generally applies to trade and other receivables.

Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

Financial Asset at Fair Value Through Profit and Loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting period at fair value with all changes recognised in the statement of profit and loss.

Derecognition of Financial Assets

Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Group recognises its retained interest in the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit and loss if such gain or loss would have otherwise been recognized in profit and loss on disposal of that financial asset.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit and loss.

Derecognition of Financial Liabilities

Group derecognises financial liabilities when, and only when, Group's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

Derivative Contracts

Group enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting

gain or loss is recognized in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18

u) Impairment

Financial assets (other than at fair value)

Group assesses at each Balance sheet whether a financial asset or a group of financial assets is impaired.

Non-Financial Assets

Property, Plant and Equipment and Intangible Assets

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

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

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

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

v) Operating Cycle

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Group has identified twelve months as its operating cycle.

w) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

Key Sources of Estimation Uncertainty

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

i. Income Taxes

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

ii. Discount Rate Used to Determine the Carrying Amount of Group's Defined Benefit Obligation

As described in Note 45, in determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

iii. Useful Lives of Property, Plant and Equipment

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

iv. Allowances for Doubtful Debts

As described in Note 11, Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

v. Allowances for Inventories

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

vi. Fair Value Measurement of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Information about the fair value of various assets and liabilities are disclosed in note 42.

NOTE-3

(` in Lacs)

	Particulars	Land	Building	Leasehold Building Improve-ments	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
3 (a)	**Property, Plant and Equipment**								
	Cost or Fair Value								
	As at April 1, 2016	**7,769.66**	**4,982.84**	**17.13**	**20,163.91**	**203.38**	**569.73**	**428.74**	**34,135.39**
	Additions	-	143.70	-	1,792.79	6.82	51.93	-	1,995.24
	Disposals	**-**	**-**	**-**	34.19	**-**	15.96	11.28	61.43
	As at March 31, 2017	**7,769.66**	**5,126.54**	**17.13**	**21,922.51**	**210.20**	**605.70**	**417.46**	**36,069.20**
	Additions	-	315.48	-	1,606.42	20.86	121.89	120.36	2,185.01
	Disposals	-	7.73	-	95.31	-	17.38	38.05	158.47
	As at March 31, 2018	**7,769.66**	**5,434.29**	**17.13**	**23,433.62**	**231.06**	**710.21**	**499.77**	**38,095.74**
	Accumulated Depreciation and Impairment								
	As at April 1, 2016	**-**	**1,298.41**	**5.46**	**7,958.28**	**147.38**	**410.88**	**207.42**	**10,027.83**
	Depreciation charge for the year	-	184.10	1.80	1,064.53	10.04	64.49	37.16	1,362.12
	Disposals	-	-	-	19.16	-	14.83	11.28	45.27
	As at March 31, 2017	**-**	**1,482.51**	**7.26**	**9,003.65**	**157.42**	**460.54**	**233.30**	**11,344.68**
	Depreciation charge for the year	-	195.11	-	1,142.76	18.32	82.25	42.17	1,480.61
	Disposals	-	0.82	-	77.95	-	15.82	36.32	130.91
	As at March 31, 2018	**-**	**1,676.80**	**7.26**	**10,068.46**	**175.74**	**526.97**	**239.15**	**12,694.38**
	Net carrying value								
	As at March 31, 2018	**7,769.66**	**3,757.49**	**9.87**	**13,365.16**	**55.32**	**183.24**	**260.62**	**25,401.36**
	As at March 31, 2017	**7,769.66**	**3,644.03**	**9.87**	**12,918.86**	**52.78**	**145.16**	**184.16**	**24,724.52**
	As at April 1, 2016	**7,769.66**	**3,684.43**	**11.67**	**12,205.63**	**56.00**	**158.85**	**221.32**	**24,107.56**

Notes

1) For transition to Ind AS, Group has elected to apply Ind AS retrospectively to arrive at carrying value of all its property, plant and equipments, except land, as of April 1, 2016 (transition date). Land has been valued at fair value as of April 1, 2016 (transition date).
2) Land includes ` 643.15 Lacs (as at March 31, 2017 ` 643.15 Lacs,as at April 1, 2016 ` 643.15 Lacs) and building constructed thereon which is in process of being transferred in the name of the group.
3) Building includes House Building of which Gross Value is ` 13.38 Lacs (as at March 31, 2017 ` 13.38 Lacs,as at April 1, 2016 ` 13.38 Lacs) and Net Value is ` 8.86 Lacs (as at March 31, 2017 ` 9.07 Lacs,as at April 1, 2016 ` 9.29 Lacs) acquired against loan which is yet to be transferred in the name of the group.



3 (b) Capital Work In Progress

	(` in Lacs)
As at April 1, 2016	**51.54**
Additions	400.69
Disposals	-
As at March 31, 2017	**452.23**
Additions	597.81
Disposals	321.15
As at March 31, 2018	**728.89**

3 (c) Investment Property *

	(` in Lacs)
Deemed cost	
As at April 1, 2016	**20.69**
Additions	-
Disposals	-
As at March 31, 2017	**20.69**
Additions	-
Disposals	-
As at March 31, 2018	**20.69**
Accumulated Depreciation	
As at April 1, 2016	**0.27**
Depreciation charge for the year	0.34
Disposals	-
As at March 31, 2017	**0.61**
Depreciation charge for the year	0.34
Disposals	-
As at March 31, 2018	**0.95**
Net Carrying Amount	
As at March 31, 2018	**19.74**
As at March 31, 2017	**20.08**
As at April 1, 2016	**20.42**
Fair Value of Investment Property	
As at March 31, 2018	**51.09**
As at March 31, 2017	**51.09**
As at April 1, 2016	**51.09**

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

3 (d) Intangible Assets (Software & Development Cost)

	(` in Lacs)
Cost or Deemed Cost	
As at April 1, 2016	**675.16**
Additions	21.15
Disposals	-
As at March 31, 2017	**696.37**
Additions	30.65
Disposals	-
As at March 31, 2018	**727.02**
Amortisation	
As at April 1, 2016	**213.53**
Depreciation charge for the year	131.25
Disposals	-
As at March 31, 2017	**344.78**
Depreciation charge for the year	132.01
Disposals	-
As at March 31, 2018	**476.79**
Net Carrying Amount	
As at March 31, 2018	**250.23**
As at March 31, 2017	**351.59**
As at April 1, 2016	**461.63**

Particulars	Face Value	As at March 31, 2018 Units	As at March 31, 2018 (` in Lacs)	As at March 31, 2017 Units	As at March 31, 2017 (` in Lacs)	As at April 1, 2016 Units	As at April 1, 2016 (` in Lacs)
NOTE-4 INVESTMENTS							
Non Current							
A) Investment in Equity Instruments of Associate at FVTPL (Unquoted fully paid up) :							
Vadilal Forex and Consultancy Services Ltd.	`10	-	-	-	-	72,500	33.86
B) Other Investments							
Investment in Partnership Firm at deemed cost :							
Vadilal Cold Storage			43.62		43.62		43.62
Investment in Government and Trust securities at deemed cost (Unquoted) :							
7 Year National Saving Certificates			0.28		0.28		0.28
(Lodged with Government Authorities)							
In Equity instruments of other companies at FVTPL (Unquoted fully paid up) :							
Vadilal Forex and Consultancy Services Ltd.	`10	36,250	9.43	36,250	9.43	-	-
Majestic Farm House Ltd.	`10	74,100	3.68	74,100	3.68	74,100	3.68
Padm Complex Ltd.	`10	280	0.03	280	0.03	280	0.03
Volute Construction Ltd.	`10	280	0.03	280	0.03	280	0.03
Textile Traders Coop Bank Ltd.	`25	-	-	-	-	4,195	1.05
Siddhi Coop Bank Ltd.	`25	-	-	-	-	3,540	0.89
Total			**57.07**		**57.07**		**83.44**

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE- 5 LOANS			
Non Current			
Loan to employees	1.65	4.59	2.32
Total	**1.65**	**4.59**	**2.32**
NOTE-6 OTHER FINANCIAL ASSETS			
Non Current			
Margin Money Deposits with banks (original maturity of more than 12 months)	290.95	122.09	116.03
Security Deposits (Note-44)	233.62	209.25	186.34
Other Deposits	178.57	140.38	88.14
Total	**703.14**	**471.72**	**390.51**
NOTE-7 TAX ASSETS			
Non Current			
Taxes Receivable	5.12	1.04	34.32
Total	**5.12**	**1.04**	**34.32**

(` in Lacs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-8 OTHER ASSETS				
Non Current				
Capital Advances		240.10	68.94	21.42
Prepaid Expenses		324.74	360.34	358.33
	Total	**564.84**	**429.28**	**379.75**
NOTE-9 INVENTORIES				
(At lower of Cost or Net Realisable Value)				
Raw Materials		4,710.53	5,616.56	3,284.70
Packing Materials		1,492.94	1,520.88	1,459.59
Finished Goods		3,564.37	4,757.96	4,202.79
Stores, Spares and Consumables		448.52	381.06	424.16
	Total	**10,216.36**	**12,276.46**	**9,371.24**

Particulars	Face Value	As at March 31, 2018 Units	As at March 31, 2018 (` in Lacs)	As at March 31, 2017 Units	As at March 31, 2017 (` in Lacs)	As at April 1, 2016 Units	As at April 1, 2016 (` in Lacs)
NOTE-10 INVESTMENTS							
Current Investments							
(Valued at fair value through Profit and Loss)							
Investments in Equity Instruments- Quoted							
Aminex Chemicals Ltd.	`10	400	-	400	-	400	-
Century Enka Ltd.	`10	15	0.05	15	0.07	15	0.03
Essar Steel Ltd.	`10	60	0.01	60	0.01	60	0.01
Golden Agro Tech Industries Ltd.	`10	200	-	200	-	200	-
Great Eastern Shipping Co. Ltd.	`10	100	0.34	100	0.43	100	0.31
Great Offshore Ltd.	`10	25	-	25	-	25	0.01
Interface Financial Services Ltd.	`1	25,000	0.05	25,000	0.05	25,000	0.05
Radhe Developers Ltd.	`10	4,900	0.81	4,900	1.95	4,900	0.95
Saket Projects Ltd.	`10	2,500	0.02	2,500	0.02	2,500	0.02
Sanara Media Ltd.	`1	9,00,000	0.45	9,00,000	0.45	9,00,000	0.45
Total			**1.73**		**2.97**		**1.83**

