



Date: 28th AUGUST, 2023

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 FY 2022-23 ALONG WITH NOTICE OF THIRTY-NINETH ANNUAL GENERAL MEETING TO BE HELD ON THURSDAY, SEPTEMBER 21, 2023

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), 2015, we are submitting here with the Annual Report for the Financial Year 2022-23 of Vadilal Industries Limited ("the Company") along with Notice of the 39th Annual General Meeting of the Company scheduled to be held on Thursday, September 21, 2023 at 11.00 A.M. (IST), through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM). The said notice forms part of the Annual Report of the Company for the Financial Year 2022-23 ended March 31, 2023 and are being sent to the shareholders through electronic mode on their registered e-mail addresses and are also available on the website of the Company at vadilalgroup.com/VIL_AR_Fy_2023.pdf

We request you to kindly take above information on your record.

Thanking you,

Yours faithfully

For **VADILAL INDUSTRIES LIMITED**

Rashmi Bhatt

Company Secretary & Compliance Officer

VADILAL INDUSTRIES LIMITED

Reg. Office : Vadilal House, 53, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380009.

Ph. No.: 079-26564019-24. Email id : info@vadilalgroup.com

Website : www.vadilalicecreams.com / www.vadilalgroup.com CIN No. : L91110GJ1982PLC005169

Vadilal[®]
INDUSTRIES LTD.

ANNUAL REPORT 2023



Vadilal[®]

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Kulfi Stick | Dolly/Bar | Shot Ice Cream | Cassatta Ice Cream | Ice Cream Cone

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NUTS**



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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Chairman & Independent Director

Mr. Preet Shah (w.e.f 30th September, 2022)
Mr. Vijay R. Shah (upto 29th September, 2022)

Executive Directors

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

Non-Executive & Non- Independent Directors

Mrs. Deval D. Gandhi
Mr. Kalpit R. Gandhi Chief Financial Officer

Independent Directors

Mr. Preet Shah
Ms. Shaily Dedhia

COMPANY SECRETARY : Ms. Rashmi Bhatt

AUDITORS : M/s. Arpit Patel & Associates
Chartered Accountants

BANKERS : Bank of Baroda
State Bank of India
IDBI Bank Limited
Indusind Bank Limited
PNB Investment Services Ltd
(security Trustee)

REGISTERED OFFICE : Vadilal House, Shrimali Society
Nr. Navrangpura Railway Crossing,
Navrangpura, Ahmedabad- 380009
CIN: L91110GJ1982PLC005169
Phone Number: 079- 4808 2000
Fax: 079-26564027
Web: www.vadilalgroup.com

SHARE DEPARTMENT : Colonnade Building, 9th Floor,
Opp. Iscon Temple BRTS Bus Stand,
Ambli-Bopal Road, Ahmedabad-380015
Phone : 079-4808 1200.

STOCK EXCHANGES : 1. BSE Limited
Scrip Code: 519156
2. NSE India Limited
Scrip Symbol: VADILALIND

REGISTRAR & SHARE TRANSFER AGENT : MCS Share Transfer Agent Limited,
(For physical & demat) 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 Food Division

Dharampur, Dist. Valsad (Gujarat)

39 th ANNUAL GENERAL MEETING	
DAY	: Thursday
DATE	: 21 st September, 2023
TIME	: 11.00 a.m.
Through : Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	

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NOTICE

NOTICE is hereby given that the 39th **ANNUAL GENERAL MEETING** of the members of **VADILAL INDUSTRIES LIMITED** will be held on **Thursday, the 21st day of September 2023 at 11.00 a.m.** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), to transact the following businesses:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt:
 - (a) The audited financial statements of the Company for the financial year ended March 31, 2023, and the reports of the Board of Directors and Auditors thereon; and
 - (b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2023, and the report of the Auditors thereon.
- 2) To declare dividend on Equity shares for the financial year ended on March 31, 2023.
- 3) To appoint a Director in place of Mr. Devanshu L. Gandhi (DIN: 00010146) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Kalpit R. Gandhi (DIN: 02843308) 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.
- 5) To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), M/s. Arpit Patel & Associates, Chartered Accountants, Ahmedabad (Registration No. 144032W), who was the retiring Auditors of the Company at the 39th AGM held on 21st September, 2023, be and are hereby appointed as Statutory Auditors of the Company for a term of one year (out of his remaining tenure of two years out of the current term of five consecutive years) to hold office from the conclusion of this Annual General Meeting till the conclusion of the 40th Annual General Meeting of the Company to be held in the year 2024, on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.

SPECIAL BUSINESS:

- 6) To approve the remuneration to be paid to Mr. Rajesh R. Gandhi, Managing Director for remaining period of 2 years of his term w.e.f. 25th March, 2023 and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 178, 197, 198, and other applicable provisions, if any and Schedule – V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and also subject to such other approvals as may be necessary and in furtherance to and in partial modification to the Special Resolution passed by the Members of the Company at the 36th Annual General Meeting of the Company held on 20th September, 2020, in respect of re-appointment of Mr. Rajesh R. Gandhi, as a Managing Director of the Company, for a period of 5 years w.e.f. 25th March, 2020 upto 24th March, 2025 with payment of remuneration and as recommended by the Nomination and Remuneration Committee, Mr. Rajesh R. Gandhi shall be entitled to be paid remuneration, perquisites, allowances and commission as mentioned in the Explanatory Statement attached hereto, for remaining period of 2 years w.e.f. 25th March, 2023 upto 24th March, 2025 and more particularly set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Rajesh R. Gandhi, a copy whereof submitted to this meeting and for identification signed by the Chairman thereof, which Agreement is hereby specifically approved with authority to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter and/or vary the terms and conditions of the said remuneration including commission and perquisites payable from time to time as they deem fit and/or draft Supplemental Agreement, in such manner, as may be agreed upon by the Board of Directors and Mr. Rajesh R. Gandhi, within the limits prescribed under Schedule – V to the Act or any statutory amendment(s) and/or modification(s) thereto and if necessary, as may be agreed to between the Board of Directors and as may be acceptable to Mr. Rajesh R. Gandhi.

RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequate profits in any financial year during the said period of 2 years w.e.f. 25th March, 2023 and upto 24th March, 2025, the remuneration payable to Mr. Rajesh R. Gandhi shall be as mentioned in the Explanatory Statement attached hereto and more particularly set out in the draft Supplemental Agreement and not exceeding the limits prescribed in Schedule V to the Act as amended from time to time subject to the compliance of provisions thereof.

RESOLVED FURTHER THAT any one of the Directors of the Company, be and is hereby severally authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the aforesaid resolution.

- 7) 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. 25th March, 2023 and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 178,197, 198, and other applicable provisions, if any and Schedule – V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and also subject to such other approvals as may be necessary and in furtherance to and in partial modification to the Special Resolution passed by the Members of the Company at the 36th Annual General Meeting of the Company held on 20th September, 2020, in respect of re-appointment of Mr. Devanshu L. Gandhi, as a Managing Director of the Company, for a period of 5 years w.e.f. 25th March, 2020 upto 24th March, 2025 with payment of remuneration and as recommended by the Nomination and Remuneration Committee, Mr. Devanshu L. Gandhi shall be entitled to be paid remuneration, perquisites, allowances and commission as mentioned in the Explanatory Statement attached hereto, for remaining period of 2 years w.e.f. 25th March, 2023 upto 24th March, 2025 and more particularly set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Devanshu L. Gandhi, a copy whereof submitted to this meeting and for identification signed by the Chairman thereof, which Agreement is hereby specifically approved with authority to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter and/or vary the terms and conditions of the said remuneration including commission and perquisites payable from time to time as they deem fit and/or draft Supplemental Agreement, in such manner, as may be agreed upon by the Board of Directors and Mr. Devanshu L. Gandhi, within the limits prescribed under Schedule – V to the Act or any statutory amendment(s) and/or modification(s) thereto and if necessary, as may be agreed to between the Board of Directors and as may be acceptable to Mr. Devanshu L. Gandhi.

RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequate profits in any financial year during the said period of 2 years w.e.f. 25th March, 2023 and upto 24th March, 2025, the remuneration payable to Mr.Devanshu L. Gandhi shall be as mentioned in the Explanatory Statement attached hereto and more particularly set out in the draft Supplemental Agreement and not exceeding the limits prescribed in Schedule V to the Act as amended from time to time subject to the compliance of provisions thereof.

RESOLVED FURTHER THAT any one of the Directors of the Company, be and is hereby severally authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the aforesaid resolution.

For **VADILAL INDUSTRIES LIMITED**

RAJESH R. GANDHI
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 4808 1200
Dated : 09th August, 2023

NOTES:

- 1) Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/ 2021/11 15th January, 2021 and SEBI/HO/CFD/CMD2/ CIR/P/2022/62dated 13th May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

- 2) Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA C3irculars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
- 3) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote through VC/ OAVM on their behalf at the Meeting.
- 4) Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
- 5) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 6) 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.
- 7) Pursuant to the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company / MCS Share Transfer Agent Limited (if shares held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to mcsstaahmd@gmail.com Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF / JPG Format) by e-mail to mcsstaahmd@gmail.com.

- 8) The Company has notified closure of Register of Members and Share Transfer Books from 15th September, 2023 to 21th September, 2023 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
 - (a) Dividend of Re. 1.50/- per share (@15%) on Equity Shares for the year ended on 31st March, 2023 as recommended by the Board, if declared at the meeting, will be paid with deduction of tax at source:
 - # to those members, whose names appear on the Register of Members on or before 14th September, 2023, 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, 2023.
- 9) Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/ MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate(s); claim from unclaimed suspense account; renewal/ exchange of securities certificate(s); endorsement; sub-division/splitting of securities certificate(s); consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://vadilalgroup.com/wp-content/uploads/2022/02/FormISR4.pdf> and on the website of the Company's Registrar and Transfer Agent i.e. MCS Share Transfer Agent Limited. It may be noted that any service request can be processed only after the folio is KYC Compliant.
- 10) As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <https://vadilalgroup.com/wp-content/uploads/2022/01/VIL-Common-and-Simplified-Norms-for-Shareholders.pdf> Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to MCS Share Transfer Agent Limited in case the shares are held in physical form.
- 11) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
 - a. **For shares held in electronic form:** to their Depository Participants (DPs)
 - b. **For shares held in physical form:** to the Company/ Registrar and Transfer Agents (RTA) in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023. In the absence of any of the required documents in a folio, on or after October 1, 2023, the folio shall be frozen by the RTA. Intimation letters along

with Business Reply Envelopes for furnishing the required details are being sent by the Company. Members may also refer on Company's website <https://www.vadilalgroup.com>.

- 12) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April 2019, except in the case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holding to dematerialized form. Members can contact Company or Share Transfer Agent- M/s. MCS Share Transfer Agent Limited in this regard.

13) Dispatch of Annual Report through E-mail:

In accordance with the MCA Circulars no. 02/2022 dated May 05, 2022 and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2023, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. MCS Share Transfer Agent Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2023 shall also be available on the websites of the Company viz., www.vadilalgroup.com and website of Stock Exchanges i.e. BSE, NSE and AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.

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

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

Members are requested to note that the amount of dividend for the financial year ended on 31st March, 2016, 31st March, 2017, 31st March, 2018, 31st March, 2019 and 31st March, 2022 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 1st November, 2023, 6th November, 2024, 6th November, 2025, 30th October, 2026 and 5th November, 2029 respectively. Further during the Financial year 2019-2020 and 2020-2021 Company did not declare dividend due to COVID -19 pandemic

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.

- 16) Pursuant to SEBI Regulations, the Shareholders who are holding shares in physical form are mandatorily required to furnish the PAN and complete Bank account details with the Company or Registrar and Share Transfer Agent i.e., MCS Share Transfer Agent Limited.

Further, in terms of SEBI, Gazette Notification Shares in Physical Form will not be transferred. Hence, Shareholders holding shares in physical form are advised to get their shares converted into demat form at the earliest.

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

- 18) Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company Secretary at the registered office of the Company at least 10 days before the date of the meeting.

- 19) In compliance with the aforesaid MCA Circular and SEBI Circular, Notice of the AGM along with Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2022-23 will also be available on the Company's website at www.vadilalgroup.com, on the website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL.

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

- 21) **The Following statement sets out all material facts relating to the Business mentioned in item No: 3, 4 & 5.**

As required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 given below are the details of Mr. Devanshu L. Gandhi and Mr. Kalpit R. Gandhi Directors who shall retire by rotation and being eligible, offer themselves for re-appointment: -

Item No: 3 & 4

Mr. Devanshu L. Gandhi

Mr. Devanshu L. Gandhi aged 56 years, is a Commerce Graduate and has been associated with the Company since its inception having experience on hands for Ice-cream and Processed Food business. He looks after day-to-day affairs of the Company pertaining to the hereby-mentioned areas: Domestic Sales and Marketing of Ice-cream Division, Government Subsidies of Ice-cream plants and Revenue Expenses of Refrigeration Service Division. Mr. Devanshu L. Gandhi looks after Production, Purchase, Works, QC, R & D of Processed Food Division. He looks after purchase of Land & Materials, Project Commissioning & Legal for Construction Division. Entire Forex

Division (FFMC & Consultancy Services) and Human Resource & P & A (respective) is taken care by him. He is on the Board of following other Companies.

Mr. Devanshu L. Gandhi is a member of the Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. He is also a member of the following committees of other Companies. Mr. Devanshu L. Gandhi holds 345,691 shares in Vadilal Industries Limited in his individual capacity.