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-11 TRADE RECEIVABLES			
Secured, Considered Good	90.52	81.67	53.17
Unsecured, Considered Good	4,170.93	1,007.82	2,095.52
Unsecured, Considered Doubtful	22.35	19.06	23.89
	4,283.80	**1,108.55**	**2,172.58**
Less: Allowance for Doubtful Trade Receivables (expected credit loss allowance)	22.35	19.06	23.89
Total	**4,261.45**	**1,089.49**	**2,148.69**
Note : Refer Note-42 for information about credit risk and market risk of Trade receivables.			
Break-up of trade receivables			
Trade receivables from other than related parties	1,818.82	747.31	571.58
Receivables from related parties (Note-44)	2,442.63	342.18	1,577.11
Total	**4,261.45**	**1,089.49**	**2,148.69**

NOTES

1. The credit period ranges from 7 days to 30 days.
2. Before accepting any new customer, Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. There are no customers who represent more than 5% of the total balance of trade receivable except, as at March 31, 2018 : ` 2,442.63 Lacs are due from one customer (as at March 31, 2017 : ` 445.83 Lacs are due from two customers and as at April 1, 2016 : ` 1,577.11 Lacs are due from one customer). The credit risk in respect of these customers is mitigated by additional security cheque.
3. In determining the allowances for doubtful trade receivables, Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on company policy and ageing of the receivables that are due.
4. Movement in Expected Credit Loss Allowance

Balance at the beginning of the year	19.06	23.89	13.23
Add: Allowance for the year	3.29	8.45	10.66
Less: Actual Write off during the year(net of recovery)	-	13.28	-
Balance at the end of the year	**22.35**	**19.06**	**23.89**

NOTE-12 CASH AND CASH EQUIVALENTS			
Balances with Banks :			
• In Current Accounts	219.87	325.86	64.85
• In Term Deposit Accounts with maturity of less than 3 months at inception (Includes Security deposit with banks ` NIL (March 31, 2017 ` 35.00 Lacs, April 1, 2016 ` 20.05 Lacs))	-	35.00	20.05
Cash on hand	29.89	20.28	37.15
Total	**249.76**	**381.14**	**122.05**
Note: There are no restrictions with regards to Cash and Cash Equivalents			
NOTE-13 OTHER BALANCES WITH BANKS			
Balances in Fixed Deposits Account	175.59	100.59	90.59
Balances in Unclaimed Dividend Accounts	21.07	21.22	18.79
Deposits with original maturity for more than 3 months (Includes Security deposit with banks ` 115.40 Lacs (March 31, 2017 ` 96.84 Lacs, April 1, 2016 ` 115.30 Lacs))	115.72	97.17	115.62
Margin Money Deposit (towards guarantee and LC issued by banks as well as for loan security)	190.24	115.47	127.65
	502.62	334.45	352.65
Less : Deposits with original maturity of more than 12 months Amount disclosed under Non-Current Financial Assets (Note-6)	290.95	122.09	116.03
Total	**211.67**	**212.36**	**236.62**

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

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-14 LOANS			
Current			
Loan to Employees	16.94	12.14	9.02
Total	**16.94**	**12.14**	**9.02**
NOTE-15 OTHER FINANCIAL ASSETS			
Current			
(Unsecured, Considered Good)			
Interest accrued on loans and deposits from related parties (Refer Note-43)	13.55	5.40	5.40
Interest accrued on loans and deposits from others	0.82	2.02	1.42
Other Deposit	14.81	7.35	2.76
Subsidy Receivable	65.50	168.19	157.18
Others	-	3.86	-
Total	**94.68**	**186.82**	**166.76**
NOTE-16 TAX ASSETS			
Current			
Taxes Receivable (Net of Provision)	47.15	-	-
Total	**47.15**	**-**	**-**
NOTE-17 OTHER ASSETS			
Current			
Prepaid Expenses	375.73	119.40	111.68
Balances with Govt.Authorities	161.23	137.60	111.03
Export Benefits Receivable	170.57	81.64	78.29
Other Assets	-	-	1.37
(A)	**707.53**	**338.64**	**302.37**
Advances for Goods & Expenses			
Considered Good	467.54	361.09	215.18
Considered Doubtful	208.08	210.33	190.84
Less: Allowances for Doubtful Advance	208.08	210.33	20.21
(B)	**467.54**	**361.09**	**385.81**
Total (A + B)	**1,175.07**	**699.73**	**688.18**
NOTE-18 EQUITY SHARE CAPITAL			
Authorised Share Capital:			
1,50,00,000 (as at March 31, 2017 and as at April 1, 2016:1,50,00,000) Equity shares of ` 10/- each	1,500.00	1,500.00	1,500.00
	1,500.00	**1,500.00**	**1,500.00**
Issued, Subscribed and Fully paid-up Share Capital			
Issued and Subscribed Share Capital :			
71,88,230 (as at March 31, 2017 and as at April 1, 2016:71,88,230) Equity shares of ` 10/- each	718.82	718.82	718.82
	718.82	**718.82**	**718.82**
Paid up Share Capital:			
71,87,830 (as at March 31, 2017 and as at April 1, 2016:71,87,830) Equity shares of ` 10/- each	718.78	718.78	718.78
	718.78	**718.78**	**718.78**

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period

Equity Shares	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	No. of shares	(` in Lacs)	No. of shares	(` in Lacs)	No. of shares	(` in Lacs)
Shares outstanding at the beginning of the period	71,87,830	718.78	71,87,830	718.78	71,87,830	718.78
Add/Less: Issued shares/buy back during the year	-	-	-	-	-	-
Shares outstanding at the end of the period	71,87,830	718.78	71,87,830	718.78	71,87,830	718.78

b) Rights, preferences and restrictions attached to equity shares:

The group has issued only one class of equity share having par value of ` 10/- per share. Each holder of equity shares is entitled to one vote per share and are entitled to dividend as and when declared. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

All shares rank equally with regard to the company's residual assets after distribution of all preferential amount.

c) Details of shareholders holding more than 5% shares in the group (Equity shares of ` 10 each fully paid)

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Vadilal International Pvt. Ltd.	28,09,704	39.09%	28,09,704	39.09%	28,09,704	39.09%
Ashish Kacholia	5,18,432	7.21%	3,81,183	5.30%	2,60,904	3.63%

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

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE-19 OTHER EQUITY		
Capital Reserve		
Balance at beginning of the year	8.84	8.84
Balance at the end of the year	**8.84**	**8.84**
Securities Premium		
Balance at beginning of the year	487.28	487.28
Balance at the end of the year	**487.28**	**487.28**
Revaluation Reserve		
Balance at beginning of the year	7,524.17	7,524.17
Balance at the end of the year	**7,524.17**	**7,524.17**
General Reserve		
Balance at beginning of the year	5,000.00	5,000.00
Balance at the end of the year	**5,000.00**	**5,000.00**
Foreign Currency Translation Reserve		
Balance as per last Financial Statements	(55.60)	(61.15)
Add : Transfer for the current year	4.13	5.55
Closing Balance	**(51.47)**	**(55.60)**
Retained Earnings		
Balance at beginning of the year	2,430.55	644.39
Add : Profit for the year	1,566.25	1,909.31
Less : Surplus of Associate withdrawn on sale of investment	-	15.01
Less : Appropriations		
Dividend for the year including tax on dividend (Dividend per share ` 1.25 (P.Y. amount per share ` 1.25)	108.14	108.14
Total Appropriations	108.14	108.14
Balance at the end of the year	3,888.66	2,430.55
Other Comprehensive Income		
Balance at beginning of the year	(29.75)	-
Add : Remeasurement of Employee Benefit	(18.54)	(29.75)
Balance at the end of the year	(48.29)	(29.75)
Total Other Equity	**16,809.19**	**15,365.49**

a) On October 1, 2016 & October 6, 2017 a dividend of ` 1.25 per share (total dividend ` 108.14 Lacs) was paid to holders of fully paid equity shares. The total dividend includes dividend distribution tax at applicable rates.

b) The Board of Directors, in its meeting held on May 28, 2018, have proposed a final dividend of ` 1.25 per share for the financial year ended March 31, 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held in the month of September, 2018 and if approved would result in a cash outflow of approximately ` 108.14 Lacs including dividend distribution tax.

c) **Nature and Purpose of Reserve**

Capital Reserve Group has created capital reserve out of investment utilization reserve written back and forfeited shares.

Securities Premium Reserve The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is available for utilization in accordance with the provisions of the Companies Act, 2013. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

Revaluation Reserve Group has created revaluation reserve out of revaluation of land carried out as at April 1, 2016.

General Reserve General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

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

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-20 BORROWING			
Non Current			
Secured-at amortised Cost			
Term Loans from Banks	6,160.43	3,681.62	5,143.02
Less: Current maturity of long term loans (Note-27)	1,124.00	1,611.83	1,472.83
	5,036.43	**2,069.79**	**3,670.19**
Vehicle Loans	238.90	220.96	196.79
Less: Current maturity of vehicle loans (Note-27)	107.03	90.67	87.57
	131.87	**130.29**	**109.22**
Term Loans from Financial Institution	-	-	200.00
Less: Current maturity of long term loans (Note-27)	-	-	200.00
	-	-	-
	5,168.30	**2,200.08**	**3,779.41**
Unsecured-at amortised Cost			
Public Fixed Deposits	2,442.58	1,530.20	1,126.14
Less: Current maturity of public fixed deposits (Note-27)	511.78	290.72	380.24
	1,930.80	**1,239.48**	**745.90**
Term Loan from others	-	2.93	81.24
Less: Current maturity of long term loans (Note-27)	-	2.93	78.31
	-	**-**	**2.93**
	1,930.80	**1,239.48**	**748.83**
Total	**7,099.10**	**3,439.56**	**4,528.24**

Note

1 Refer Note-42 for information about Liquidity Risk.

2 Amount stated in current maturity is disclosed under the head of " Other Current Financial Liabilities " (Note-27).

Repayment Schedule of Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	Effective Interest Rate	Terms of repayment
Term Loans					
From Banks					
Bank of Baroda	-	-	150.00	12.65%	60 monthly instalments of ` 16.67 Lacs starting from January, 2012
Bank of Baroda	-	303.33	583.33	13.06%	60 monthly instalments of ` 23.33 Lacs starting from May, 2013
Bank of Baroda	888.89	1222.22	1555.55	14.16%	72 monthly instalments of ` 27.78 Lacs starting from December, 2014
State Bank of Travancore	-	112.25	313.50	13.23%	60 monthly instalments of ` 16.75 Lacs starting from December, 2012
State Bank of Travancore	-	112.25	313.50	13.23%	60 monthly instalments of ` 16.75 Lacs starting from December, 2012
State Bank of India	-	262.50	450.00	15.12%	24 quarterly instalments of ` 37.50 Lacs starting from March, 2013
State Bank of India	1060.25	1684.25	1804.25	15.04%	39 monthly instalments of ` 10 Lacs starting from January, 2014 and 33 monthly instalment of ` 52 Lacs
IndusInd Bank (partially disbursed)	4400.63	-	-	10.00%	72 monthly instalments of ` 83.33 Lacs starting from February, 2019
From Financial Institutions					
Export-Import Bank of India	-	-	200.00	13.75%	20 quarterly instalments of ` 50 Lacs
Vehicle Loans					
HDFC Bank Limited	238.90	220.96	196.79	8.30 % to 14.25%	From 13 to 68 monthly Instalments * of ` 0.07 Lacs to ` 1.21 Lacs
Others					
IBM India Pvt Ltd	-	2.93	35.90	12.50%	16 quarterly instalments * of ` 10.86 Lacs
Magma Fincorp Ltd	-	-	45.34	16.10%	18 monthly instalments * of ` 9.43 Lacs
Total Loan (a)	**6588.67**	**3920.69**	**5648.16**		
Fixed deposits (b)	**2442.58**	**1530.20**	**1126.14**	9.50% to 11.00% based on period of deposit	12 months to 36 months
Grand Total (a)+(b)	**9031.25**	**5450.89**	**6774.30**		

***Includes Interest portion**

A Term Loans from Banks BOB, SBI (including SBT now merged with SBI) and EXIM Bank - ` 1,949.14 Lacs (As at March 31, 2017 ` 3,696.80 Lacs, As at April 1, 2016 ` 5,370.13 Lacs) are secured by way of Mortgage on immovable properties and hypothecation on movable properties of the Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant) (1st charge)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (1st charge)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (1st charge).

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI) (2nd charge)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge)

(viii) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (1st charge)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P. (1st charge)

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 1st charge)

B Above term loans are also secured by mortgage and hypothecation on immovable and movable properties of the Company situated at Bareilly, Parsakhera Industrial Area, U.P. (New Land - F-12) (Leased Property)

C The Term Loan from IndusInd Bank - ` 4,400.63 Lacs (As at March 31, 2017 Nil, As at April 1, 2016 Nil) is secured by way of 1st charge over the following immovable fixed assets of the company, both present and future:

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant)

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex)

(viii) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P.

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 1st charge)

(xii) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats)

D The above Term Loans are also secured by way of Hypothecation on entire current assets of the Company on 2nd pari-passu charge basis.

E Vehicle loans are secured by hypothecation of vehicles.

F The Term Loan are secured by Corporate Guarantee by Majestic Farm House Ltd., Padm Complex Ltd. and Volute Constructions Ltd. The Credit Facilities of IndusInd Bank are also secured by Corporate Guarantee by Majestic Farm House Ltd. and Vadilal Enterprises Ltd.

Collateral / Additional Securities by Group Companies

A Existing Term Loan from SBI of ` 21 crores and Corporate Loan of ` 20 crores from BOB and new Term Loan of ` 60 Crores availed/to be availed from IndusInd Bank are also secured by way of Mortgage on immovable properties of Majestic Farm House Ltd. as Collateral / Additional Securities situated at the following place by way of 1st charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge)

(` in Lacs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-21 OTHER FINANCIAL LIABILITIES				
Non Current				
Financial Guarantee Liabilities (Refer Note-44)		48.49	24.53	0.68
	Total	**48.49**	**24.53**	**0.68**
NOTE-22 PROVISIONS				
Non Current				
Provision for Employee Benefits				
Gratuity (Refer Note-45)		128.34	154.97	133.06
	Total	**128.34**	**154.97**	**133.06**

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-23 DEFERRED TAX LIABILITY (NET)			
Deferred Tax Liabilities	2,638.29	2,546.26	2,416.13
Deferred Tax Assets	(565.07)	(747.34)	(971.70)
Total	**2,073.22**	**1,798.92**	**1,444.43**

Movement in Deferred Tax Liabilities and Assets

Movement during the year ended March 31, 2017	As at April 1, 2016	Charge/ (Credit) in statement of Profit and Loss	Charge/ (Credit) in Other Comprehensive Income	MAT Utilization/ Short / Excess Provision	As at March 31, 2017
Deferred Tax Liabilities / (Assets)					
Property, plant and equipment	2,263.98	134.66			2,398.64
Investments	7.15	0.40			7.55
Expenditure allowed in the year of payment	(97.25)	(18.81)			(116.06)
Provision for doubtful debts & advances	(15.26)	(5.07)			(20.33)
Government Grant	(222.88)	(35.47)			(258.35)
Discounting of security deposit to present value and corresponding impact on other expenses	135.02	(0.20)			134.82
Discounting of security deposit to present value and corresponding impact on interest income	(151.04)	(2.68)			(153.72)
Increase in borrowing cost pursuant to application of EIR	9.38	(4.13)			5.25
Effect of measuring corporate guarantee liability	(2.10)	(9.04)			(11.14)
Others	0.60	15.14	(15.74)		-
MAT Credit Entitlements (Net)	(483.17)			295.43	(187.74)
Total	**1,444.43**	**74.80**	**(15.74)**	**295.43**	**1,798.92**

Movement during the year ended March 31, 2018	As at April 1, 2017	Charge/ (Credit) in statement of Profit and Loss	Charge/ (Credit) in Other Comprehensive Income	MAT Utilization/ Short / Excess Provision	As at March 31, 2018
Deferred Tax Liabilities / (Assets)					
Property, plant and equipment	2,398.64	38.25			2,436.89
Investments	7.55	(0.44)			7.11
Expenditure allowed in the year of payment	(116.06)	11.65			(104.41)
Provision for doubtful debts & advances	(20.33)	(0.76)			(21.09)
Government Grant under EPCG	(258.35)	26.74			(231.61)
Discounting of security deposit to present value and corresponding impact on other expenses	134.82	(13.22)			121.60
Discounting of security deposit to present value and corresponding impact on interest income	(153.72)	10.33			(143.39)
Increase in borrowing cost pursuant to application of EIR	5.25	60.27			65.52
Effect of measuring corporate guarantee liability	(11.14)	(11.45)			(22.59)
Others	-	9.81	(9.81)		-
Impact on Unrealised Profit of Inventory	-	(25.69)			(25.69)
Impact of USA Tax	-	7.17			7.17
MAT Credit Entitlements (Net)	(187.74)			171.45	(16.29)
Total	**1,798.92**	**112.66**	**(9.81)**	**171.45**	**2,073.22**

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-24 OTHER LIABILITIES			
Non Current			
Deferred Govt. Grant	698.35	678.56	578.79
Total	**698.35**	**678.56**	**578.79**
NOTE-25 BORROWINGS			
Current			
Secured-at amortised Cost			
Working Capital Loans from Banks	1,960.20	4,648.68	3,989.63
	1,960.20	**4,648.68**	**3,989.63**
Unsecured-at amortised Cost			
Working Capital Loans (Unsecured)	2,337.57	800.00	-
Foreign Currency Loan (Buyers Credit)	-	-	49.36
Loans from Related Parties (Note-44)	-	-	151.07
Public Fixed Deposits	295.05	234.70	222.03
Inter Corporate Deposits from related parties (Note-44)	-	218.85	-
Inter Corporate Deposits from others	674.00	512.00	985.75
Book Overdraft in current account with Banks	38.34	46.24	29.45
	3,344.96	**1,811.79**	**1,437.66**
Total	**5,305.16**	**6,460.47**	**5,427.29**

A Working Capital facilities from Consortium Banks, namely, BOB, SBI (including SBT now merged with SBI), IDBI and Exim Bank aggregating to ` 65.28 crores (enhanced from ` 45.25 crores) and additional Working Capital Facilities aggregating to ` 5.75 crores from BOB are secured by way of Mortgage on immovable properties and hypothecation on movable properties of Group situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

(i) Land and Building together with all plant and machineries situated on land bearing Final Plot No. 292-3-A of T. P. Scheme No. 14 of Mouje Dariapur- Kazipur of city taluka of Ahmedabad. (Ice-cream Plant) (2nd charge)

(ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of Survey No. 970 (Paiki) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (2nd charge)

(iii) Land and Building together with all plant and machineries situated at Survey No. 637/14, 637/16, 637/13/2, 637/15, 643/2, 643/1, 637/13/1 situated Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (2nd charge)

(iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge)

(v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (2nd charge)

(vi) Land and Building together with all plant and machineries situated at Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries specifically financed by IDBI) (1st charge)

(vii) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge)

(viii) Movable Properties situated at Unit – II, being Plot No. D-23 and D-22, F-11/14/15 at Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (2nd charge) (excluding specific plant & machineries specifically financed by IDBI)

(ix) Land and Building together with all plant and machineries situated at Survey No. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (2nd charge)

(x) Land and Building together with all plant and machineries situated at Plot No. F-12, Parsakhera Industrial Estate, Bareilly, U.P. (2nd charge)

(xi) Movable Properties situated at Gomtipur, Ahmedabad (only on movable properties as 2nd charge)

(xii) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats) (1st charge)

B The above Working Capital facilities are also secured by way of Hypothecation on entire current assets of Group on 1st pari-passu charge basis.