Directorship:

Directorship:

- Vadilal Enterprises Limited
- Vadilal Chemicals Limited
- Vadilal International Private Limited
- Vadilal Gases Limited
- Vale Properties Private Limited
- Byad Packaging industries Private Limited
- Esveegee wires and metals private Limited
- Numen Technologies Private Limited
- Vadilal Delights Limited
- Varood Industries Limited
- Rystic Trading Private Limited
- Marveling Marketing Private Limited
- ABDG Enterprises Private Limited

Member of the Board Committees:

Audit Committee:

- Vadilal Chemicals Limited

Stakeholders' Relationship Committee:

- Vadilal Enterprises Limited
- Vadilal Chemicals Limited

Nomination and remuneration Committee:

- Vadilal Enterprises Limited

Relationship between the Directors: -

Mr. Devanshu L Gandhi is the husband of Mrs. Deval D Gandhi. None of the other directors are related to Mr. Devanshu L. Gandhi, Directors of the Company

Mr. Kalpit R. Gandhi

Mr. Kalpit Gandhi aged 38 years has done Master's in Business Administration from IESE Business School Barcelona (Spain), which is one of the top universities globally ranked as 5th as per Economist and 7th as per Financial Times and have numerous accolades in field of executive education. He is a graduate from the University of Southern California with a BSC in Business Administration & Accounting and carrying wide experience in Finance and Marketing functions with international exposure. He had served reputed organization like Godrej Consumer Products Limited, Financial Technologies (India) Ltd in various capacities and had also exposure in international company named Akin Bay in USA which strengthen his business acumens. Mr. Kalpit R. Gandhi is Chief Financial Officer (CFO) and Non-Executive Director of the Company.

Mr. Kalpit R. Gandhi is a member of the Corporate Social Responsibility Committee and Risk Management Committee of the Company. He is not a Member of Audit Committee, of other Companies. Mr. Kalpit R. Gandhi do not hold shares in Vadilal Industries Limited in his individual capacity. Mr. Kalpit R. Gandhi is Director in the following other companies:

Directorship:

Directorship:

- Vadilal International Private Limited
- Vadilal Chemicals Limited
- Vadilal Marketing Private Limited
- Vadilal Delights Limited

Relationship between the Directors: -

Mr. Kalpit R. Gandhi is the son of Mr. Rajesh R. Gandhi. None of the other directors are related to Mr. Kalpit R. Gandhi, Director of the Company.

Item No: 5

The Board of Directors in its meeting held on 13th August, 2021 approved and recommended appointment of M/s. Arpit Patel & Associates as Statutory Auditors of the Company for a remaining period of 4 years i.e. till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2025 subject to approval of shareholders in the annual general meeting. However, at the

37th Annual General Meeting (AGM) of the members of the Company held on 18th September, 2021, the resolution for the appointment of M/s. Arpit Patel & Associates as Statutory Auditors of the Company for a remaining period of 4 years i.e. till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2025 was not passed and therefore, pursuant to the provisions of Section 139(10) of the Companies Act 2013, Board of Directors vide circular resolution passed on 05th October, 2021 took note of continuation of M/s. Arpit Patel & Associates as Statutory Auditors of the Company for the financial year 2021-22 i.e. till the conclusion of next Annual General Meeting of the members of the Company to be held in the year 2022 as Auditors of the Company.

M/s. Arpit Patel & Associates (FRN: 144032W), Chartered Accountants, Ahmedabad Statutory Auditors of the Company were appointed, as such at the Annual General Meeting of the Company held on 29.09.2022 for one year (out of his remaining tenure of three years out of the current term of five consecutive years) to hold office from the conclusion of 38th Annual General Meeting till the conclusion of 39th Annual General Meeting of the Company to be held in the year 2023.

In view of provisions of the Companies Act, 2013, at the 39th AGM the members are required to consider the matter of appointment/ re-appointment of Statutory Auditors of the Company.

On the recommendation of the audit committee at its meeting held on 09th August, 2023, the Board of Directors at its meeting held on 09th August, 2023, have approved and recommended to the Members for a appointment/ re-appointment of M/s Arpit Patel & Associates as Statutory Auditors of the Company for One year (out of his remaining tenure of two years out of the current term of five consecutive years) i.e till the conclusion of the 40th Annual General meeting of the Company to be held in the year 2024.

Board has approved the Fees for Statutory Audit of ₹ 22.50 lakhs (Rupees Twenty two lakhs fifty thousand only) plus applicable taxes, the travelling and other out of pocket expenses incurred by M/s. Arpit Patel & Associates, Statutory Auditors of the Company for the financial year- 2022-23. The remuneration payable to M/s. Arpit Patel & Associates, statutory auditors for the remaining tenure of the proposed appointment/ re-appointment will be subsequently determined by the Board as per the recommendation of the Audit Committee and in consultation with the Statutory Auditor M/s Arpit Patel & Associates The fees are based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmark. The fees for service in the nature of limited review, statutory clarifications and other professional work will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit Committee. The Board, based on the recommendation of the Audit Committee, recommends the ordinary resolution as set out in item no. 5 of this notice. None of the Directors and Key Managerial Personnel or their relatives are interested financially or otherwise in the resolution as set out in item No. 5 of this notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”) :

Item No. 6

At the 36th Annual General Meeting of the Company held on 30th September, 2020 and vide a Special Resolution passed by the Shareholders, Mr. Rajesh R. Gandhi has been appointed as Managing Director of the Company for a period of 5 years w.e.f. 25th March, 2020 upto 24th March, 2025, and payment of remuneration, perquisites, allowances and commission for a period of 3 years w.e.f. 25th March, 2020 upto 24th March, 2023 as under:

Salary, Perquisites and Allowances (Amount in ₹ per month):

Particulars	25-03-2020 to 24-03-2021	25-03-2021 to 24-03-2022	25-03-2022 to 24-03-2023
Basic	493450	526325	559250
HRA (in lieu of accommodation - furnished or otherwise)	197380	210530	223700
Re-imbursment of Medical Expenses (for Managing Director and his family)	0	0	0
Provident Fund @12% on Basic Salary	59214	63159	67110
Total	750044	800014	850060

Commission: In addition to the Salary, Perquisites and other Allowances as mentioned above and in case of Company having adequate profit, the Managing Director shall also be entitled for to a Commission at the rate upto 5.00% on the net profits of the Company subject to the limits as per section 197 of the Companies Act, 2013 for each of the financial years covered during the period viz. for the financial years from 2019-20 to 2021-22

Minimum Remuneration : Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and other allowances as provided above or the maximum remuneration payable as per the limit set out in section II of part II of schedule V in of the Companies Act, 2013 as minimum remuneration and in excess of minimum remuneration, subject to the requisite approvals, if any.

- The terms and conditions of payment of remuneration, perquisites, allowances and commission specified hereinabove may be enhanced, enlarged, widened, altered or varied from time to time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/or the Rules made thereunder from time to time in future and/or such provisions as may be applicable from time to time.
- The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.
- For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.

In terms of provisions of Schedule – V of the Companies Act, 2013 and Rules made thereunder, the above Special Resolution is required to be modified in respect of payment of remuneration to Mr. Rajesh R. Gandhi, as under, for remaining period of 2 years w.e.f. 25th March, 2023 upto 24th March, 2025 by obtaining approval of Members of the Company by way of a Special Resolution and duly approved by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 7th February, 2023, subject to the approval of Central Government, if applicable :-

1) Remuneration:

I) Salary, Perquisites and Allowances (Amount in ₹ per month) :

Particulars	25-03-2023 to 24-03-2024	25-03-2024 to 24-03-2025
Basic	789474	921053
HRA (in lieu of accommodation - furnished or otherwise)	315790	368421
Re-imbursment of Medical Expenses (for Managing Director and his family)	0	0
Provident Fund @12% on Basic Salary	94737	110526
Total	1200000	1400000

Notes:

- Mr. Rajesh R. Gandhi is entitled to other privileges, facilities, and amenities as per the rules of the Company.
- For the purpose of perquisites and allowances, family means the spouse, dependent children, and dependent parents of the Managing Director.

Other Perquisites and Allowances

- Provident Fund: The Company's contribution to Provident Fund as per Rules of the Company.
- Gratuity : Payment of Gratuity in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.
- Superannuation Fund: Superannuation Fund or Annuity Fund benefit in accordance with such Scheme of the Company.
Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act, 1961.
- Encashment of leave as per Rules of the Company and will not be included in the ceiling on perquisites.
- The Managing Director be paid expenses towards driver's expenses, security at his residence, membership fees of Young Presidents' Organization and other expenses for travelling, entertainment incurred by him for the business of the Company and on behalf of the Company.

II) Commission:

In addition to the Salary, Perquisites and other Allowances as mentioned above and in case of Company having adequate profit, Mr. Rajesh R. Gandhi shall also be entitled to a Commission at the rate upto 5.00% on the net profits of the Company subject to the limits as per 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder for each of the Financial years covered during the period viz, for the financial years from 2022-2023 to 2023-2024.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and other allowances as provided above or the maximum remuneration payable as per the limit set out in section II of part II of schedule V in of the Companies Act, 2013 as minimum remuneration and in excess of minimum remuneration, subject to the requisite approvals, if any.

1. The terms and conditions of payment of remuneration, perquisites, allowances and commission specified hereinabove may be enhanced, enlarged, widened, altered or varied from time to time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/or the Rules made thereunder from time to time in future and/or such provisions as may be applicable from time to time.
2. The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.
3. For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply. A Statement as per requirement of Schedule V is given to the Shareholders containing following information of the Company and Mr. Rajesh R. Gandhi: -

I. GENERAL INFORMATION:

(1) Nature of industry

The Company is engaged in the business of manufacturing Ice-cream, Frozen Dessert, Juicy and Candy and processing and exporting Processed Food products, such as Frozen Fruits and Vegetables, Canned Fruit Pulp, Ready-to-eat and Ready-to-serve products, etc.

The ice-cream Division of the Company has 2 manufacturing plants situated at 1) Village Pundhra, Taluka Mansa, Dist. Gandhinagar, Gujarat and 2) Bareilly, Uttar Pradesh.

The Company is processing Frozen Fruits, Vegetables and Processed Foods by latest freezing technology, namely, "Individually Quick Freezing" (IQF) at its factory situated at Dharampur, Dist. Valsad, Gujarat. The Processed Food Division commenced its operation in 1991. The Company is exporting nearly 60 products in USA, Canada, UK, Kuwait, UAE, Singapore, New Zealand, Australia. The Company is also selling Processed Food products in the Domestic Market.

(2) Date of commencement of commercial production

The Company is in the business of Ice-cream since 1982. The Process Food division commenced its operation in 1991.

(3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus

The Company has been in existence since 1982.

(4) Financial performance based on given indicators

Following is the financial performance of the Company since last 3 years:

(₹ in Lacs)

Financial Year	Revenue from Operations (Net)	EBITDA	Net Profit /(Loss) after Tax
2020-2021	35654.01	666.43	(2409.82)
2021-2022	54411.61	5127.15	1034.43
2022-2023	89671.40	12960.16	7194.33

(5) Export performance and net foreign exchange earnings

Following is the export performance of the Company since last 3 Years: -

(₹ in Lacs)

Financial Years	Export Sales (FOB Value)
2020-2021	11081.38
2021-2022	10936.71
2022-2023	13287.89

(6) Foreign investments or collaborators, if any.

The Company has an investment in share capital of its wholly owned subsidiary company, namely, Vadilal Industries (USA) Inc and Vadilal Industries Pty Ltd

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Name : Mr. Rajesh R. Gandhi
 Designation : Managing Director
 Age : 65 Years
 Experience : 43 Years

Mr. Rajesh R. Gandhi is a Director of the Company since Incorporation of the Company and Managing Director of the Company since 1986. He has an experience of over 40years in Ice-cream business and experience of over 30 years in Processed Food business.

(2) Past Remuneration:

The details of managerial remuneration paid to Mr. Rajesh R. Gandhi, Managing Director of the Company during the financial year ended on 31st March 2022, are as under:

Particulars		Amount (₹ in lakhs per annum)
Basic Salary	:	6315900
Perquisites/ Allowances	:	2526360
Contribution to PF	:	757908
Total	:	9600168

(3) Recognition or awards:

Vadilal has won 22 awards over 3 consecutive years: 2008 , 2009 & 2010 at ‘The Great Indian Ice Cream Contest’ organized by the Indian Dairy Association. 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). In the same contest held in 2013, Vadilal won 5 awards. So, the total tally of Awards won is now 27 in 4 years of contest.

Best in Class in Kids category – Joker Ice Trooper, Gold in Kids category – Joker Ice Trooper, Silver in Vanilla Frozen Dessert – Vanilla Frozen Dessert. Bronze in Vanilla Ice cream – Happinezz Vanilla Ice cream. Bronze in Premium – Pista Happinezz Ice cream garnished with Green Pista. In 2013, we have been voted as the “Most Trusted Ice cream brand in India” as per the The Brand Trust Report-2013. Also, the Economic Times Survey ranked us among the “Top 20 Food” 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 evidence of the achievement of FSMS (Food Safety Management System) Certifications i.e. **BRCBRC: Issue**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 i.e., Pundhra in Gujarat & Bareilly in UP are also certified for **ISO22000:2005 and BRC: Issue 6** for Food Safety Management System is another feather in the cap of the Company.