C The above Working Capital facilities are also secured by Personal Guarantee of Mr. Rajesh R. Gandhi, Chairman & Managing Director and Mr. Devanshu L. Gandhi, Managing Director of Group. The Working Capital facilities of the Consortium Bank are also secured by Corporate Guarantee by Majestic Farm House Ltd., Padm Complex Ltd. and Volute Constructions Ltd.

D The cash credit loan is repayable on demand and carries interest@ 11.05 % to 13.20 %

E The Working Capital loan (Unsecured) is repayable on demand and carries interest@ 10.00 % to 11.85 %.

F Loans and Advances from Related Parties are repayable on demand and carry interest @ 10.50 %

G Inter corporate deposits are repayable between 60 days to 200 days and carry Interest @ 10.00 % to 14.00 %

H Fixed deposits are repayable for less than 12 months and carry interest @ 8.00 % to 9.00 %.

Collateral/Additional Securities by Group Companies

A Working Capital facilities from Consortium Banks, namely, BOB, SBI, IDBI and Exim Bank and additional Working Capital Facilities from BOB are also secured by way of Mortgage on immovable properties of [***** Majestic Farm House Ltd. by way of 2nd charge on pari-passu basis], [# Padm Complex Pvt. Ltd. & Volute Constructions Pvt. Ltd. by way of exclusive charge on pari-passu basis] and [@ Vadilal Cold Storage by way of 2nd charge on pari-passu basis] as Collateral / Additional Securities situated at the following places :-

***** Unit – II (D-22, D-23, F-11/14/15), Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge) (Leased Property)

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

@ Gomtipur, Ahmedabad (1st charge) (Leased Property)

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-26 TRADE PAYABLES			
Due to Micro, Small and Medium Enterprises-Refer Note (A)	475.27	632.95	544.64
Due to Others	7,384.89	7,756.32	6,551.56
Total	**7,860.16**	**8,389.27**	**7,096.20**

Note

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

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

A	i) Principal amount remaining unpaid at the end of the accounting year	475.27	632.95	544.64
	ii) Interest due on above	Nil	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	Nil
C	The amount of interest accrued and remaining unpaid at the end of the financial year	Nil	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	Nil
E	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	Nil	Nil	Nil

NOTE-27 OTHER FINANCIAL LIABILITIES			
Current			
Current maturities of long-term debt (Note-20)			
From Banks (Secured)	1,231.03	1,702.50	1,560.40
From Financial Institution (Secured)	-	-	200.00
From Others (Unsecured)	-	2.93	78.31
Public Fixed Deposits	511.78	290.72	380.24
Interest Accrued	182.54	122.14	148.51
Unclaimed Dividends* (Note-13)	21.07	21.22	18.79
Unclaimed Deposits and Interest accrued thereon*	17.54	15.00	15.82
Financial Guarantee Liabilities	16.83	7.68	5.38
Payable for Capital Goods	356.13	362.66	376.37
Security Deposits from Customers	123.74	960.37	864.89
Others	1.18	-	1.40
Total	**2,461.84**	**3,485.22**	**3,650.11**

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

(` in Lacs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NOTE-28 OTHER LIABILITIES				
Current				
Statutory Remittances		293.22	396.88	534.59
Advances Received from Customers		17.55	9.93	26.81
Other Liabilities		168.74	139.91	190.65
Deferred Govt. Grant		53.07	85.87	86.82
	Total	**532.58**	**632.59**	**838.87**
NOTE-29 PROVISIONS				
Current				
Provision for Employee Benefits				
Gratuity (Refer Note-45)		82.96	64.31	54.18
Compensated Absences		156.77	100.72	86.43
	Total	**239.73**	**165.03**	**140.61**
NOTE-30 TAX LIABILITIES (NET)				
Current				
Income Tax Payable (Net of Advance Tax)		-	28.03	80.40
	Total	**-**	**28.03**	**80.40**

(` in Lacs)

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
NOTE-31 REVENUE FROM OPERATIONS			
Sale of Products			
Finished goods (Refer Note-44)		54,704.02	48,641.29
Currency		377.01	399.18
Sale of Services			
Income from Money Changing Business		7.84	6.72
Other Operating Revenues			
Export Licenses		290.49	148.87
Scrap Sales		71.31	88.01
Cold Storage Rent Income		75.27	84.07
	Total	**55,525.94**	**49,368.14**
NOTE-32 OTHER INCOME			
Interest Income		65.01	62.69
Financial Guarantee Commission Income		15.87	9.60
Gain on Fair Value of Current Investment		-	1.15
Grant Income		86.15	88.38
Dividend income on long term Investment		-	0.13
Net gain on Foreign Currency translations and transactions		21.00	-
Share of Profit of Partnership Firm		-	-
Profit on sale of investment		-	2.77
Gain / (Loss) on disposal of Property, Plant & Equipment		-	15.82
Excess Provision written back		99.91	126.75
Miscellaneous Income		45.72	37.29
Provision for Doubtful Advance written back		1.10	-
	Total	**334.76**	**344.58**
NOTE-33 COST OF MATERIALS CONSUMED			
Inventory at the beginning of the year		7,137.41	4,744.30
Add : Purchases		27,883.39	28,443.37
Less: Inventory at the end of the year		6,203.47	7,137.41
	Total	**28,817.33**	**26,050.26**

(` in Lacs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
NOTE-34 PURCHASE OF TRADED GOODS		
Processed Food	760.25	197.55
Dairy Products	103.94	58.48
Others	3.86	11.56
Currency	373.78	396.43
Total	**1,241.83**	**664.02**
NOTE-35 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE		
Inventories at beginning of the year		
Finished Goods	4,757.96	4,202.80
	4,757.96	4,202.80
Inventories at end of the year		
Finished Goods	3,564.37	4,757.96
	3,564.37	4,757.96
Total	**1,193.59**	**(555.16)**
NOTE-36 EMPLOYEE BENEFIT EXPENSES		
Salary, Wages, Allowances and Bonus etc. (Refer Note-44)	3,524.22	2,511.82
Contribution to Provident and Other funds (Refer Note-45)	192.52	145.92
Staff Welfare Expenses	203.40	216.51
Total	**3,920.14**	**2,874.25**
NOTE-37 FINANCE COSTS		
Interest Expense (Refer Note-44)	1,372.22	1,424.58
Other Borrowing Costs	159.27	172.17
Amortisation of ancillary borrowing costs	-	1.37
Total	**1,531.49**	**1,598.12**
NOTE-38 OTHER EXPENSES		
Job Charges	3,002.70	2,803.73
Power & Fuel	3,205.28	3,065.53
Stores and Spares Consumption	724.64	415.70
Repairs & Maintenance	751.06	567.43
Excise Duty Others	-	17.34
Rent	1,070.07	1,177.41
Freight and forwarding charges	3,206.56	2,776.70
Sales Promotion Expense	631.96	628.16
Corporate Social Responsibility Expense	16.92	12.89
Payment to Auditors	25.52	38.37
Provision for Doubtful Debts	3.29	8.45
Bad Debt written off	71.45	35.87
Less : Provided in earlier years	-	13.28
	71.45	22.59
Provision for Doubtful Advances	-	190.12
Advances written off	-	23.65
Foreign Exchange Loss (Net)	-	25.39
Loss on Sale of Property, Plant and Equipment (Net)	2.83	-
Loss on fair value of Current Investment	1.24	-
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery etc.) (Refer Note-44)	2,042.64	1,738.72
Total	**14,756.16**	**13,512.18**

(` in Lacs)

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
Payment to Auditors			
As Auditor			
Audit Fees		20.00	14.50
Tax Audit Fees		1.50	6.00
Limited Review		3.90	1.98
In Other Capacity			
Certification Fees		-	10.91
Taxation Matters		-	3.83
Reimbursement of expenses		0.12	1.15
	Total	**25.52**	**38.37**

NOTE-39 TAX EXPENSES

A.	**Income tax recognised in Statement of Profit and Loss:**		
	Current Tax:		
	In respect of the current year	622.18	917.10
	In respect of the prior years	-	30.81
	Total	622.18	947.91
	Deferred Tax:		
	In respect of the current year	105.48	74.81
	Total	105.48	74.81
B.	**Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below :**		
	Profit / (loss) before tax	2,294.00	2,928.96
	Income Tax Expense @ 34.608%	793.91	1,013.65
	Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :		
	Effect of expenses that are not deductible in determining taxable profit	6.82	69.27
	Effect of income that are not taxable	-	(8.75)
	Effect of allowances	-	(0.83)
	Others	11.85	0.99
	Effect of different tax rate in India & foreign jurisdictions	(84.92)	(82.42)
		727.66	991.91
	Adjustments in respect of current income tax of previous year		30.81
	Total	**727.66**	**1,022.72**
	Tax effect on Items in Other Comprehensive Income	(13.94)	(21.29)
	Tax expense as per Statement of Profit and Loss	**713.72**	**1,001.43**

Group's weighted average tax rates for the year ended March 31, 2018 and March 31, 2017 are 31.72 % and 34.92 % respectively.