(4) Job profile and his suitability

Mr. Rajesh R. Gandhi has been associated with the Company since its inception, having experience on hands of the 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 the Processed Food Division, Mr. Rajesh R. Gandhi looks after Exports and Domestic Sales, International Freight, and Government Subsidies of entire division. For Construction, he takes care of Sales & Marketing & Legal. The total portfolio of Finance, Accounts, MIS, Taxation, Internal Audit, EDP, Secretarial,

Legal, Insurance, Systems, all Taxes & DGFT and Human Resource of all above-mentioned departments and P&A of Head Office is taken care by him.

(5) Remuneration proposed

It is proposed to pay the remuneration to Mr. Rajesh R. Gandhi as above for a period of 2 years from 25-03-2023 to 24-03-2025.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The proposed remuneration to be paid to Mr. Rajesh R. Gandhi is adequate and at par with the industry scale, size, and profitability of the Company.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Apart from Mr. Rajesh R. Gandhi is a Managing Director of the Company and receiving managerial remuneration, he holds 2,27,721 Equity Shares of ₹ 10/- each of Vadilal Industries Limited in his individual capacity.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits

Due to competition in the Ice-cream business and increase in the prices of raw materials, the profit of the Company during the financial years covered under the period of remuneration may be inadequate.

(2) Steps taken or proposed to be taken for improvement

The Company is planning to increase profitability through various initiatives in product development, marketing, distribution, and trade promotions.

(3) Expected increase in productivity and profits in measurable terms

Due to the aforesaid steps, the Company expects a significant increase in productivity and profits for the Company in the next financial years.

IV. DISCLOSURES:

A) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc., of all the directors.

Apart from remuneration payable to Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi, Managing Directors of the company, the Company does not pay any remuneration including bonus, stock options, pension, etc. to the other directors of the Company. The Company only pays sitting fees to the Non-executive Directors of the Company for attending the meeting of the Board of Directors and Committees thereof.

B) Details of fixed component and performance linked incentives along with the performance criteria.

As mentioned in Para 3 above.

C) Service contracts, notice period, severance fees.

The Service Contracts, notice period, severance fees and other terms and conditions shall be as mentioned in aforesaid resolution and explanatory statement, the Agreement to be entered into with Mr. Rajesh R. Gandhi and as per the policy of the Company.

D) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Company has not issued any stock options to any Directors of the Company.

Provided however that the overall remuneration including all the perquisites shall not exceed the limits laid down under provisions of Para A of Section II of Part II of Schedule V of the Companies Act of 2013, even if the same is more than limits under Regulation 17(6)(e) of the SEBI (LODR) Regulations, 2015.

The Board therefore recommends approval for proposed remuneration to be paid to Mr. Rajesh R. Gandhi, Managing Director of the Company, as mentioned above

Your directors recommend passing of the resolution proposed at Item No. 6

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of and payment of remuneration as mentioned in the draft Agreement proposed to be entered into between the Company and Mr. Rajesh R. Gandhi as per the Companies Act, 2013.

The draft Agreement to be entered into between the Company and Mr. Rajesh R. Gandhi and referred to in the Resolution contained in Item No. 6 of the Notice is available for inspection at the Share Department of the Company on all working days except Saturdays during business hours, upto the date of Annual General Meeting.

Mr. Rajesh R. Gandhi is interested in the resolution. Mr. Kalpit R. Gandhi, Director & CFO, may also be treated as interested in this resolution as Mr. Rajesh R. Gandhi is his father. Save and except the above, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6

Item No. 7

At the 36th Annual General Meeting of the Company held on 30th September, 2020 and vide a Special Resolution passed by the Shareholders, Mr. Devanshu L. Gandhi has been appointed as Managing Director of the Company for a period of 5 years w.e.f. 25th March, 2020 upto 24th March, 2025, and payment of remuneration, perquisites, allowances and commission for a period of 3 years w.e.f. 25th March, 2020 upto 24th March, 2023 as under:

Salary, Perquisites and Allowances (Amount in ₹ per month):

Particulars	25-03-2020 to 24-03-2021	25-03-2021 to 24-03-2022	25-03-2022 to 24-03-2023
Basic	493450	526325	559250
HRA (in lieu of accommodation - furnished or otherwise)	197380	210530	223700
Re-imbursment of Medical Expenses (for Managing Director and his family)	0	0	0
Provident Fund @12% on Basic Salary	59214	63159	67110
Total	750044	800014	850060

Commission: In addition to the Salary, Perquisites and other Allowances as mentioned above and in case of Company having adequate profit, the Managing Director shall also be entitled for to a Commission at the rate upto 5.00% on the net profits of the Company subject to the limits as per section 197 of the Companies Act, 2013 for each of the financial years covered during the period viz. for the financial years from 2019-20 to 2021-22

Minimum Remuneration : Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and other allowances as provided above or the maximum remuneration payable as per the limit set out in section II of part II of schedule V in of the Companies Act, 2013 as minimum remuneration and in excess of minimum remuneration, subject to the requisite approvals, if any.

1. The terms and conditions of payment of remuneration, perquisites, allowances and commission specified hereinabove may be enhanced, enlarged, widened, altered or varied from time to time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/or the Rules made thereunder from time to time in future and/or such provisions as may be applicable from time to time.
2. The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.
3. For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.

In terms of provisions of Schedule – V of the Companies Act, 2013 and Rules made thereunder, the above Special Resolution is required to be modified in respect of payment of remuneration to Mr. Devanshu L. Gandhi, as under, for remaining period of 2 years w.e.f. 25th March, 2023 upto 24th March, 2025 by obtaining approval of Members of the Company by way of a Special Resolution and duly approved by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 7th February, 2023, subject to the approval of Central Government, if applicable :-

1) REMUNERATION:

I) Salary, Perquisites and Allowances (Amount in ₹ per month) :

Particulars	25-03-2023 to 24-03-2024	25-03-2024 to 24-03-2025
Basic	789474	921053
HRA (in lieu of accommodation - furnished or otherwise)	315790	368421
Re-imburement of Medical Expenses (for Managing Director and his family)	0	0
Provident Fund @12% on Basic Salary	94737	110526
Total	1200000	1400000

Notes:

- 1) Mr. Devanshu L. Gandhi is entitled to other privileges, facilities, and amenities as per the rules of the Company.
- 2) For the purpose of perquisites and allowances, family means the spouse, dependent children, and dependent parents of the Managing Director.

Other Perquisites and Allowances

- A) Provident Fund: The Company's contribution to Provident Fund as per Rules of the Company.
- B) Gratuity : Payment of Gratuity in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.
- C) Superannuation Fund: Superannuation Fund or Annuity Fund benefit in accordance with such Scheme of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act, 1961.
- D) Encashment of leave as per Rules of the Company and will not be included in the ceiling on perquisites.
- E) The Managing Director be paid expenses towards driver's expenses, security at his residence, membership fees of Young Presidents' Organization and other expenses for travelling, entertainment incurred by him for the business of the Company and on behalf of the Company.

II) Commission:

In addition to the Salary, Perquisites and other Allowances as mentioned above and in case of Company having adequate profit, Mr. Devanshu L. Gandhi shall also be entitled to a Commission at the rate upto 5.00% on the net profits of the Company subject to the limits as per 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder for each of the Financial years covered during the period viz, for the financial years from 2022-2023 to 2023-2024.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and other allowances as provided above or the maximum remuneration payable as per the limit set out in section II of part II of schedule V in of the Companies Act, 2013 as minimum remuneration and in excess of minimum remuneration, subject to the requisite approvals, if any.

1. The terms and conditions of payment of remuneration, perquisites, allowances and commission specified hereinabove may be enhanced, enlarged, widened, altered or varied from time to time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/or the Rules made thereunder from time to time in future and/or such provisions as may be applicable from time to time.
2. The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.
3. For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply. A Statement as per requirement of Schedule V is given to the Shareholders containing following information of the Company and Mr. Devanshu L. Gandhi.

I. GENERAL INFORMATION:

(1) Nature of industry

The Company is engaged in the business of manufacturing Ice-cream, Frozen Dessert, Juicy and Candy and processing and exporting Processed Food products, such as Frozen Fruits and Vegetables, Canned Fruit Pulp, Ready-to-eat and Ready-to-serve products, etc.

The ice-cream Division of the Company has 2 manufacturing plant situated at 1) Village Pundhra, Taluka Mansa, Dist. Gandhinagar, Gujarat and 2) Bareilly, Uttar Pradesh.

The Company is processing Frozen Fruits, Vegetables and Processed Foods by latest freezing technology, namely, "Individually Quick Freezing" (IQF) at its factory situated at Dharampur, Dist. Valsad, Gujarat. The Processed Food Division commenced its operation in 1991. The Company is exporting nearly 60 products in USA, Canada, UK, Kuwait, UAE, Singapore, New Zealand, Australia. The Company is also selling Processed Food products in Domestic Market.

(2) Date of commencement of commercial production

The Company is in the business of Ice-cream since 1982. The Process Food division commenced its operation in 1991.

(3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus

The Company is in existence since 1982.

(4) Financial performance based on given indicators

Following is the financial performance of the Company since last 3 years: Following is the financial performance of the Company since last 3 years :

(₹ in Lacs)

Financial Year	Revenue from Operations (Net)	EBITDA	Net Profit /(Loss) after Tax
2020-2021	35654.01	666.43	(2409.82)
2021-2022	54411.61	5127.15	1034.43
2022-2023	89671.40	12960.16	7194.33

(5) Export performance and net foreign exchange earnings

Following is the export performance of the Company since last 3 Years: -

(₹ in Lacs)

Financial Years	Export Sales (FOB Value)
2020-2021	11081.38
2021-2022	10936.71
2022-2023	13287.89

(6) Foreign investments or collaborators, if any.

The Company has an investment in share capital of its wholly owned subsidiary company, namely, Vadilal Industries (USA) Inc and Vadilal Industries Pty Ltd

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Name : Mr. Devanshu L. Gandhi
 Designation : Managing Director
 Age : 56 Years
 Experience : 33 Years

Mr. Devanshu L. Gandhi has been a Director of the Company since Incorporation of the Company and Managing Director of the Company since 1986. He has an experience of over 30 years in Ice-cream business and Processed Food business.

(2) Past Remuneration:

The details of managerial remuneration paid to Mr. Devanshu L. Gandhi, Managing Director of the Company during the financial year ended on 31st March 2022, are as under:

Particulars		Amount (₹ in lakhs per annum)
Basic Salary	:	6315900
Perquisites/ Allowances	:	2526360
Contribution to PF	:	757908
Total	:	9600168

(3) Recognition or awards:

Vadilal has won 22 awards over 3 consecutive years: 2008 , 2009 & 2010 at ‘The Great Indian Ice Cream Contest’ organized by the Indian Dairy Association. 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). In the same contest held in 2013, Vadilal won 5 awards. So, the total tally of Awards won is now 27 in 4 years of contest.

Best in Class in Kids category – Joker Ice Trooper, Gold in Kids category – Joker Ice Trooper, Silver in Vanilla Frozen Dessert – Vanilla Frozen Dessert. Bronze in Vanilla Ice cream – Happinezz Vanilla Ice cream. Bronze in Premium – Pista Happinezz Ice cream garnished with Green Pista. In 2013, we have been voted as the “Most Trusted Ice cream brand in India” as per the The Brand Trust Report-2013. Also, the Economic Times Survey ranked us among the “Top 20 Food” 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 evidence of the achievement of FSMS (Food Safety Management System) Certifications i.e. BRCBRC: Issued 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 i.e., Pundhra in Gujarat & Bareilly in UP are also certified for **ISO22000:2005 and BRC: Issue 6** for Food Safety Management System is another feather in the cap of the Company.

(4) Job profile and his suitability

Mr. Devanshu L. Gandhi has been associated with the Company since its inception, having experience on hands in the Ice-cream & Processed Food business. He looks after day-to-day affairs of the Company pertaining to the herebymentioned areas : Domestic Sales and Marketing of Ice-cream Division, Government Subsidies of Ice-cream plants and Revenue Expenses of Refrigeration Service Department. Mr. Devanshu L. Gandhi looks after Production, Purchase, Works, QC, R&D of Processed Food Division. He looks after purchase of Land & Materials, Project Commissioning & Legal for Construction Division. Entire Forex Division (FFMC & Consultancy Services) and Human Resource & P&A (respective) is taken care by him.

(5) Remuneration proposed

It is proposed to pay the remuneration to Mr. Devanshu L. Gandhi as above for a period of 2 years from 25-03-2023 to 24-03-2025.

- (6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person**
The proposed remuneration to be paid to Mr. Devanshu L. Gandhi is adequate and at par with the industry scale, size and profitability of the Company.
- (7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**
Apart from Mr. Devanshu L. Gandhi is a Managing Director of the Company and receiving managerial remuneration, he holds 3,45,691 Equity Shares of ₹ 10/- each of Vadilal Industries Limited in his individual capacity.

III. OTHER INFORMATION:

- (1) **Reasons of loss or inadequate profits**
Due to competition in the Ice-cream business and increase in the prices of raw materials, the profit of the Company during the financial years covered under the period of remuneration may be inadequate.
- (2) **Steps taken or proposed to be taken for improvement**
The Company is planning to increase profitability through various initiatives in product development, marketing, distribution, and trade promotions.
- (3) **Expected increase in productivity and profits in measurable terms**
Due to the aforesaid steps, the Company expects a significant increase in productivity and profits of the Company in the next financial years.

IV. DISCLOSURES:

- A) **All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc., of all the directors.**
Apart from remuneration payable to Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi, Managing Directors of the company, the Company does not pay any remuneration including bonus, stock options, pension, etc. to the other directors of the Company. The Company only pays sitting fees to the Non-executive Directors of the Company for attending the meeting of the Board of Directors and Committees thereof.
- B) **Details of fixed component and performance linked incentives along with the performance criteria.**
As mentioned in Para 3 above.
- C) **Service contracts, notice period, severance fees;**
The Service Contracts, notice period, severance fees and other terms and conditions shall be as mentioned in aforesaid resolution and explanatory statement, the Agreement to be entered into with Mr. Devanshu L. Gandhi and as per the policy of the Company.
- D) **Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.**

The Company has not issued any stock options to any Directors of the Company.

Provided however that the overall remuneration including all the perquisites shall not exceed the limits laid down under provisions of Para A of Section II of Part II of Schedule V of the Companies Act of 2013, even if the same is more than limits under Regulation 17(6)(e) of the SEBI (LODR) Regulations, 2015.

The Board therefore recommends approval for proposed remuneration to be paid to Mr. Devanshu L. Gandhi, Managing Director of the Company, as mentioned above.

Your directors recommend passing of the resolution proposed at Item No. 7

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of and payment of remuneration as mentioned in the draft Agreement proposed to be entered into between the Company and Mr. Devanshu L. Gandhi as per the Companies Act, 2013.

The draft Agreement to be entered into between the Company and Mr. Devanshu L. Gandhi and referred to in the Resolution contained in Item No. 7 of the Notice is available for inspection at the Share Department of the Company on all working days except Saturdays during business hours, upto the date of Annual General Meeting.

Mr. Devanshu L. Gandhi is interested in the resolution. Mrs. Deval D. Gandhi, Director is also interested in this resolution being wife of Mr. Devanshu L. Gandhi. Save and except the above, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the interested resolution set out at Item No. 7.

For **VADILAL INDUSTRIES LIMITED**

RAJESH R. GANDHI

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 4808 1200
Date: 09th August, 2023
Place: Ahmedabad

Process and manner for availing remote e-voting facility.

- 1) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- 2) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- 3) The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
- 4) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- 5) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- 6) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.vadilalgroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e., www.evotingindia.com.
- 7) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020, and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- 8) In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, or become due in the year 2022 to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 and as per MCA circular no. 02/2022 dated May 05, 2022.

- 9) The Board of Directors of the company has appointed Mr. Manoj R. Hurkat of M/s. Manoj Hurkat & Associates, Practicing Company Secretaries, Ahmedabad as Scrutinizer to scrutinize remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- 10) The Scrutinizer after Scrutinizing the votes cast will not later than three days of conclusion of the Meeting, make a scrutinizer's report and submit the same to the chairman. The results declared shall be placed on the website of the Company <http://vadilalgroup.com> and on the website of CDSL viz. <http://www.evotingindia.com>. The results shall simultaneously be communicated to the stock exchange.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Monday, 18th September, 2023 (9.00 a.m.) and ends on Wednesday, 20th September, 2023 (5.00 p.m.) E-Voting facility will be available at the time of meeting also. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14th September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

- Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meeting for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; shareslogs@vadilalgroup.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
 - **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Request to the members:

Members desiring any relevant information on the audited financial statements during the AGM are requested to write to the Company at least 10 days in advance of the date of AGM at its Registered Office, so as to enable the Company to keep the information ready.

DIRECTORS' REPORT

To,
The Members
VADILAL INDUSTRIES LIMITED
Ahmedabad.

Your directors have pleasure in presenting herewith the 39th Annual Report together with the Audited Financial Statements for the year ended 31st March, 2023.

FINANCIAL HIGHLIGHTS:

(₹ in lakhs)

	Particulars	Year ended 31-03-2023		Year ended 31-03-2022	
(a)	Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		12960.16		5127.15
(b)	Finance Cost	1287.81		1788.34	
(c)	Depreciation and amortization expenses	2023.38		1923.87	
			3311.19		3712.21
(d)	Profit before Tax		9648.97		1414.94
(e)	Tax Expenses				
	Current Tax	1949.51		5.07	
	Deferred Tax	505.13		375.44	
	Total Tax Expenses		2454.64		380.51
(f)	Profit/ (Loss) for the year		7194.33		1034.43
(g)	Other Comprehensive income:				
	Remeasurement of defined benefit plans (net of tax)		(18.30)		(69.31)
	Fair value changes of Cash Flow Hedges (net of tax)		(108.90)		-----
(h)	Total Comprehensive income for the year:		7067.13		965.12

STATE OF COMPANY'S AFFAIRS:

The Company has earned Revenue from Operations of ₹ 89,671.40 lacs during the year ended on 31st March, 2023 as against ₹ 54,411.61 lacs during the previous year ended on 31st March, 2022 i.e increase of 64.80% compared to previous year.

After adding thereto, the other income of ₹ 1,224.08 lakhs, the Company has earned total income of ₹ 90,895.48 lacs during the year under review. The Company has incurred total expenses of ₹ 81,246.51 lacs including Finance cost of ₹ 1,287.81 lacs and Depreciation and Amortization expenses of ₹ 2,023.38 lacs, during the year under review.

The Company has earned profit before Tax of ₹ 9,648.97 lacs during the year under review as compared to profit of ₹ 1,414.94 lacs during the previous year ended on 31st March, 2022. The Company has earned profit of ₹ 7,194.33 lacs during the year ended on 31st March, 2023 after deducting total tax expenses of ₹ 2,454.64 lacs as compared to profit of ₹ 1,034.43 lacs during the previous year ended on 31st March, 2022 after deducting total tax expense of ₹ 380.51 lacs.

During current financial year of 2022-23, the Company has achieved revenue growth and better operational efficiency as compared to previous financial year and pre-covid pandemic period resulting in higher profitability. Further, during the previous financial year of 2021-22, the business has been impacted during the financial year on account of second wave of COVID-19.

DIVIDEND:

The Directors have recommended dividend of ₹ 1.50 per share (@15%) on 71,87,830 Equity Shares of ₹ 10/- each of the Company for the Financial Year ended on 31st March, 2023. If approved, the dividend will be paid with deduction of tax at source to the shareholders as applicable.

TRANSFER TO RESERVES:

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

ANNUAL RETURN:

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2022-23 is available on Company's website at https://vadilalgroup.com/?page_id=904

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report has been enclosed herewith as per **Annexure – A** 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.

Recently in 2019 Vadilal ice cream has been voted as "Super Brand" a very proud moment.

The Company has received 'THE ECONOMIC TIMES BEST BRANDS – 2021' Award.

ISO 22000:2005 AND ISO 9001 : 2008

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 & Bareilly in UP are also certified for **ISO-22000:2005**, **ISO 9001:2015** and **BRC: Issue 7** for Food Safety Management System is another feather in the cap for the Company.

FINANCE:

During the year under review, the company has been Sanctioned Term Loan of ₹ 45 Crore from Indusind Bank Ltd. and partially disbursed by ₹ 22.49 Crore on standalone basis. The company has also repaid the short-term loans availed during the last year from The Kalupur Commercial Co-op. Bank Ltd. for ₹ 15.00 Crore and Unsecured Loan from Samunnati Finance for ₹ 10.00 Crore. 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 Company has availed short term pledge finance facility from The Kalupur Commercial Co-op. Bank Ltd. for ₹ 35 Crore against pledge of Skimmed Milk Powder (SMP) & Butter.

Company is having Consortium arrangement with BOB, SBI, IDBI & Indusind Bank where lead bank is Bank of Baroda.

During the year company has raised ICD (Inter Corporate Deposit) to bridge the short-term working capital gap.

Based on the financial performance of previous year i.e. 2021-22, India ratings & Research Pvt. Ltd. has rated the Long term borrowing & Fund Based Working Capital Facility as BBB+/ Stable and Non fund based facility is rated as A2 vide its letter dated 07.10.2022.

INVESTOR EDUCATION AND PROTECTION FUND:

During the financial year – 2022-2023, the Company has deposited unclaimed/ unpaid fixed deposit amount of ₹ 3,11,888/- to Investor Education and Protection Fund - IEPF.

During the year under review, the Company has transferred the unclaimed interest on Fixed Deposit of ₹ 66888/- and Mature deposit of ₹ 245000/- to Investors' Education and Protection Fund.

During the Financial year – 2022-2023, the Company has also transferred ₹250,156/- being amount of unpaid dividend for the year – 2014-2015 to Investor Education and Protection Fund.

During the financial year – 2022-2023, the Company has transferred 24,828 Shares to Investor Education and Protection Fund - IEPF as dividend on those shares remained unclaimed for continuous 7 years.

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 lakhs)
(a)	Amount of existing deposits as at 1 st April, 2022	4574.75
(b)	Amount of deposits accepted or renewed during the year	
(i)	Secured deposits	0
(ii)	Unsecured deposits	215.00
Total (b) :		215.00
(c)	Amount of deposits repaid during the year	2065.55
(d)	Balance of deposits outstanding at the end of the year (a+b-c)	2724.20

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

		(₹ in lakhs)
(a)	Amount of existing deposits as at 1 st April, 2021	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, 2023, deposit of ₹ 15000/- has 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:

Company is having 2 wholly-owned subsidiary companies outside India namely Vadilal Industries (USA) Inc., USA, and Vadilal Industries Pty Ltd and 2 wholly owned subsidiary companies in India viz; Vadilal Delights Limited and Varood Industries Limited.

A report on the financial position of the subsidiaries 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 – B** 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, 2023 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, 2023 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 Regulation 72 of SEBI (Listing Obligation and Disclosure Requirement), 2015 regarding Corporate Governance. A separate report on Corporate Governance for the year ended on 31st March, 2023 is attached herewith as a part of this Annual Report viz **Annexure - C**. A certificate from Secretarial Auditors of the Company regarding compliance of Corporate Governance as stipulated under Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is obtained by the Company and annexed to the Corporate Governance Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

The Business Responsibility and Sustainability Report (“BRSR”) form part of the Director’s Report. The BRSR indicates the Company’s performance against the principles of the ‘National Guidelines on Responsible Business Conduct’. This would enable the Members to have an insight into Environmental, Social and Governance initiatives of the Company

As required under Regulation 34(2) of SEBI (Listing Obligation and Disclosure Requirement), 2015, the Business Responsibility and sustainability Report is annexed herewith as a part of this Annual Report viz **Annexure- D**.

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 and the Board of the Company for review and approval. Omnibus approval is obtained for transactions which are foreseen and repetitive in nature

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. Devanshu L Gandhi, Director (DIN:00010146) of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. 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, Mr. Kalpit R. Gandhi, Director (DIN: 02843308) of the Company shall retire by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment. 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.

Mr. Vijay R. Shah independent Director and chairman of the Company retired at the 29th September, 2022. Board of Directors hereby expresses its gratitude to Mr. Vijay Shah for his service and contribution to the Company during his tenure.

Mr. Preet Shah Independent Director of the Company was appointed as a the chairman of the board of Directors of the Company with effect from 30th September, 2022.

The remuneration of Mr. Rajesh Gandhi and Mr. Devanshu Gandhi as Managing Directors of the Company for the remaining period of 2 years of their term w.e.f 25th March, 2023 to 24th March, 2025 is for the approval of members.

Necessary resolutions relating to Directors who are seeking appointment/reappointment are included in the Notice of Annual General Meeting. The relevant details of the said Directors are given in the Notes/Annexures to the Notice of the Annual General Meeting.

BOARD EVALUATION:

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

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

The Board reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

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

COMMITTEES OF DIRECTORS:

The details of various committees of Directors constituted under 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.

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 Obligations and Disclosure Requirements) Regulations, 2015 are available on the website of the Company viz : www.vadilalgroup.com.

NUMBER OF BOARD MEETINGS:

During the year under review, 7 Meetings of Board of Directors 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 – F** 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 Obligations and Disclosure Requirements) Regulations, 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 of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses are systematically addressed through mitigation actions on a continual basis.

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 - G**.

INTERNAL FINANCIAL CONTROLS

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

The Statutory Auditors have given qualified opinion on the financial reporting in their Report with regards to assessment and closure of the various financial, operational and governance related matters emanating out of the allegations made by promoter directors against each other and their consequential impact, if any, on the standalone financial statements of the Company. The Management does not expect any material impact on the financial statements of the Company considering the fact that the matters pertain to earlier financial years and amount as already been expensed in the relevant financial years. Voluntary inquiries by external agencies initiated by the management are in process to substantiate its conclusion.

AUDITORS:

The Board of Directors in its meeting held on 13th August, 2021 approved and recommended appointment of M/s. Arpit Patel & Associates as Statutory Auditors of the Company for a remaining period of 4 years i.e. till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2025 subject to approval of shareholders in the annual general meeting. However, at the 37th Annual General Meeting (AGM) of the members of the Company held on 18th September, 2021, the resolution for the reappointment of M/s. Arpit Patel & Associates as Statutory Auditors of the Company for a remaining period of 4 years i.e. till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2025 was not passed and therefore, pursuant to the provisions of Section 139(10) of the CA 2013, Board of Directors vide circular resolution passed on 05th October, 2021 took note of continuation of M/s. Arpit Patel & Associates as Statutory Auditors of the Company for the financial year 2021-22 i.e. till the conclusion of next Annual General Meeting of the members of the Company to be held in the year 2021-22 as Auditors of the Company.

M/s. Arpit Patel & Associates (FRN: 144032W), Chartered Accountants, Ahmedabad Statutory Auditors of the Company were appointed, as such at the Annual General Meeting of the Company held on 29.09.2022 for one year (out of his remaining tenure of three years out of the current term of five consecutive years) to hold office from the conclusion of 38th Annual General Meeting till the conclusion of 39th Annual General Meeting of the Company to be held in the year 2023.