NOTE - 40 Contingent Liabilities not provided for:

(` in Lacs)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Guarantees given by the company against Borrowings given to companies in which Directors are interested is ` 5,936 Lacs (March 31, 2017 ` 3,621 Lacs; April 1, 2016 ` 2,009 Lacs) Outstanding against this as at March 31	1,806.72	1,444.31	309.20
(b)	For Excise-related to matter decided in favour of the company, against which Excise Dept. has preferred an appeal	43.00	8.86	8.86
(c)	For Income Tax-which is disputed by the company and against which company has preferred appeal, based on the demand notices raised by Income Tax Dept. and received by the company.	31.01	33.15	3.50
(d)	For Income Tax-against which Income Tax dept. Has preferred appeal	111.65	111.65	169.77

(e)	In respect of erstwhile Vadilal Financial Services Limited (VFSL) Income Tax Demand (including interest) for which the company has preferred an appeal.	1.93	1.93	1.93
(f)	For Sales Tax-Disputed by the company and against which company has preferred an appeal	188.81	170.53	116.42
(g)	For Other Matters	10.46	8.71	16.55
(h)	Differential amount of custom / excise duty in respect of machinery purchased under EPCG Scheme	531.28	462.44	461.24
(i)	Liability in respect of Bill Discounted with Third Party	-	1,312.81	1,924.47
	Total	**2,724.86**	**3,554.39**	**3,011.94**

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

Future Cash Outflow in respect of (h) above depends if company is unable to fulfill export obligations between 2018-19 to 2030-31 of ` 3,545.44 (March 31, 2017 ` 3,133.30 Lacs), (April 1, 2016 ` 3,280.07), for import made between the year of 2006-07 to 2017-18. The fulfillment of export obligation is considered on the basis of license claimed at the time of export.

Future Cash Outflow in respect of (i) above depends if Vendors are unable to fulfill the liability.

NOTE - 41

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

NOTE - 42 Financial Instruments

I Capital Management

Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to stakeholders. The Capital structure of Group is based on management's judgment of its strategic and day-to-day needs with a focus on total equity to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The capital structure of Group consists of net debt (borrowings as detailed in notes 20 and 25 off set by cash and bank balances) and total equity of Group.

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

Gearing Ratio

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Debt *	14,147.07	11,896.18	12,174.48
Less: Cash and cash Equivalents	249.76	381.14	122.05
Net Debt	13,897.31	11,515.04	12,052.43
Total Equity excluding Revaluation Reserve	10,035.71	8,591.92	6,833.03
Net Debt to equity ratio	**138.48%**	**134.02%**	**176.38%**

* Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in notes 20 and 25.

II Category-wise classification of financial instruments

Financial Assets & Financial Liabilities as at March 31, 2018 **(` in Lacs)**

Particulars	Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets			
Investments	14.90	43.90	58.80
Loans	-	18.59	18.59
Trade receivables	-	4,261.45	4,261.45
Cash and Cash Equivalents	-	249.76	249.76
Bank balances other than cash and cash Equivalents	-	211.67	211.67
Other Financial Assets	-	797.82	797.82
Total	**14.90**	**5583.19**	**5,598.09**

Financial Liabilities			
Borrowings	-	14,147.07	14,147.07
Trade Payable	-	7,860.16	7,860.16
Other Financial Liabilities	-	767.52	767.52
Total	**-**	**22,774.75**	**22,774.75**

Financial Assets & Financial Liabilities as at March 31, 2017 **(` in Lacs)**

Particulars	Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets			
Investments	16.15	43.90	60.05
Loans	-	16.73	16.73
Trade receivables	-	1,089.49	1,089.49
Cash and Cash Equivalents	-	381.14	381.14
Bank balances other than cash and cash Equivalents	-	212.36	212.36
Other Financial Assets	-	658.54	658.54
Total	**16.15**	**2,402.16**	**2,418.31**
Financial Liabilities			
Borrowings	-	11,896.18	11,896.18
Trade Payable	-	8,389.27	8,389.27
Other Financial Liabilities	-	1,513.60	1,513.60
Total	**-**	**21,799.05**	**21,799.05**

Financial Assets & Financial Liabilities as at April 1, 2016 **(` in Lacs)**

Particulars	Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets			
Investments	41.37	43.90	85.27
Loans	-	11.34	11.34
Trade receivables	-	2,148.69	2148.69
Cash and Cash Equivalents	-	122.05	122.05
Bank balances other than cash and cash Equivalents	-	236.62	236.62
Other Financial Assets	-	557.27	557.27
Total	**41.37**	**3,119.87**	**3,161.24**
Financial Liabilities			
Borrowings	-	12,174.48	12,174.48
Trade Payable	-	7,096.20	7,096.20
Other Financial Liabilities	-	1,431.84	1,431.84
Total	**-**	**20,702.52**	**20,702.52**

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, 2018				
Investments at fair value through profit and loss	14.90	1.73	-	13.17
As at March 31, 2017				
Investments at fair value through profit and loss	16.15	2.98	-	13.17
As at April 1, 2016				
Investments at fair value through profit and loss	41.37	1.83	-	39.54

III Financial risk management objective

Group's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other financial assets.

Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risks.

Group's senior management has the overall responsibility for establishing and governing Group's risk management framework. Group has constituted a Risk management committee, which is responsible for developing and monitoring Group's risk management policies. Group's risk management policies are established to identify and analyse the risks faced by Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of Group.

A. Management of Market Risk

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

- Foreign Currency risk
- Equity price risk
- Interest rate risk

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

(i) Currency risk management

Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk :

The carrying amounts of Group's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(a) Derivatives instruments

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Forward contract to sell CAD			
No. of contracts	NIL	NIL	2
In CAD			89,720
In INR			45,80,206
Forward contract to sell GBP			
No. of contracts	NIL	4	NIL
In GBP		1,00,387	
In INR		81,18,297	

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Liabilities (Foreign currency)			
In US Dollars (USD)	94,014.00	37,961.56	23,748.00
In Canadian Dollars (CAD)	-	265.00	-
In Great Britain Pound (GBP)	-	-	3,102.65
In Euro (EUR)	6,300.00	-	65,857.28
In Australian Dollars (AUD)	7,800.00	10,400.00	-
In Dirham (AED)	7,590.00	-	-
Assets (Foreign currency)			
In US Dollars (USD)	9,22,892.00	4,21,819.65	3,69,238.49
In Canadian Dollars (CAD)	55,764.00	40,257.50	-
In Great Britain Pound (GBP)	-	-	26,864.60
In Euro (EUR)	19,847.00	-	-
In Australian Dollars (AUD)	-	-	-
In Dirham (AED)	-	-	-

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Liabilities (INR)			
In US Dollars (USD)	61.15	24.61	15.75
In Canadian Dollars (CAD)	-	0.13	-
In Great Britain Pound (GBP)	-	-	2.95
In Euro (EUR)	5.08	-	49.45
In Australian Dollars (AUD)	3.90	5.16	-
In Dirham (AED)	1.34	-	-
Assets (INR)			
In US Dollars (USD)	600.25	273.46	244.92
In Canadian Dollars (CAD)	28.11	19.58	-
In Great Britain Pound (GBP)	-	-	25.54
In Euro (EUR)	16.00	-	-
In Australian Dollars (AUD)	-	-	-
In Dirham (AED)	-	-	-

Foreign currency sensitivity analysis

The following table details, Company's sensitivity to a 1% increase and decrease in the rupee against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding not hedged on receivables and payables in Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rate.

A change of 1% in Foreign currency would have following Impact on profit before tax and total equity

(` in Lacs)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
USD	5.39	(5.39)	2.49	(2.49)
CAD	0.28	(0.28)	0.19	(0.19)
EURO	0.11	(0.11)	-	-
AUD	(0.04)	0.04	(0.05)	0.05
AED	(0.01)	0.01	-	-
Increase / decrease in profit & loss	5.73	(5.73)	2.63	(2.63)

(ii) Price Risk (Equity Price Risk)

Group's exposure to equity securities price risk arises from investments held by Group and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by Group.

Sensitivity Analysis

The table below summarizes the impact of increases / decreases of the BSE index on Group's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all Group's equity instruments moved in line with the index.

A change of 5% in market index would have following Impact on profit before tax

(` in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
BSE Index 100 - Increase by 5%	0.09	0.15
BSE Index 100 - Decrease by 5%	(0.09)	(0.15)

The above referred sensitivity pertains to quoted equity investments. Profit for the year would increase/decrease as a result of gains / losses on equity securities as at Fair Value through Profit or Loss (FVTPL).