On the recommendation of the audit committee at its meeting held on 09th August, 2023, the Board of Directors at its meeting held on 09th August, 2023, have approved and recommended to the Members for reappointment of M/s Arpit Patel & Associates as Statutory Auditors of the Company for One year (out of his remaining tenure of of two years out of the current term of five consecutive years) i.e. till the conclusion of the 40th Annual General meeting of the Company to be held in the year 2024.

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 – 2022-2023. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith marked as **Annexure – H** to this Report.

The Secretarial Auditors' Report of the Company for the year ended 31st March, 2023 contains certain Comments/ observations. The explanation on observations therein is as under: -

1. As required under Regulation 31(2) of LODR Regulations, hundred percent shareholding of one of the promoters is not maintained in dematerialized form: The promoter group are in the process of dematerialization of shares of the Company.

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 –2023-2024.

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 - I**.

MATERIAL INFORMATION:

A Company Petition (being Company Petition No. 42 of 2017) has been filed against the Company, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013. In connection to the said Company Petition No. 42 of 2017, the case has been heard on 11th July, 2023 and the matter has been adjourned to 22nd August, 2023.

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, 2023 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 its 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

Mr. Rajesh R. Gandhi
Managing Director
DIN: 00009879

Mr. Devanshu L. Gandhi
Managing Director
DIN: 00010146

Date : 09th August, 2023
Place : Ahmedabad

ANNEXURE – A TO THE DIRECTORS’ REPORT

MANAGEMENT DISCUSSION AND ANALYSIS (2022-2023)

(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 materials to manufacture ice creams. The ice cream market in India is forecasted to exhibit a CAGR of 17.41% during 2022-2028. 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. ₹ 20,000 crores & more. Though overall organized & unorganized ice market are estimated near about ₹ 32,000 crore with National, Regional & Local players presence. Compared to Western countries, per capita Ice cream consumption in India is low. So, considering the fact that still in India there is a huge scope for ice cream market expansion and penetration with an innovative product mix to attract India with all class & mass of Consumers.

The ever-growing urbanization, rise in disposable income, and increase in the “out of home food” consumption coupled with the steep increase in the availability of multi-cuisine restaurants, online portals, and modern trade, in the residential areas are some of the reasons behind the thriving ice cream industry.

The Ice cream industry has evolved, resulting in many developments, right from consumer perception to products and services being offered. Ice creams have seen a shift in the category, from being considered an indulgent dessert to a snacking essential. This, in turn, has resulted in innovation within the category. Adapting to the changing trends Vadilal has become the brand with the widest range of ice cream variants. Ice cream as a product has seen a huge transformation and this has created ample investment and growth opportunities for investors. Vadilal Ice Cream division has shown sustainable annual growth and aims at maintaining it further in the years to come.

Since its inception, Vadilal has been a trendsetter & is committed to delivering the best quality products at affordable prices to customers from diverse cultures. Improving products in terms of their nutritional value, packaging, as well as quality, is a constant at Vadilal.

Developments

Growth in Quality and Quantity

In the past few years, India has seen an inflow of a huge number of international ice cream brands, which have offered a plethora of products in the category for consumers. To curb the competition and challenges in the market, Vadilal reinvented its strategy to consolidate its leadership. Being brave, like it has always been, Vadilal revamped its look with an aggressive marketing approach and the menu to give the brand the lift it required to combat its international counterparts. With all due efforts and now the with same aggressive marketing approach Vadilal products with brand identity with packaging are established in the market and trade with consumers are identifying the Vadilal products with their unique brand color code and visual uniqueness with clutter-free brand presence in Trade & Consumer top of mind recall. This was welcomed in the market and worked in the brand’s favor in setting a fresher and younger brand perception in the consumer’s mind. In a few years, Vadilal has taken a huge leap in the ice cream market as per its brand perception.

Apart from aesthetical revamping, the brand also paid special attention to upgrading the production technology. This has made it easier for Vadilal to offer premium and delectable products to its valuable patrons.

With International brands crowding the market, consumer awareness and the size of the premium ice cream segment have increased in India. Following these developments, Vadilal introduced many variants in the premium segment like Gourmet Natural ice cream tubs, cups, and kulfis, with no artificial color, flavor, and preservatives, premium bars, cones, ice cream sandwiches, Artisan ice cream cakes, and many more unique products launches with different format, taste & innovation.

Taking forward the tradition of introducing novelty in products at regular intervals, in the year 2022-2023 Vadilal has made numerous additions. The brand had three new delicious additions to its offerings, ice creams in the 1+1 party pack form every 6 months. We have recently launched Vadilal Gourmet Natural cups & lots more. Also, at regular intervals, Vadilal is launching new flavors in 1+1 party packs & other innovative products based on extensive R&D as well market with consumer’s feedback. With such initiatives, we have created a unique space in trade & consumer minds.

The brand’s existing variants like Gourmet, Gourmet Naturals, Badabite, Flingo, Jumbo Cups and Ice trooper continue to show substantial movement in the market. Besides this, Vadilal has also introduced new delicious products like the Vadilal Gourmet Natural Motichoor Laddoo cup, Vadilal Gourmet Natural Falooda cup, Almond Nautanki party pack, Jamun party pack, Gourmet rich cookie crumble tub, Gourmet Madagascar vanilla crunch cup, American nuts ice cream Cake to name a few.

While the grown-up consumer strata had a remarkable range of products to their delight, Vadilal's Ice Trooper range continues to consolidate the kids' market and has become every kid's favorite across India.

Growth in Infrastructure and Production

After enjoying widespread popularity amongst the mass for decades, the brand is now in constant efforts of upgrading. In the wake of ramping up consumer targeting and brand positioning, it has started exclusive parlors - Vadilal Scoop Shops & Now Forever Café. These revamped parlors & café offer a delicious range of Premium Ice Creams, Scoops and Concoctions in a very enjoyable ambience. These parlors are an exercise to give the brand a youth appeal and also to shift the focus from Mass-to-Mass Premium, Mass Premium to Premium.

The introduction of new mega brands, installation of state-of-the-art machines and significant expansion in production facilities is what the brand is focusing on to be an even stronger force to reckon with in the domestic ice cream market. Vadilal's strategic approach towards the controlled usage of resources and raw materials has boosted its growth in the market by many folds.

Vadilal proudly possesses the label of having, India's fastest cone-making machine, with a production capacity of 13 lakh cones per day. The brand is known to be the first and the only ice cream producer in India to have a machine with such a huge capacity. This has made Vadilal the largest player in the Cones, Cups, and Candy categories.

Currently, the brand's ice cream production facilities are located at Pundhra in Gandhinagar district, Gujarat and the other at Bareilly in Uttar Pradesh. To increase the production capacity and to have better automation, an expansion-cum-modernization project of the factories was undertaken, which has been successfully completed.

Quality first

Like every other industry, the ice cream industry has a vast unorganized market that works at low costs and margins. These unorganized players pose the biggest challenge and are a competition to the big players. While there are hurdles in the journey of growth, Vadilal has always seen these unorganized, small yet tough competitors as an opportunity to excel.

Being the 2nd largest ice cream brand in India, Vadilal has always focused on maintaining product quality, and constantly improving the same.

Progress in Niche Market

International brands venturing into the Indian ice cream market have provided an impetus for Vadilal to evolve. Vadilal has once again proven its mettle in launching international ice cream experiences in India.

Vadilal's MELT IN parlor offers a range of high-end Artisanal Gelato ice cream that has gained a lot of popularity in the past few years.

Vadilal's launched NOWFOREVER café was initiated and ideated and to be at par with the new ambience, an intricate menu was crafted to present our ice creams in an extremely innovative, most enticing classy manner and to serve premium and unusual desserts, with a new twist and taste, for all the never-ending dessert cravings. The café also offers delectable, mouth-watering and interesting food prepared from the best ingredients, in perfect proportions, for the people who love fusion with taste, to tickle their taste buds.

The brand is making steady progress in launching new products in the premium segment. The latest introduction is the seasonal party packs category with premium quality and a unique mix of flavours that is quickly catching hold over the niche market.

As we have had an early summer this year, we have taken the opportunity to showcase our brand on all the various platforms for promotions, social media, other OTT platforms, new avenues on digital platforms, retail activation, and YouTube

We have also penetrated heavily into the market of Pan India horizontally & vertically with an increase in our distribution width. The brand has a wide media mix targeted for the release of this campaign ranging from outdoor hoardings, point-of-sale branding, television, digital, radio, and print. The brand will be investing heavily in digital mediums given the inevitable digital era namely social media, other OTT platforms, new era all digital platforms, and YouTube.

Our new and trendy campaign Dil Bole Waah Vadilal! is an extension of past research, highly valuing what our consumers make us and the experience we offer to them. The idea of the campaign is to showcase Vadilal as a young at heart, classic, energetic, royal and vibrant brand. What is the one thing anybody says when they bite into something delicious? It's "Waah!". And when you bite into the irresistible Vadilal ice creams, you are bound to go "Waah Vadilal!". It's not just your words that say Waah, it is your heart.

We translated these exact words of our consumers' hearts into a campaign, and thus came Dil Bole Waah Vadilal.

The entire campaign of Dil Bole Waah Waah Waah revolves around the catchy and upbeat song called Dil Bole Waah Waah Waah. Everything from the music and beats to the dance moves have been ideated keeping relatability as our primary motive

across all ages. The genre of this song is such that it can easily be moulded into the content of every style. A creator can hip hop to it, rap to it, even fusion dance to it, or simply move to its groovy beats. It is catchy, funky, and absolutely dhinchak!

What started off as a Har Dil Bole Waah campaign has now been elevated to Dil Bole Waah Waah Waah to perpetuate the campaign recollection value whilst creating new connections. Once you listen to this song, you will find yourself humming it for days on end. Every Indian will surely have Waah Vadilal by the end of this campaign.

We believe people are ready to experiment as far as premium ice cream flavours are concerned, and we feel the Dil Bole Waah! Vadilal campaign will make them want to indulge in Vadilal's premium offerings, so we strategized, planned, and executed the new Dil Bole Waah Waah Waah song campaign, which has become a rage Pan India.

Within the research, Consumers relate the Vadilal brand with Heritage and legacy producing unique products, Health, Hygiene & Happy feeling.

b) Processed Food Division

Overview:

The frozen food industry is a burgeoning market with a diverse range of products, including frozen fruits and vegetables, ready meals, bakery items, and snacks. This industry provides consumers with an easy and time-efficient meal preparation option, as they require minimal preparation time and can be quickly heated in a microwave or oven. With a longer shelf life than fresh food, frozen food is also a practical choice for consumers who want to stock up on groceries and minimize their trips to the grocery store. The popularity of frozen food in the international market can be attributed to its convenience, availability of seasonal products, cost-effectiveness, nutritional value, diversity of products, and food safety.

The ice cream industry is also a large and growing market that is beloved worldwide. The preference for healthier, natural, and high-quality ice cream products has led to the emergence of artisanal manufacturers, and increasing disposable income has boosted demand for premium ice cream. Ice cream manufacturers are continually innovating with new flavors, textures, and packaging, while retail channels are expanding, including online sales, vending machines, and partnerships. With diverse ice cream options available in a globalized market, seasonal demand sees sales rise during the summer months.

Global market view:

The global frozen food market size was valued at USD 256.2 billion in 2021 and is projected to reach USD 328.4 billion by 2028, with a CAGR of 5% from 2023 to 2028. Sales of frozen pizza, appetizers, and desserts are growing at a faster pace than the overall market, and private label products are gaining market share in the competitive frozen food aisle.

The convenience food and ready meals segment, which contributed significantly to the global market share in 2022, is expected to continue its domination during the forecast period. The segment's growth from 2023 to 2030 can be attributed to the changing lifestyles of young people, who increasingly rely on frozen foods.

Europe dominated the frozen food market with a 37% share in 2022, followed closely by North America with a 28% market share. The North America frozen food market was valued at US\$ 73.43 billion in 2022 and is expected to reach US\$ 101.54 billion by 2028, with an annual growth rate of 5.5% from 2022 to 2028. The market's expansion is attributed to rising consumption of convenience food and the growing popularity of e-commerce.

The global ice cream market size reached US\$ 70.6 billion in 2022 and is expected to reach US\$ 94.3 billion by 2028, exhibiting a CAGR of 4.94% from 2022 to 2028. The North America ice cream market is expected to grow from US\$ 29.12 billion in 2022 to US\$ 36.43 billion by 2028, with a CAGR of 3.8% from 2022 to 2028. The cups and tubs segment dominated the market in 2022, but the bars and sticks segment is expected to register the highest CAGR during the forecast period. The supermarkets and hypermarkets segment dominated the market in 2022, but the online retail segment is expected to register the highest CAGR during the forecast period.

The European ice cream market is projected to record a CAGR of 4.87% over the next five years. The Middle East and Africa ice cream market is projected to register a CAGR of 10.7% during 2023-2028.

(2) OPPORTUNITY AND THREATS

a) Ice-cream Division

India's ice cream market was dominated by the 'impulse' category of ice creams for the past 8 years, and this category is further expected to continue its dominance during the forecast period as well, owing to a growing demand for premium ice creams and changing consumer taste.

Looking at the trends from the recent past, we foresee fast growth in the ice cream and frozen dessert category. However, along with the increasing demand for convenience, the continuing need for value as a trend is growing as well. Earlier, Vadilal was focused on offering only mass-segment products.

Gourmet Natural ice cream

With every new generation, newer ideas, formats and flavours have been introduced to build a connection through the years. As we embarked upon another milestone, it was time we took another step, so we launched our new premium category, Gourmet Naturals ice cream, made without any artificial flavors & preservatives. We launched this premium segment for the people with class to offer them the best and never-ending experience to linger till the next craving, with the most unusual flavors last year and are proud to add more to the Gourmet Natural category new flavors of such as- Gourmet Natural Kesar Rasmalai Ice cream, Gourmet Natural Mahabaleshwar Strawberry, Gourmet Natural Falooda Ice cream.cup, Gourmet Natural Motichoor Laddoo cup. We have also launched a new flavor in the Gourmet Natural Kulfi Range – Gourmet Natural Mawa malai kulfi. We have been able to increase our share in the premium segment as well and it has resulted in overall enhanced growth We plan to continue with the strategy of consolidating our presence in the high-end premium segment

We also reach out to our customers through different supermarkets like the Big Basket, D mart, Reliance Smart, Star Bazaar [in selected areas] Max Bazaar and also on online portals like Zomato, Swiggy, Swiggy Instamart, Blink It & Zepto.

Distribution and Logistics

Distribution plays a key role in the success of a business. We plan to increase our reach in the existing market in terms of consolidating our presence in the 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 parlors. Along with various extensive ATL marketing campaigns, heavy investment has been done in various BTL marketing activities to enhance the consumer experience. We are also committed to deeper penetration in the trade sector. Innovative cross-promotional activities and digital media activities such as the influencer's activities have been our point of extensive focus to increase consumer engagement and brand recall.

b) Processed Food Division

One of the Surge in online grocery shopping activities and the launching of new shopping apps are expected to open up new growth opportunities for the global frozen foods market. With the growing demand for convenience food, the market is poised for significant growth in the years ahead.

The popularity of Indian cuisine is on the rise worldwide due to its unique flavors and ingredients. Increased cultural exchange facilitated by international travel and social media has allowed people to explore and discover new foods from different parts of the world, leading to the growing preference for Indian food.

The Russia-Ukraine conflict has disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. Economic sanctions on multiple countries, surging commodity prices, and supply chain disruptions have caused inflation across goods and services, affecting many markets globally.

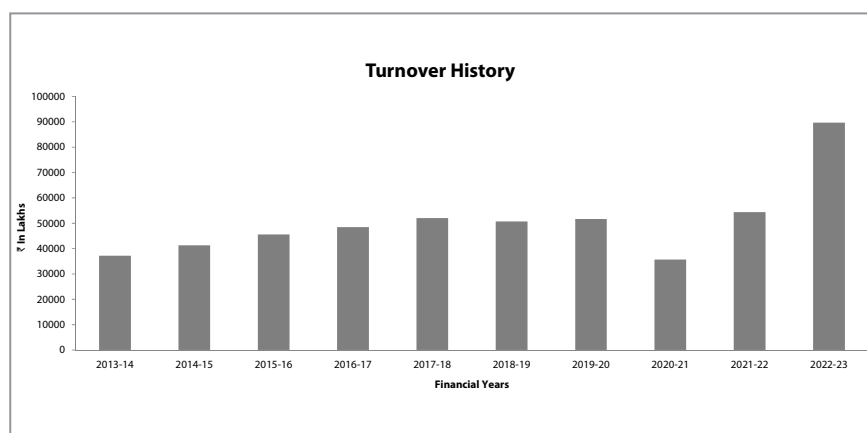
3) HIGHLIGHTS OF FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE.

The Company has earned Revenue from Operations of ₹ 89,671.40 lacs during the year ended on 31st March, 2023 as against ₹ 54,411.61 lacs earned during the previous year ended on 31st March, 2022 giving an increase of 64.80% as compared to previous year.

After adding thereto, other income of ₹ 1,224.08 lakhs, the Company has earned total income of ₹ 90,895.48 lacs during the year under review. The Company has incurred total expenses of ₹ 81,246.51 lacs including Finance cost of ₹ 1,287.81 lacs and Depreciation and Amortization expenses of ₹ 2,023.38 lacs, during the year under review.

The Company has Incurred profit before Tax of ₹ 9,648.97 lacs during the year under review as compared to profit of ₹ 1,414.94 lacs during the previous year ended on 31st March, 2022. The Company has earned profit of ₹ 7,194.33 lacs during the year ended on 31st March, 2023 after deducting total tax expenses of ₹ 2,454.64 lacs as compared to profit of ₹ 1,034.43 lacs during the previous year ended on 31st March, 2022 after deducting total tax expense of ₹ 380.51 lacs.

Turnover History	
Financial year	₹ in lakhs
2013-14	37170.32
2014-15	41288.57
2015-16	45538.21
2016-17	48438.1
2017-18	52013.98
2018-19	50705.78
2019-20	51662.97
2020-21	35654.01
2021-22	54411.61
2022-23	89671.40



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 has a 16% of the organized market share against the total organized Indian ice cream market which is estimated at approx. ₹ 20,000 crores. Vadilal has a robust and extensive pan-India distribution network with more than 1,75,000 dealers and trade partners that cater to every nook and corner of the country.

Vadilal stays ever-ready for competition with a strategy in place beforehand. Keeping a check on competitor products and constantly innovating is the key to staying at par with the ever-changing market. The unorganized market that poses a threat to sales is taken care of by maintaining the quality of our products. Expertise and decades of experience is what make Vadilal stand a class apart in the highly competitive market.

However, there are certain concerns like infrastructure and rising input costs, which the company keeps in mind and is working towards.

b) Processed Food Division

The proper cold chain logistics infrastructure is essential for expanding the frozen foods market worldwide. Unfortunately, many emerging economies lack a robust cold chain system. The insufficient cold chain infrastructure in developing markets is a major obstacle to transporting frozen food, resulting in limited supply to consumers and a slower industry growth rate. Therefore, it poses a significant challenge to the global market.

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 Board 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) HUMAN RESOURCE DEVELOPMENT:

Employee being prime force the Company gives equal emphasis on employee development and their engagement. The Company believes in enhancing the competencies of employee to create a high performing and innovative organization. Equal emphasis is given on the on technical & soft skills. There are cordial relations between the management and employee of the Company.

As on 31st March, 2023, the Company has employed total 638 employees at all locations.

8) SIGNIFICANT CHANGES IN FINANCIAL RATIOS:

Refer Note 51 to Standalone Financial Statement

9) 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.

By order of the Board of Directors

Mr. Rajesh R. Gandhi

Managing Director

DIN: 00009879

Mr. Devanshu L. Gandhi

Managing Director

DIN: 00010146

Date : 09th August, 2023

Place : Ahmedabad

ANNEXURE – B 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

Sr. No.	Particulars	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
1	Name of the subsidiary	Vadilal Industries (USA) Inc., (wholly owned subsidiary)	Vadilal Industries Pty Ltd. (wholly owned subsidiary)	Varood Industries Limited (wholly owned subsidiary)	Vadilal Delights Limited (wholly owned subsidiary)
2	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	31.03.2023	31.03.2023	31.03.2023	31.03.2023
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary	1 \$ - ₹ 82.34	1 AUD - ₹ 54.95	INR	INR
4	Share capital	136.41	0.05	5.00	5.00
5	Reserves & surplus	11446.12	-51.90	-1.52	-1.52
6	Total assets	22383.89	392.46	3.68	4.08
7	Total Liabilities	22383.89	392.46	3.68	4.08
8	Investments	Nil	Nil	Nil	Nil
9	Turnover	28116.24	201.22	Nil	Nil
10	Profit / (Loss) before taxation	4016.15	-44.82	-0.31	-0.36
11	Provision for taxation	1140.84	Nil	Nil	Nil
12	Profit / (Loss) after taxation	2875.31	-44.82	-0.31	-0.36
13	Proposed Dividend	Nil	Nil	Nil	Nil
14	% of shareholding	100.00%	100.00%	100.00%	100.00%

Notes:

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiary which has been liquidated during the year: Not Applicable

NOTES - EXCHANGE RATE	Rate of exchange 1 USD - Current Year	82.34
		Rate of exchange 1 AUD – Current Year

By order of the Board of Directors

Mr. Rajesh R. Gandhi
Managing Director
DIN: 00009879

Mr. Devanshu L. Gandhi
Managing Director
DIN: 00010146

Date : 09th August, 2023
Place : Ahmedabad

ANNEXURE – C TO THE DIRECTORS’ REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2023 (2022-2023)

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

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

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the report contains the details of Corporate Governance systems and processes at Vadilal Industries Limited (VIL or the Company). At VIL, Corporate Governance is all about maintaining a valuable relationship and trust with all the stakeholders. We consider stakeholders as partners in our success and remain committed to maximizing stakeholders’ value, be it Customers, Local Communities, Employees, Suppliers & Distributors, Investors & Shareholders and Government & Regulatory Authorities.

❖ **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 31-03-2023 consists the following 6 Directors, out of which, majority Directors are Non-executive Directors and one third of the total Directors are Independent Directors: -

	Category	Name of the Directors
AA	Promoters and Executive Directors	Mr. Rajesh R. Gandhi, Managing Director Mr. Devanshu L. Gandhi, Managing director
BB	Promoters, Non-executive and Non-Independent Directors	Mrs. Deval D. Gandhi Mr. Kalpit R. Gandhi
CC	Independent Directors	Mr. Preet Shah Ms. Shaily Dedhia

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

During the year under review, 7 Board Meetings were held on 28-05-2022, 10-08-2022, 26-08-2022, 11-11-2022, 08-12-2022, 07-02-2023 and 22-03-2023. The gap between two Board Meetings did not exceed 120 days.

(iii) Attendance of each Director at the 7 Board Meetings held during the year from 01-04-2022 to 31-03-2023, last Annual General Meeting (AGM) and number of Directorship and Chairmanship / Membership of Committee of each Director in various Companies as on 31-03-2023:

Name of Director	Attendance Particulars		No. of Directorships and Committee membership/chairmanship held in Listed Entities (including Vadilal Industries Limited)			
	Board meetings	Last AGM	Name of listed entity in which Directorship held	Directorship*	Committee Membership**	Committee Chairmanship** (Out of Committee Membership)
Mr. Rajesh R. Gandhi	7	Yes	1. Vadilal Industries Limited 2. Vadilal Enterprises Limited 3. Vadilal Chemicals Limited	3	3	1
Mr. Devanshu L. Gandhi	7	Yes	1. Vadilal Industries Limited 2. Vadilal Enterprises Limited 3. Vadilal Chemicals Limited	3	3	0
Mrs. Deval D. Gandhi	5	Yes	1. Vadilal Industries Limited 2. Vadilal Chemicals Limited	2	0	0
Mr. Kalpit R. Gandhi	7	Yes	1. Vadilal Industries Limited 2. Vadilal Chemicals Limited	2	1	0
Mr. Vijay R. Shah (upto 29 th September, 2022)	3	Yes	Vadilal Industries Limited	1	2	1
Mr. Preet P. Shah	7	Yes	Vadilal Industries Limited	1	2	2
Ms. Shaily Dedhia	7	Yes	1. Vadilal Industries Limited 2. Deep Energy Resources Limited 3. Deep Industries Limited	3	4	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, Stakeholders' Relationship Committee and Risk Management 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. Deval D. Gandhi is the spouse of Mr. Devanshu L. Gandhi.

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

(v) Independent Directors:

Independent Directors ("IDs") are non-executive directors as defined under regulation 16(1)(b) of the Listing Regulations read with section 149(6) of the Act along with rules framed thereunder. In terms of regulation 25(8) of the Listing Regulations, the IDs have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impact or impair their ability to discharge their duties. Based on the declarations received from the IDs, the Board has confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

During the year under review, the Company's Independent Directors met 1 time during the year i.e. on 07-02-2023 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, considering 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) **Familiarization programme for independent director:** the said policy is available on website of the Company at www.vadilalgroup.com.

(vii) 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 available on website of Company at www.vadilalgroup.com.

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 31-03-2023 (i.e. from 01-04-2022 to 31-03-2023) is as follows: -

Amount in ₹

Name of Managing Director	Salary	Perquisites/ Allowances	Commission*	Contribution to PF	Total (excluding commission)
Mr. Rajesh R. Gandhi	67,11,000	26,84,400	4,30,00,000	8,05,320	1,02,00,720
Mr. Devanshu L. Gandhi	67,11,000	26,84,400	4,30,00,000	8,05,320	1,02,00,720

*Commission for financial year 2022-23 amounts to ₹ 860.00 lacs is subject to approval of shareholder in the ensuing Annual General Meeting.

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 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, in his capacity of Chief Financial Officer, during the year – 2022-2023. Mrs. Deval D Gandhi who is a non-executive and non-independent Director and Head-new Product development, has received remuneration as under during the year 2022-2023:

Amount in ₹

Name of the Director	Salary	Perquisites/ Allowances	Others	Total
Mr. Kalpit R. Gandhi	14,39,376	25,00,392	172,728	41,12,496
Mrs. Deval D. Gandhi	832,884	-	-	832,884

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 & Independent Directors of the Company for attending **Board Meetings**, as under, held during the year ended on 31-03-2023:

Sr. No.	Name of the Director	Amount in ₹ (Gross)
1	Mr. Vijay R. Shah (upto 29 th September 2022)	60,000/-
2	Mr. Preet Shah	140,000/-
3	Ms. Shaily Dedhia	140,000/-

The Company has also paid sitting fees to the following Non-executive Directors & Independent Directors of the Company for attending **Audit Committee** meetings, held during the year ended on 31-03-2023: -

Sr. No.	Name of the Member of the committee	Amount in ₹ (Gross)
1	Mr. Vijay R. Shah(upto 29 th September 2022)	37,500/-
2	Mr. Preet Shah	75,000/-
3	Ms. Shaily Dedhia	75,000/-

Managing Directors Mr. Rajesh R. Gandhi & Mr. Devanshu L. Gandhi are holding 227,721 and 345,691 shares respectively. Mrs. Deval D. Gandhi is holding 59,266 Equity Shares of the Company. Except Mrs. Deval D. Gandhi, 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.