(iii) Interest rate risk

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

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

Exposure to interest rate risk

Interest rate sensitivity

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

(` in Lacs)

Particulars	Increase/Decrease in basic points	Effect on PBT
As at March 31, 2018	100 bps	59.05
As at March 31, 2017	100 bps	29.23

B. Management of Credit Risk

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

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

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
0-3 months	4,036.57	992.15	2,058.24
3-6 months	117.36	25.29	11.34
6-12 months	45.92	27.47	34.83
More than 12 months	61.60	44.58	44.28
Total	**4,261.45**	**1,089.49**	**2,148.69**

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

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Allowances	**19.06**	**23.89**
Add: Additional Allowances made	3.29	8.45
Less: Actual Write off during the year (net of recovery)	-	13.28
Closing Allowances	**22.35**	**19.06**

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

C. Management of Liquidity Risk

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

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

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

Exposure as at March 31, 2018 (` in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	7,047.97	7,099.10	-	14,147.07
Trade Payable	7,860.16	-	-	7,860.16
Other Financial Liabilities	719.03	48.49	-	767.52
Total Financial Liabilities	**15,627.16**	**7,147.59**	-	**22,774.75**

Exposure as at March 31, 2017 (` in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	8,456.62	3,439.56	-	11,896.18
Trade Payable	8,389.27	-	-	8,389.27
Other Financial Liabilities	1,489.07	24.53	-	1,513.60
Total Financial Liabilities	**18,334.96**	**3,464.09**	-	**21,799.05**

Exposure as at April 1, 2016 (` in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings	7,646.24	4,528.24	-	12,174.48
Trade Payable	7,096.20	-	-	7,096.20
Other Financial Liabilities	1,431.16	0.68	-	1,431.84
Total Financial Liabilities	**16,173.60**	**4,528.92**	-	**20,702.52**

Financial Arrangements

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

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Expiring within one year (Bank overdraft and other facilities)	2,990.15	542.67	1,366.58
Expiring beyond one year (bank loans)	1,599.37	-	-

NOTE - 43 Earnings per Share (EPS) as per Indian Accounting Standard 33:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year attributable to owners of Group (` in Lacs)	1,566.25	1,909.31
Weighted average number of Equity Shares (in Lacs)	71.88	71.88
Earning per Equity Share (Basic & Diluted)	21.79	26.56

NOTE - 44 Related Party Transactions as per Indian Accounting Standard 24:

The disclosure in pursuance to Indian Accounting Standard-24 on "Related Party Disclosures" is as under:

(a) Name of Related Parties & Relationship

Sr. No.	Name	Description of Relationship
1	Rajesh R. Gandhi	Key Managerial Personnel
2	Devanshu L. Gandhi	Key Managerial Personnel
3	Kalpit R. Gandhi	Key Managerial Personnel
4	Ruchita Gurjar	Key Managerial Personnel
5	Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
6	Vadilal International Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
7	Veronica Construction Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
8	Padm Complex Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
9	Majestic Farm House Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
10	Volute Construction Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
11	Byad Packaging Industries Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
12	Vadilal Marketing Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
13	Vadilal Chemicals Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
14	Mamta R. Gandhi	Relative of Key Managerial Personnel
15	Deval D. Gandhi	Relative of Key Managerial Personnel
16	Aakansha D. Gandhi	Relative of Key Managerial Personnel

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

(` in Lacs)

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person or relatives of Key Managerial Personnel
(1)	(2)	(3)	(4)	(5)
(a) Sales				
Vadilal Enterprises Ltd.	44,327.07			44,327.07
P.Y.	*(47,366.27)*			*(47,366.27)*
Veronica Construction Pvt. Ltd.	74.96			74.96
P.Y.	*(108.75)*			*(108.75)*
(b) Purchases				
Veronica Construction Pvt. Ltd	142.70			142.70
P.Y.	-			-
Vadilal Chemicals Ltd.	14.73			14.73
P.Y.	*(10.17)*			*(10.17)*
(c) Rent Income				
Vadilal Enterprises Ltd.	-			-
P.Y.	*(0.90)*			*(0.90)*
(d) Interest Paid				
Veronica Construction Pvt. Ltd.	-			-
P.Y.	*(1.60)*			*(1.60)*
Byad Packaging Industries Pvt. Ltd.	5.38			5.38
P.Y.	*(5.68)*			*(5.68)*
Vadilal Marketing Pvt. Ltd.	27.71			27.71
P.Y.	*(4.52)*			*(4.52)*
Devanshu L. Gandhi	1.82	1.82		
P.Y.	*(10.66)*	*(10.66)*		

(1)	(2)	(3)	(4)	(5)
Rajesh R. Gandhi	-	-		
P.Y.	*(1.06)*	*(1.06)*		
Kalpit R. Gandhi	-	-		
P.Y.	*(1.08)*	*(1.08)*		
Deval D. Gandhi	2.13		2.13	
P.Y.	-		-	
(e) i) Managerial Remuneration				
Rajesh R. Gandhi	117.67	117.67		
P.Y.	*(123.85)*	*(123.85)*		
Devanshu L. Gandhi	117.67	117.67		
P.Y.	*(123.82)*	*(123.82)*		
ii) Remuneration				
Kalpit R. Gandhi	29.91	29.91		
P.Y.	*(26.97)*	*(26.97)*		
Ruchita Gurjar	10.02	10.02		
P.Y.	*(6.55)*	*(6.55)*		
Mamta R. Gandhi	7.70		7.70	
P.Y.	*(6.82)*		*(6.82)*	
Aakansha D. Gandhi	1.20		1.20	
P.Y.	-			
(f) Interest Income				
Vadilal International Pvt. Ltd.	6.00			6.00
P.Y.	*(6.00)*			*(6.00)*
(g) Royalty Expense				
Vadilal International Pvt. Ltd.	22.28			22.28
P.Y.	*(20.19)*			*(20.19)*
(h) Loan or Deposits Received				
Vadilal Marketing Pvt. Ltd.	106.00			106.00
P.Y.	*(245.00)*			*(245.00)*
Byad Packaging Industries Pvt. Ltd.	59.00			59.00
P.Y.	-			-
Devanshu L. Gandhi	61.00	61.00		
P.Y.	*(173.00)*	*(173.00)*		
Rajesh R. Gandhi	-	-		
P.Y.	*(77.00)*	*(77.00)*		
Kalpit R. Gandhi	-	-		
P.Y.	*(78.00)*	*(78.00)*		
Deval D. Gandhi	50.00		50.00	
P.Y.	-		-	
(i) Loan or Deposits Repaid				
Veronica Construction Pvt. Ltd.	-			-
P.Y.	*(33.12)*			*(33.12)*
Byad Packaging Industries Pvt. Ltd.	59.00			59.00
P.Y.	*(54.11)*			*(54.11)*
Vadilal Marketing Pvt. Ltd.	324.85			324.85
P.Y.	*(26.15)*			*(26.15)*
Devanshu L. Gandhi	61.00	61.00		
P.Y.	*(236.85)*	*(236.85)*		
Rajesh R. Gandhi	-	-		
P.Y.	*(77.00)*	*(77.00)*		
Kalpit R. Gandhi	-	-		
P.Y.	*(78.00)*	*(78.00)*		
Deval D. Gandhi	50.00		50.00	
P.Y.	-		-	

(1)	(2)	(3)	(4)	(5)
Balance outstanding at year end :				
Investments				
Majestic Farm House Ltd.	3.68			3.68
P.Y.	*(3.68)*			*(3.68)*
Trade Receivable				
Vadilal Enterprises Ltd.*	2,442.63			2,442.63
P.Y.	*(342.17)*			*(342.17)*
Interest Receivable				
Vadilal International Pvt. Ltd	5.40			5.40
P.Y.	*(5.40)*			*(5.40)*
Loans & Advances Given				
Vadilal International Pvt. Ltd.	600.00			600.00
P.Y.	*(600.00)*			*(600.00)*
Majestic Farm House Pvt. Ltd.	4.48			4.48
P.Y.	*(4.20)*			*(4.20)*
Loans & Advances Taken				
Vadilal Marketing Pvt. Ltd.	-			-
P.Y.	*(218.85)*			*(218.85)*
Security Deposits Taken				
Vadilal Enterprises Ltd.	-			-
P.Y.	*(560.00)*			*(560.00)*
Trade Payable				
Vadilal International Pvt. Ltd.	4.87			4.87
P.Y.	*(4.55)*			*(4.55)*
Vadilal Chemicals Ltd.	1.28			1.28
P.Y.	*(1.72)*			*(1.72)*
Corporate Guarantee Given				
Vadilal Enterprises Ltd.	5,936.00			5,936.00
P.Y.	*(3,621.00)*			*(3,621.00)*
Corporate Guarantee Taken				
Majestic Farm House Pvt. Ltd.	25,503.00			25,503.00
P.Y.	*(18,503.00)*			*(18,503.00)*
Vadilal Enterprises Ltd.	1,050.00			1,050.00
P.Y.	*(800.00)*			*(800.00)*
Personal Guarantee Taken				
Directors	10,489.00	10,489.00		
P.Y.	*(12,040.00)*	*(12,040.00)*		

Notes

1) Previous Year's transaction of Sales and Outstanding of Trade Receivables are inclusive of VAT / CST.

2) * Outstanding balances are shown net of Acceptance.

3) Previous Year figures are shown in bracket.

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

Compensation to Key Managerial Personnel of the Company:

(` in Lacs)

Nature of Benefits	For the year ended March 31, 2018	For the year ended March 31, 2017
Short Term Employee Benefits	392.91	305.59
Post Employment Gratuity Benefits*	36.10	23.72
Total	**429.01**	**329.31**

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

NOTE - 45 Employee Benefits

I Post Employment Benefit Plans as per Indian Accounting Standard 19:

Defined Contribution Plan:

Group makes provident fund (PF) contributions to defined contribution benefit plans for eligible employees. Under the scheme Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions specified under the law are paid to the government authorities (PF commissioner).

Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note 36 ` 103.27 Lacs (Previous Year: ` 91.18 Lacs).