Key Board Qualifications, Expertise and Attributes

The company's business includes manufacturing of Ice-cream, Flavored Milk, Frozen desert, Other dairy Products and processing & exporting Processed Food Products such as Frozen Fruits, vegetable Pulp, Ready to eat and Ready to serve products etc.

In context of the abovementioned businesses following capabilities skills/expertise/ competencies have been identified by the Board fundamental for the effective functioning of the Company and are available with the board members collectively.

- Knowledge and/or expertise in one or more of areas like consumer business, manufacturing, accounts, finance, taxation, banking, HR, IT, marketing, law, business and management.
- This criterion is designed to ensure the Board consists of individuals with a balance of skills to oversee the organisation, achieve the strategic goals and direct the organisation's future.
- The above core skills / expertise / competencies identified by the Company are also actually available with the Board as under:

Sr. No.	Name of Director	Skills Actually Available with the Directors
1	Mr. Rajesh R. Gandhi	Knowledge and expertise in FMCG, manufacturing and marketing, business and management.
2	Mr. Devanshu L. Gandhi	Knowledge and expertise in FMCG, manufacturing and marketing, business and management.
3	Mrs. Deval D. Gandhi	Knowledge and expertise in marketing and product development.
4	Mr. Kalpit R. Gandhi	Knowledge and expertise in law & Finance
5	Mr. Vijay R. Shah (upto 29 th September, 2022)	Knowledge and expertise in law & Finance
6	Mr. Preet Shah	Knowledge and expertise in Finance
7	Ms. Shaily Dedhia	Knowledge and expertise in Corporate Laws

The eligibility of a person to be appointed as a Director of the Company is dependent on possession of the requisite skills, as identified by the Board. c. Board Meetings / Directors' particulars.

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:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

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

(a) Audit Committee:

(i) Composition

As on 31-03-2023, there were 3 members of Audit Committee as under: -

Sr. No.	Name of the Member		Designation	Category
1	Mr. Preet Shah	-	Chairman	Independent Director
2	Mr. Kalpit R. Gandhi	-	Member	Non- Executive & Non- Independent Director
3	Ms. Shaily Dedhia	-	Member	Independent Director

**The committee was reconstituted on 30th September, 2022 Mr. Vijay Shah ceased to be member of the committee and Mr. Kalpit R. Gandhi was appointed as member w.e.f. 30th September, 2022 to align the constitution of Audit Committee to fulfill the requirements of the Regulation 18 of the SEBI (LODR) Regulation, 2015*

Mr. Devanshu Gandhi Managing Director is Permanent Invitee in the Audit Committee.

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. Rashmi Bhatt, who is a Company Secretary of the Company, is the Secretary to the Audit Committee.

(ii) Meeting and Attendance:

The Audit Committee met 6 times during the year under review on 28.05.2022, 10.08.2022, 26.08.2022, 11.11.2022, 08.12.2022 & 07.02.2023.

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

Sr. No.	Name of the Director	No. of Audit Committee Meetings attended.
1	Mr. Vijay R. Shah	3
2	Ms. Shaily Dedhia	6
3	Mr. Preet Shah	6
4	Mr. Kalpit R. Gandhi	6

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.

(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, 2023, namely:

Sr. No.	Name of the Member		Designation	Category
1	Ms. Shaily Dedhia	-	Chairman	Independent Director
2	Mr. Kalpit R. Gandhi*	-	Member	Non-Executive & Non-Independent Director
3	Mr. Preet Shah	-	Member	Independent Director

*The committee was reconstituted on 30th September, 2022 Mr. Vijay Shah ceased to be member of the committee and Mr. Kalpit R. Gandhi was appointed as member w.e.f. 30th September, 2022 to align the constitution of Nomination and Remuneration Committee to fulfill the requirements of the Regulation 19 of the SEBI (LODR) Regulation, 2015

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 1 time on 07.02.2023.

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

Sr. No.	Name of the Member		No. of meeting attended
1	Mr. Kalpit R. Gandhi	-	1
2	Mr. Preet Shah	-	1
3	Ms. Shaily Dedhia	-	1

(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.
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.

Performance evaluation criteria of Independent Directors

The Performance Evaluation criteria for independent director are determined by Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by Directors, Commitments, Effective Deployment of Knowledge and Expertise, Integrity and Maintenance of Confidentiality and Independence of Behavior and Judgement.

(c) Stakeholders' Relationship Committee:

(i) Composition:

The Stakeholders' Relationship Committee of the Company comprises the following Directors of the Company, as on 31st March, 2023, namely:

Sr. No.	Name of the Member		Designation	Category
1	Mr. Preet Shah*	-	Chairman	Independent Director
2	Mr. Rajesh R. Gandhi	-	Member	Executive Director
3	Mr. Devanshu L. Gandhi	-	Member	Executive Director
4	Ms Shaily Dedhia*	-	Member	Independent Director

**The committee was reconstituted on 30th September, 2022 Mr. Vijay Shah ceased to be member of the committee and Mr. Preet Shah and Ms Shaily Dedhia were appointed as member w.e.f. 30th September, 2022 to align the constitution of stakeholders Relationship Committee to fulfill the requirements of the Regulation 20 of the SEBI (LODR) Regulation, 2015*

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 also looks after redressal of Shareholder's complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends, etc. and review of services rendered by Share Transfer Agent.

During the year under review, the Stakeholders' Relationship Committee met 1 time on 07.02.2023.

The presence of the Members of the aforesaid Stakeholders' Relationship Committee meetings is as under:

Sr. No.	Name of the Member		No. of meeting attended
1	Mr. Preet Shah	-	1
2	Mr. Rajesh R. Gandhi	-	1
3	Mr. Devanshu L. Gandhi	-	1
4	Ms Shaily Dedhia	-	1

(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 31-03-2023	-	0
No. of complaints received during the year under review	-	2
No. of complaints disposed off during the year under review	-	2
No. of complaints outstanding as on 31-03-2023	-	0

(iii) Name and designation of Compliance Officer:

The Board has designated Ms. Rashmi Bhatt, 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:

(i) Composition:

In terms of provisions of Regulation 21(2) (Listing Obligation and Disclosure Requirement), 2015 has been constituted as Risk Management Committee, comprising the following Directors:

- Mr. Preet Shah - Chairperson
- Mr. Kalpit Gandhi - Member
- Mr. Devanshu Gandhi - Member
- Ms. Shaily Dedhia - Member

(ii) Meeting and attendance:

During the year under review, the Risk Management Committee met 3 times on 03.08.2022 , 07.1.2023 and 07.02.2023.

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

Sr. No.	Name of the Member		No. of meeting attended
1	Mr. Preet Shah	-	3
2	Mr. Kalpit Gandhi	-	3
3	Mr. Devanshu L. Gandhi	-	3
4	Ms Shaily Dedhia	-	3

(iii) Terms of Reference:

- To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

(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:

1. Mr. Preet Shah* - Chairman
2. Mr. Devanshu L. Gandhi - Member
3. Mr. Kalpit R. Gandhi - Member
4. Ms. Shaily Dedhia* - Member

**The committee was reconstituted on 30th September, 2022 Mr. Vijay Shah ceased to be member of the committee and Mr.preet Shah and Ms. Shaily Dedhia was appointed as member w.e.f. 30thSeptember, 2022 to align the constitution of Corporate social Responsibility Committee to fulfill the requirements of Section 135 of the Companies Act, 2013.*

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

During the year under review, the Corporate Social Responsibility Committee met 2 times on 26.08.2022 and 22.03.2023.

The presence of the Members of the aforesaid Stakeholders' Relationship Committee meetings is as under:

Sr. No.	Name of the Member		No. of meeting attended
1	Mr. Vijay shah	-	1
2	Mr. Kalpit R. Gandhi	-	2
3	Mr. Devanshu L. Gandhi	-	2
4	Mr. Preet Shah	-	1
5	Ms Shaily Dedhia	-	1

(ii) Terms of Reference:

The Corporate Social Responsibility Committee shall, —

- i. 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;
- ii. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- iii. Monitor the Corporate Social Responsibility Policy of the company from time to time and;
- iv. 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
2021-2022	38 th	Though Video Conference and other Audio-Visual Means	29-09-2022	03.00 p.m	No special resolution.
2020-2021	37 th	Though Video Conference and other Audio-Visual Means	18-09-2021	11:00 a.m.	No special resolution.
2019-2020	36 th	Though Video Conference and other Audio-Visual Means	30-09-2020	11:00 a.m.	<ol style="list-style-type: none"> 1. To Appoint Mr. Rajesh R. Gandhi (DIN: 00009879) as a Managing Director for a period of 5 years and payment of remuneration for a period of 3 years 2. To Appoint Mr. Devanshu L. Gandhi (DIN: 00010146) as a Managing Director for a period of 5 years and payment of remuneration for a period of 3 years

(ii) Resolution carried out through Postal Ballot:

The Company had sought the approval of the shareholders by way of a ordinary Resolutions through notice of postal ballot dated December 8, 2022 for :-

- i) Approval for the Purchase of the "Vadilal" Brand from Vadilal International Private Limited, A Promoter Of The Company;
- ii) Approval for Related Party Transactions to Be Entered into By Vadilal Industries Limited ("Company").

which was duly passed and the results of which were announced on January 16, 2023. Mr. Manoj Hurkat (Membership No. FCS 4287) of M/s. Manoj Hurkat & Associates, Practising Company Secretaries, was appointed as the Scrutinizer to

scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner. Details of the voting pattern are provided below:

Votes in favour of the resolution				Votes against the resolution			Invalid votes	
Resolution No	Number of members voted	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
1	78	420712	99.16%	3	3578	0.84%	-	-
2	78	420712	99.16%	3	3578	0.84%	-	-

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 3/2022, 11/2022 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 8, 2021, May 5, 2022, December 28, 2022 respectively issued by the Ministry of Corporate Affairs.

5) MEANS OF COMMUNICATION:

➤ Annual Reports:

The Company has total 13146 shareholders as on 31st March, 2023. 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. https://vadilalgroup.com/?page_id=904.

➤ Quarterly Results:

The Unaudited Quarterly Results of the Company for the quarters ended on 30-06-2022 (1st Quarter), 30-09-2022 (2nd Quarter) and 31-12-2022 (3rd Quarter) and the Annual Audited Accounts for the year ended on 31-03-2023 including notes, results and also the Consolidated Financial Results and Limited Review Report thereon were submitted to the Stock Exchanges immediately after conclusion of the Board Meetings in which, they are 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 are displayed on the corporate website of the Company viz. www.vadilalgroup.com/reports.

➤ 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/ and <https://digitalexchange.nseindia.com/> are 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 and <https://digitalexchange.nseindia.com>.

➤ 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 : 21st September, 2023 at 11.00 a.m.
- ▶ Venue: Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")

(ii) Financial Calendar (from 01-04-2023 to 31-03-2024) (Tentative):

▶ Results for quarter ended on 30-06-2023	: On or before 14 th August, 2023
▶ Results for quarter ending on 30-09-2023	: On or before 14 th November, 2023
▶ Results for quarter ending on 31-12-2023	: On or before 14 th February, 2024
▶ Audited Results for the year ending on 31-03-2024	: On or before 30 th May, 2024
▶ AGM for the year ending on 31-03-2024	: In the month of September, 2024

(iii) Book-closure date:

Book-closure shall be from 15th September, 2023 to 21st September, 2023 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2023.