Defined Benefit Plan:

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

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

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

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

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

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

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

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

a) Movement in present value of defined benefit obligation are as follows : **(` in Lacs)**

Particulars	Gratuity	
	As at March 31, 2018	As at March 31, 2017
Obligations at the beginning of the year	**399.02**	**318.99**
Current service cost	27.25	21.96
Past service cost	20.43	-
Interest cost	29.09	24.88
Actuarial (gain) / loss-due to changes in Demographic Assumptions	2.00	(10.98)
Actuarial (gain) / loss-due to changes in Financial Assumptions	(15.74)	17.31
Actuarial (gain) / loss-due to Experience Adjustments	40.32	37.41
Benefits paid	(18.58)	(10.55)
Present value of benefit obligation at the end of the year	**483.79**	**399.02**

b) Movement in the fair value of defined plan assets are as follows : **(` in Lacs)**

Particulars	Gratuity	
	As at March 31, 2018	As at March 31, 2017
Plan assets at the beginning of the year at fair value	**179.74**	**131.76**
Interest Income	13.10	10.28
Return on plan assets excluding interest income	(1.78)	(1.75)
Contributions from the employer	100.00	50.00
Benefits paid	(18.58)	(10.55)
Plan assets at the end of the year at fair value	**272.48**	**179.74**

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, 2018	As at March 31, 2017
Present value of benefit obligation at the end of the period	483.78	399.02
Fair value of plan assets at the end of the period	(272.48)	(179.74)
Net liability / (assets) arising from defined benefit obligation	**211.30**	**219.28**

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

Gratuity	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	27.25	21.96
Net Interest Cost	15.99	14.60
Past Service Cost	20.43	-
Net impact on the Profit / (Loss) before tax	**63.67**	**36.56**
Gain / (Expense) recognised in Other Comprehensive Income		
Return on plan assets excluding actuarial return on plan assets	1.78	1.75
Actuarial (gains) / losses arising from changes in Demographic Assumption	2.00	(10.98)
Actuarial (gains) / losses arising from changes in Financial Assumption	(15.74)	17.31
Experience (gains) / losses arising on Experience Adjustments	40.32	37.41
Net expense recognised in the Other Comprehensive Income before tax	**28.36**	**45.49**

e) The defined benefit obligations shall mature after year end March 31, 2018 as follows : **(` in Lacs)**

Gratuity	As at March 31, 2018
1st Following Year	93.30
2nd Following Year	40.77
3rd Following Year	25.37
4th Following Year	32.37
5th Following Year	27.03
Sum of Years 6 To 10	206.93

f) Sensitivity Analysis

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

Particulars	As at March 31, 2018	As at March 31, 2017
Projected Benefit Obligation on Current Assumptions	483.78	399.02
Delta Effect of +1% Change in Rate of Discounting	(32.32)	(32.72)
Delta Effect of -1% Change in Rate of Discounting	37.31	38.20
Delta Effect of +1% Change in Rate of Salary Increase	34.23	37.93
Delta Effect of -1% Change in Rate of Salary Increase	(30.53)	(33.09)
Delta Effect of +1% Change in Rate of Employee Turnover	2.60	0.57
Delta Effect of -1% Change in Rate of Employee Turnover	(2.91)	(0.67)

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

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

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

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Financial Assumptions		
Discount rate	7.73%	7.29%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate		
For Service (4 years & below)	8.00%	8.00%
For Service (5 years & above)	2.00%	1.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

h) Investment details of plan assets:

To fund the obligations under the gratuity plan, Contributions are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines.

II. Other Long Term Employee Benefits

Compensated Absences

The liability towards compensated absences (leave encashment) for the year ended March 31, 2018 based on actuarial valuation carried out by using Projected Unit Credit Method is ` 156.77 Lacs. (As at March 31, 2017 : ` 100.72 Lacs)

Compensated Absences	As at March 31, 2018	As at March 31, 2017
Financial Assumptions		
Discount rate	7.73%	7.29%
Salary Escalation Rate	7.00%	7.00%
Attrition Rate		
For Service (4 years & below)	8.00%	8.00%
For Service (5 years & above)	2.00%	1.00%
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

NOTE - 46 Schedule of Government Grant: (Refer Note 24 & 28)

(` in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening balance of Grant	764.43	665.61	25.26
Grant Received during the Year	73.14	187.20	644.02
Amortised to the statement of Profit & Loss	(86.15)	(88.38)	(3.67)
Closing balance of Grant	**751.42**	**764.43**	**665.61**
Current	53.07	85.87	86.82
Non Current	698.35	678.56	578.79
Total	**751.42**	**764.43**	**665.61**
NOTE - 47 CSR Expenditure:			
Gross amount required to be spent by the Company during the year	40.62	24.09	13.10
Amount spent during the year			
i) for providing Medical Aid to the villagers near Pundhra Factory of the company	16.92	12.89	-
ii) On purposes other than (i) above	-	-	-
Total	**16.92**	**12.89**	**-**

NOTE - 48 First time Ind AS adoption reconciliation

Transition to Ind AS – Reconciliation

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

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

1 Reconciliation of Consolidated Balance Sheet as at April 1, 2016 (Transition Date) **(` in Lacs)**

Particulars	Note	I GAAP	Adjustment	Ind AS
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	(h),(i)	21,998.49	2,109.07	24,107.56
(b) Capital Work-in-Progress		51.54	-	51.54
(c) Investment Property	(b)	-	20.42	20.42
(d) Intangible Assets		461.63	-	461.63
(e) Financial Assets				
(i) Investments	(a),(b),(i)	40.31	43.13	83.44
(ii) Loans		2.32	-	2.32
(iii) Other Financial Assets	(d)	826.95	(436.44)	390.51
(f) Non Current Tax Assets (Net)		34.32	-	34.32
(g) Other Non Current Assets	(d),(k)	505.84	(126.09)	379.75
Total Non Current Assets		23,921.40	1,610.09	25,531.49
Current assets				
(a) Inventories		9,371.24	-	9,371.24
(b) Financial Assets				
(i) Investments	(c)	1.09	0.74	1.83
(ii) Trade Receivables		2,148.69	-	2,148.69
(iii) Cash & Cash Equivalents		122.05	-	122.05
(iv) Other Balances with Banks		236.62	-	236.62
(v) Loans		9.02	-	9.02
(vi) Other Financial Assets		166.76	-	166.76
(c) Other Current Assets	(d)	655.10	33.08	688.18
Total Current Assets		12,710.57	33.82	12,744.39
Total Assets		**36,631.97**	**1,643.91**	**38,275.88**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		718.78	-	718.78
(b) Other Equity		11,989.72	1,613.81	13,603.53
Total Equity		**12,708.50**	**1,613.81**	**14,322.31**
Non Controlling Interest		**34.89**	**-**	**34.89**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	(g)	4,555.35	(27.11)	4,528.24
(ii) Other Financial Liabilities	(j)	-	0.68	0.68
(b) Provisions		133.06	-	133.06
(c) Deferred Tax Liabilities (Net)	(k)	1,929.16	(484.73)	1,444.43
(d) Other Non Current Liabilities	(h)	21.59	557.20	578.79
Total Non Current Liabilities		**6,639.16**	**46.04**	**6,685.20**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		5,427.29	-	5,427.29
(ii) Trade Payables		7,096.20	-	7,096.20
(iii) Other Financial Liabilities	(j)	3,644.73	5.38	3,650.11
(b) Provisions	(h)	53.79	86.82	140.61
(c) Current Tax Liabilities (Net)	(e)	188.54	(108.14)	80.40
(d) Other Current Liabilities		838.87	-	838.87
Total Current Liabilities		**17,249.42**	**(15.94)**	**17,233.48**
Total Liabilities		**23,888.58**	**30.10**	**23,918.68**
Total Equity & Liabilities		**36,631.97**	**1,643.91**	**38,275.88**

Reconciliation of Consolidated Balance Sheet as at March 31, 2017

(` in Lacs)

Particulars	Note	I GAAP	Adjustment	Ind AS
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	(h),(i)	22,470.59	2,253.93	24,724.52
(b) Capital Work-in-Progress		452.23	-	452.23
(c) Investment Property	(b)	-	20.08	20.08
(d) Intangible Assets		351.59	-	351.59
(e) Financial Assets				
(i) Investments	(a),(b),(i)	25.93	31.14	57.07
(ii) Loans		4.59	-	4.59
(iii) Other Financial Assets	(d)	921.73	(450.01)	471.72
(f) Non Current Tax Assets (Net)		1.04	-	1.04
(g) Other Non Current Assets	(d),(k)	257.60	171.68	429.28
Total Non Current Assets		**24,485.30**	**2,026.82**	**26,512.12**
Current assets				
(a) Inventories		12,276.46	-	12,276.46
(b) Financial Assets				
(i) Investments	(c)	1.08	1.90	2.98
(ii) Trade Receivables		1,089.49	-	1,089.49
(iii) Cash & Cash Equivalents		381.14	-	381.14
(iv) Other Balances with Banks		212.36	-	212.36
(v) Loans		12.14	-	12.14
(vi) Other Financial Assets		186.82	-	186.82
(c) Other Current Assets	(d)	663.03	36.70	699.73
Total Current Assets		**14,822.52**	**38.60**	**14,861.12**
Total Assets		**39,307.82**	**2,065.42**	**41,373.24**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		718.78	-	718.78
(b) Other Equity		13,858.65	1,506.84	15,365.49
Total Equity		**14,577.43**	**1,506.84**	**16,084.27**
Non Controlling Interest		31.82	**-**	**31.82**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	(g)	3,454.75	(15.19)	3,439.56
(ii) Other Financial Liabilities	(j)	-	24.53	24.53
(b) Provisions		154.97	-	154.97
(c) Deferred Tax Liabilities (Net)	(k)	2,003.87	(204.95)	1,798.92
(d) Other Non Current Liabilities	(h)	17.92	660.64	678.56
Total Non Current Liabilities		**5,631.51**	**465.03**	**6,096.54**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		6,460.47	-	6,460.47
(ii) Trade Payables		8,389.27	-	8,389.27
(iii) Other Financial Liabilities	(j)	3,477.54	7.68	3,485.22
(b) Provisions		165.03	-	165.03
(c) Current Tax Liabilities (Net)		28.03	-	28.03
(d) Other Current Liabilities	(h)	546.72	85.87	632.59
Total Current Liabilities		**19,067.06**	**93.55**	**19,160.61**
Total Liabilities		**24,698.57**	**558.58**	**25,257.15**
Total Equity & Liabilities		**39,307.82**	**2,065.42**	**41,373.24**

2 Reconciliation of Consolidated Total Comprehensive Income for the year ended March 31, 2017

(` in Lacs)

Particulars	Note	I GAAP	Adjustment	Ind AS
I REVENUE				
Revenue from Operations		49,368.14	-	49,368.14
Other Income	(a),(d),(h),(j),(c)	223.33	121.25	344.58
Total Income (I)		**49,591.47**	**121.25**	**49,712.72**
II EXPENSES				
Cost of materials consumed		26,050.26	-	26,050.26
Purchases of Stock-in-Trade		664.02	-	664.02
Changes in Inventories of Finished Goods and Stock-in-Trade		(555.16)	-	(555.16)
Excise duty on sale of goods		1,147.02	-	1,147.02
Employee benefits expense	(f)	2,919.74	(45.49)	2,874.25
Finance costs	(g)	1,550.44	47.68	1,598.12
Depreciation and amortization expense	(h),(i)	1,450.74	42.33	1,493.07
Other expenses	(d)	13,478.75	33.43	13,512.18
Total Expenses (II)		**46,705.81**	**77.95**	**46,783.76**
III Profit before tax (I-II)		**2,885.66**	**43.30**	**2,928.96**
IV Tax Expense:				
(1) Current tax		947.91	-	947.91
(2) Deferred tax	(k)	74.71	0.10	74.81
Total Tax Expenses (IV)		**1,022.62**	**0.10**	**1,022.72**
V Profit for the year		**1,863.04**	**43.20**	**1,906.24**
VI Profit / Loss applicable to Non Controlling Interest		**(3.07)**	**-**	**(3.07)**
VII Profit / Loss attributable to owner of Group (V-VI)		**1,866.11**	**-**	**1,909.31**
Other Comprehensive Income				
(i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods:				
(a) Remeasurements of the defined benefit plans	(f)	-	(45.49)	(45.49)
Income Tax effect	(k)	-	15.74	15.74
		-	**(29.75)**	**(29.75)**
(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods:				
(a) Hedge Reserve		-	5.55	5.55
Income Tax effect				
		-	**5.55**	**5.55**
VIII Total Other Comprehensive Income (i-ii)		**-**	**(24.20)**	**(24.20)**
IX Total Comprehensive Income for the year (V+VIII)		**1,863.04**	**19.00**	**1,882.04**

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

(` in Lacs)

Particulars	As at March 31, 2017	As at April 1, 2016
Total Equity as per previous GAAP	**14,577.48**	**12,708.48**
Effect of measuring Current Investment at fair value through profit and loss (FVTPL)	1.90	0.74
Effect of measuring Non Current Investment at fair value through profit and loss (FVTPL)	7.60	19.93
Effect on depreciation on account of valuation of Property, Plant and Equipment	(42.33)	-
Effect of measuring security deposit at fair value	(53.98)	(46.29)
Increase in borrowing cost pursuant to application of EIR	15.19	27.11
Impact on adopting Ind AS Cost method for Property, Plant and Equipment & Revaluation in case of Land	1,508.67	1,508.67
Effect of measuring Corporate Guarantee Liability	(32.21)	108.14
Effect of amortisation of Deferred Govt. Grant	84.71	(6.06)
Increase / (Decrease) in defined benefit cost	45.49	-
Exchange difference on translation on foreign operations	(5.55)	-
Tax impact in respect of above adjustments	1.50	1.59
Other comprehensive Income (OCI) (Net of Tax)	(24.20)	-
Total Equity as per Ind AS	**16,084.27**	**14,322.31**

4 Reconciliation of Consolidated Profit for the year ended March 31, 2017

(` in Lacs)

Particulars	Year ended March 31, 2017
Net Profit after tax under Previous IGAAP	**1,863.04**
Effect of measuring Current Investment at fair value through profit and loss (FVTPL)	1.16
Effect on depreciation on account of valuation of Property, Plant and Equipment	(42.33)
Increase / (Decrease) in defined benefit cost	45.49
Effect of measuring security deposit at fair value	(7.66)
Increase in borrowing cost pursuant to application of EIR	(11.93)
Effect of measuring Corporate Guarantee Liability	(26.14)
Effect of amortisation of Deferred Govt. Grant	84.71
Deferred tax in respect of above adjustments	(0.10)
Net profit after tax as per Ind AS	**1906.24**
Remeasurement of defined benefits plan	(45.49)
Tax expenses on above item	15.74
Exchange difference on translation on foreign operations	5.55
Total Comprehensive Income as per Ind AS	**1,882.04**

5 Adjustments to Consolidated Statement of Cash flow

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2017 as compared with the previous GAAP.

6 Notes on Reconciliation

(a) Under previous GAAP, non current investment were measured at cost less diminution in value which is other than temporary. Under Ind AS 109, investment in equity instruments are classified as FVTPL. On transition to Ind AS, these financial assets have been measured at fair value which is higher / lower than cost as per previous GAAP.

(b) Under previous GAAP, investment property was disclosed under non current investment which is now shown as per Ind AS under investment property.

(c) Under previous GAAP, current investment were measured at cost or net realisable value whichever is lower. Under Ind AS 109, investment in equity instruments are classified as FVTPL. On transition to Ind AS, these financial assets have been measured at fair value which is higher / lower than cost as per previous GAAP.

(d) Under Ind AS, security deposit given against operating lease are presented at fair value by discounting it taking lease contract period and the differential amount has been treated as advance rentals to be amortised as rent over lease period.

(e) Under previous GAAP, dividend recommended by board of directors on equity shares for the reporting period while approving financial statement, subject to its approval by members in general meeting, was being recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised as liability when declared by the members in a general meeting.

(f) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods.

(g) Under previous GAAP, upfront fees paid to the lenders is charged to statement of profit and loss as and when incurred. However, Ind AS - 109 “Financial instruments” requires long term debt to be recognised at amortised cost and upfront fees are charged on the basis of effective interest rate method.

(h) Under previous GAAP, property, plant and equipment was capitalized net of duty saved amount under EPCG scheme. Now, as per Ind AS it has been capitalized and deferred govt. grant is credited under current and non current liability.

(i) Under previous GAAP, the company had revalued freehold land, leasehold land, building and certain plant & machineries. Under Ind AS, the company has elected to apply Ind AS retrospectively to arrive at carrying value of all of its property, plant and equipments, except land, as of April 1, 2016 (transition date). Land have been valued at fair value as of April 1, 2016 (transition date).

(j) The Company has given financial guarantee on behalf of Vadilal Enterprises Limited. The Company does not charge any amount for the guarantee provided. Under Ind AS, fair value presentation has been done for the notional commission earned on corporate guarantee given on behalf of Vadilal Enterprises Limited.

(k) Consequent to adoption of Ind AS from April 1, 2016, deferred tax at applicable rates has been recognised on effect of Ind AS adoption and transition on retained earnings as at April 1, 2016 and on impact on profit for the year ended March 31, 2017 for the adjustment carried out in the statement of profit and loss.

Under previous GAAP, MAT credit entitlement was classified as other non-current assets.Under Ind AS, MAT credit entitlement is considered as part of deferred tax component.

NOTE - 49 Standards issued but not yet effective

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

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

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

Ind AS 115 - Revenue from contracts with customers

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

NOTE - 50 Previous years' figures have been regrouped and rearranged wherever necessary to comply with requirement of Ind AS.

For and on behalf of the Board of Directors

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

Devanshu L. Gandhi
Managing Director
(DIN 00010146)

Kalpit R. Gandhi
Director & Chief Financial Officer
(DIN 02843308)

Ruchita Gurjar
Company Secretary

Place : Ahmedabad
Date : May 28, 2018

VADILAL INDUSTRIES LIMITED

Registered Office : Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169, Email : shareslogs@vadilalgroup.com, Website : www.vadilalgroup.com Tel: +91 079 30153189

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder,Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository or with Share Transfer Agent.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extentand allow shareholders to contribute towards a greener environment. This is a golden opportunity forevery shareholder of Vadilal Industries Limited to contribute to the cause of Green Initiative.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode.

Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.

Best Regards,

Ruchita Gujar
Company Secretary

E-COMMUNICATION REGISTRATION FORM

Folio No. / DP ID and Client ID : _____

Name of the 1st Registered Holder : _____

_____

Name of the Joint Holder[s] : _____

_____

_____

Registered Address : _____

_____

_____

_____

E-mail ID (to be registered) : _____

I / We Shareholder(s) of Vadilal Industries Limited agree to receive communication from the Company in electronic mode. Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date : _____ Signature _____

Note : Shareholder(s) are requested to keep the Company informed as and when there is anychange in the e-mail address.

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VADILAL INDUSTRIES LIMITED

Registered Office : Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169, Email : shareslogs@vadilalgroup.com, Website : www.vadilalgroup.com Tel: +91 079 30153189

ATTENDANCE SLIP

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

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

I hereby record my presence at the **34th Annual General Meeting** of the members of the Company on **Monday, the 24th September, 2018, at 11.00 a.m.,** at **H T Parekh Convention Center,** 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015.

* Applicable for investors holding shares in electronic form.

_____
Signature of Shareholder(s)/Proxy

Tear here?

VADILAL INDUSTRIES LIMITED

Registered Office : Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169, Email : shareslogs@vadilalgroup.com, Website : www.vadilalgroup.com Tel: +91 079 30153189

Form No. MGT-11

FORM OF PROXY

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

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

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

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

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the **34th Annual General Meeting** of the Company, to be held on **Monday, the 24th September, 2018, at 11.00 a.m.** at **H T Parekh Convention Center,** 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015 and at any adjournment thereof in respect ofsuch resolutions as are indicated below:

See overleaf



Resolution No.	Description	For	Against
1)	To consider and adopt:		
	(a) The audited financial statement of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon; and		
	(b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2018.		
2)	To declare dividend on Equity Shares for the financial year ended on March 31, 2018.		
3)	To appoint a Director in place of Mr. Rajesh R. Gandhi (DIN: 00009879) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. If re-appointed, the same shall not be termed as discontinuation of his office as Managing Director of the Company.		
4)	To appoint a director in place of Mrs. Deval D. Gandhi (DIN: 00674579) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.		
5)	To ratify the appointment of Statutory Audtiors and fix their remuneration.		

Signed this _____ day of _____ 2018

Affix Revenue Stamp

Signature .....

Notes:

1. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalfof not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more thanten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
2. This form of Proxy, to be effective, should be deposited at the Share Department of the Company at 9th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015, not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

NOTES

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