(iv) Dividend payment date:

The Dividend of ₹ 1.50 per share (@ 15%) on Equity Shares for the year ended on 31st March, 2023, 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 –2023-2024 has already been paid to the above Stock Exchanges. The Annual Custody/ Issuer fee for the year –2023-2024 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:

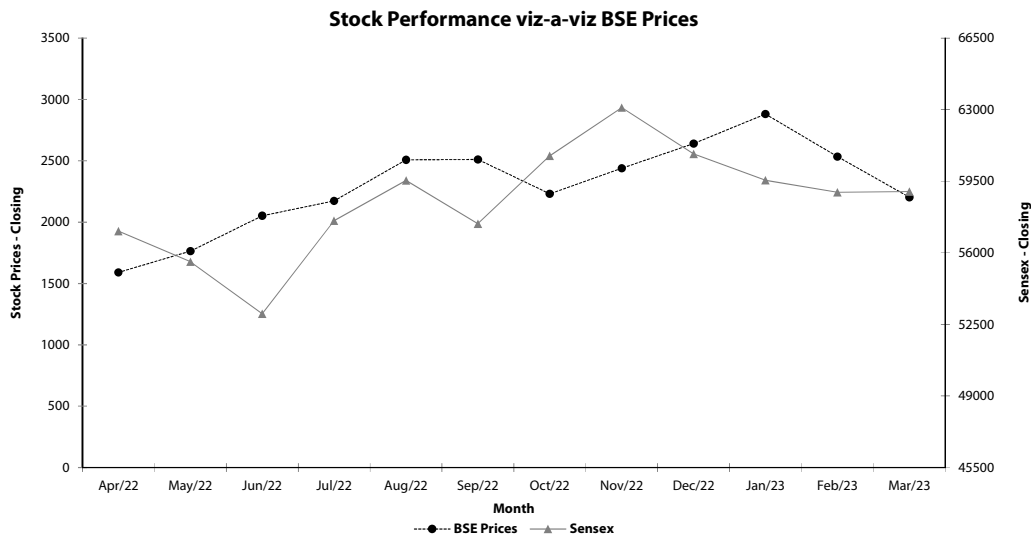
Months	BSE			NSE		
	High (₹)	Low (₹)	Closing (₹)	High (₹)	Low (₹)	Closing (₹)
April-2022	1685	1271.05	1590.3	1685	1360	1584.60
May-2022	2069.95	1536	1763.7	2070	1537.10	1767.15
June-2022	2165	1705.95	2051.65	2165	1726	2048.25
July-2022	2246.35	1960	2173.05	2247.70	1976.05	2171.35
August-2022	2700	2117.35	2508.55	2648	2113.65	2511.25
September-2022	2857.75	2362.5	2511.05	2859	2425.20	2519.80
October-2022	2655	2159.6	2230.95	2661.10	2170.30	2227.45
November-2022	2592	2051.05	2438.7	2589	2052.05	2435.20
December-2022	2789.95	2330	2639.85	2790	2321.10	2629.90
January-2023	2999	2590	2880.8	2997.90	2590	2886.85
February-2023	3040.35	2514	2534.15	3034.75	2514	2531
March-2023	2594.2	2080.6	2203.15	2593.75	2080.05	2196.15

(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:

Month	BSE Closing	Sensex Closing
April-2022	1590.3	57060.87
May-2022	1763.7	55566.41
June-2022	2051.65	53018.94
July-2022	2173.05	57570.25
August-2022	2508.55	59537.07
September-2022	2511.05	57426.92
October-2022	2230.95	60746.59
November-2022	2438.7	63099.65
December-2022	2639.85	60840.74
January-2023	2880.8	59549.9
February-2023	2534.15	58962.12
March-2023	2203.15	58991.52

Price Chart:

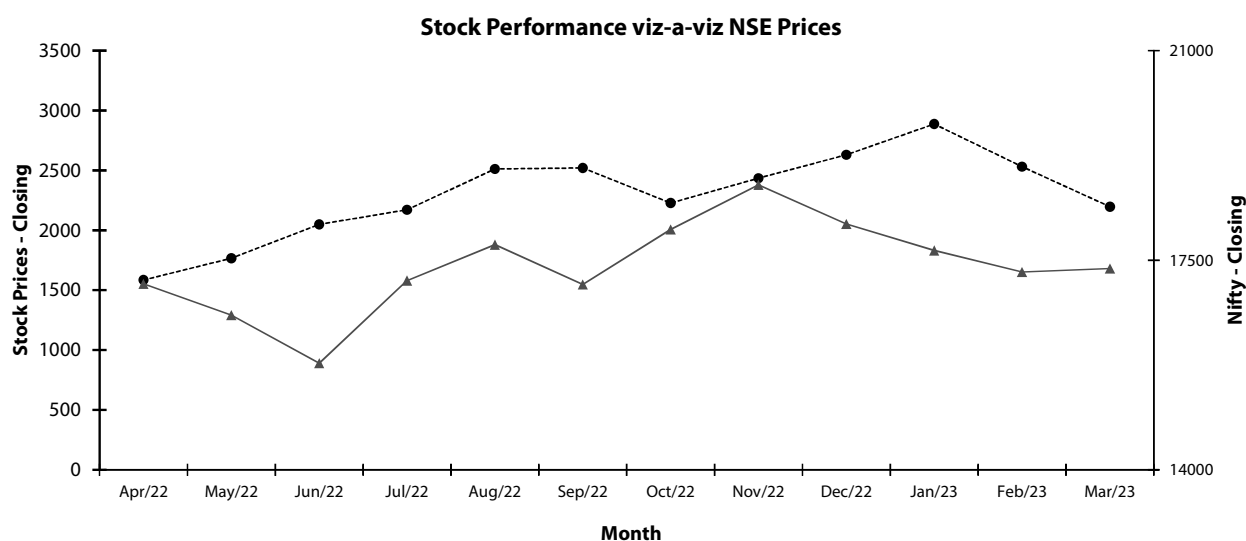


(ix) Vadilal Industries Limited NSE Share Price versus the NSE NIFTY

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 :

Month	NSE Closing	Nifty Closing
April-2022	1584.60	17102.55
May-2022	1767.15	16584.55
June-2022	2048.25	15780.25
July-2022	2171.35	17158.25
August-2022	2511.25	17759.3
September-2022	2519.80	17094.35
October-2022	2227.45	18012.2
November-2022	2435.20	18758.35
December-2022	2629.90	18105.3
January-2023	2886.85	17662.15
February-2023	2531	17303.95
March-2023	2196.15	17359.75

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.
Tel. Nos. : (079) 26580461/62/63
Fax No. : (079) 26581296

(xi) Share Transfer system:

As the Company's shares are traded in dematerialized form, transfer requests are processed and approved in electronic form by NSDL/CDSL through their depository participants.

(xii) Share Reconciliation Audit:

M/s PRT & Associates, practicing Company Secretaries carried out Share Reconciliation audit for all quarters in the Financial Year –2022-2023, 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:

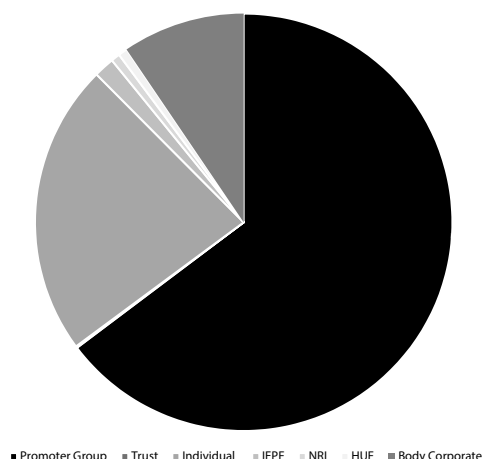
(a) Distribution of Shareholding as on 31st March, 2023:

No. of Equity Shares held	No. of Shareholders	No. of Shares	% of Shareholding
1-500	12756	619847	8.62
501-1000	175	135012	1.88
1001-2000	81	120350	1.67
2001-3000	34	86127	1.19
3001-4000	15	52560	0.73
4001-5000	7	32926	0.45
5001-10000	19	137338	1.19
10001- 50000	42	1002493	13.95
50001-100000	5	321240	4.47
100001 & above	12	4679937	65.10
Total:	13146	7187830	100.00

(b) Categories of Shareholders as on 31st March, 2023:

Sr. No.	Category of Shareholders	No. of Equity Shares held	Percentage of total paid-up capital
A: Promoters and Promoters' Group			
1	Directors and relatives	1057319	14.71
2	Group Companies	3413175	47.49
3	HUFs	182110	2.54
	Total (A):	4652604	64.72
B: Public :			
1.	FII	6450	0.08
2.	Bodies Corporate	681891	9.48
3.	Public Individuals	1629970	22.67
4.	Trust and Foundations	1000	0.13
5.	Non-Resident Indians	49616	0.69
6.	Hindu Undivided Families	52036	0.7
7.	IEPF	114263	1.59
	Total (B) :	2535226	35.28
	Total	7187830	100.00

Percentage of total paid-up capital



(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.

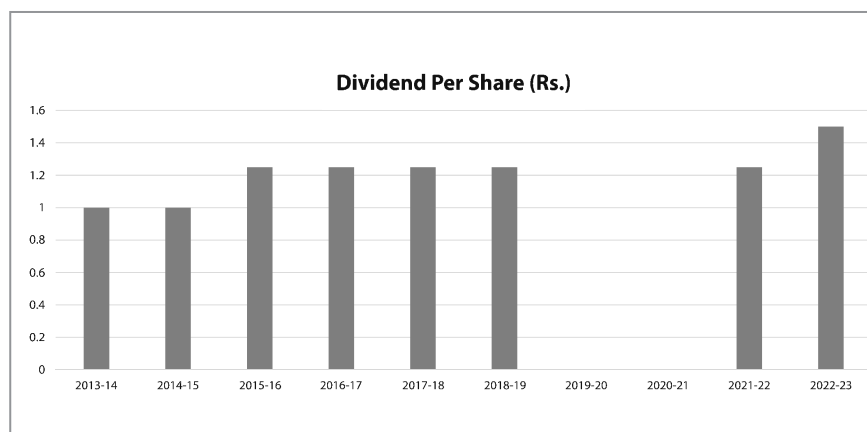
If you wish to maintain your shareholding in the electronic form by joining DS, you will have to open an account with a Depository Participant (DP), who are agents of NSDL or CDSL and lodge your share certificates with your DP for Dematerialisation. The DP will then ensure that the physical share certificates 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 7060670 Equity Shares of the Company representing 98.23% of the total paid-up capital of the Company have been dematerialized upto 31-03-2023. Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by SEBI.

(xv) Dividend History for last 10 years:

Turnover History	
Financial year	₹ in lakhs
2013-14	1.00
2014-15	1.00
2015-16	1.25
2016-17	1.25
2017-18	1.25
2018-19	1.25
2019-20	N.A.
2020-21	N.A.
2021-22	1.25
2022-23	1.50



(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)

(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: Ms. Rashmi Bhatt, Company Secretary
Tel. Nos.: (079) 48081200
- 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 contract **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: Ms. Rashmi Bhatt, Company Secretary
Tel. Nos.: (079) 48081200

(xxi) Commodity price risk/foreign exchange risk and hedging activities

Hedging of Foreign Exchange Risk is discussed with internal departments like Export Department and Forex Advisory service Department.

Export Receivable as on 31.03.2023 is ₹ 215.62 Lacs and Import payable is ₹ 635.66 Lacs.

Total exports (FOB Value) for the FY2023 were ₹ 13292.27 Lacs, the Export Receivables / Import payables as on 31st March, 2023 are not hedged.

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, 2023, 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 the following 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.

Penalty paid to BSE limited and National Stock Exchange of India Ltd. for delay in appointment of independent woman director in the company of ₹ 8,85,000/- to each stock exchange.

(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 minimization 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, 2023, 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 2023. 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 placed on the company website at www.vadilalgroup.com.

(ix) Dividend Distribution Policy:

The Company has prepared policy on Dividend Distribution.

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

(x) Policy on determining 'material' subsidiary:

The Company has a policy on determining 'material' subsidiary pursuant to regulation 16 of the SEBI (LODR) Regulation, 2015 where 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.

(xi) 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 website of the Company viz. www.vadilalgroup.com.

(xii) Disclosure on Audit and Non-Audit Services rendered by the Auditor:

The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 requires to disclose total fees paid to auditors for audit and non-audit services to improve transparency. The total fee paid to the Statutory Auditor during the FY2022-23 is as under:

a. Fees paid for Audit Service	: ₹ 22.50 Lacs
b. Fees for Non-Audit Service	: ₹ 8.42 Lacs
Total fee Paid	: ₹ 30.92 Lacs

(xii) Credit Rating

During the year company has obtained credit rating based on financial performance for the year 2022-23 as below :

India Ratings & Research:

Term Loan - IND BBB+/stable

Fund-based Bank Facilities – IND BBB+/stable

Non-fund-based Bank Facilities -IND A2

(xiii) Certificate for Non-Disqualification of Directors

The Company has obtained a certificate pursuant to the regulation 34(3) read with schedule V of the Listing regulation from SPAN & Co. Company Secretaries LLP confirming that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company either by SEBI or MCA or any other statutory authority which is attached to this Report as Annexure – 1.

(xiv) There are no complaints during the year in relation to sexual harassment of woman at workplace (prevention, prohibition, and redressal) act, 2013.

(xv) Details of compliance with mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has disclosed compliance with all the mandatory requirements under Listing Regulations in the relevant sections of this report.

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) LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS / COMPANIES IN WHICH COMPANY'S DIRECTORS ARE INTERESTED.

Refer note 46 of Standalone Financial Statement

10) DETAILS OF THE COMPANY'S MATERIAL SUBSIDIARY:

Name: Vadilal Industries (USA) inc.

Date of incorporation : 11th August , 2009

Place of Incorporation: New Jersey

Statutory Auditor : KNAV – Chartered Accountant

Date of Appointment of statutory Auditor: 20th September, 2022

11) 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.

- **Compliance Certificate**

The Certificate from M/s. SPAN & Co. Company Secretaries LLP, a firm of Practicing Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under SEBI (LODR) Regulation, 2015, is attached to this Report as Annexure – 2.

By order of the Board of Directors

Date : 09th August, 2023
Place : Ahmedabad

Mr. Rajesh R. Gandhi
Managing Director
DIN: 00009879

Mr. Devanshu L. Gandhi
Managing Director
DIN: 00010146

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, 2023 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 were no 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.

Date : 09th August, 2023

Place : Ahmedabad

Kalpiti Gandhi

Chief Financial Officer

Rajesh Gandhi

Managing Director

Devanshu Gandhi

Managing Director

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 & Ethics during the year ended on 31st March, 2023.

Date : 09th August, 2023

Place : Ahmedabad

Mr. Rajesh R. Gandhi

Managing Director

DIN: 00009879

Mr. Devanshu L. Gandhi

Managing Director

DIN: 00010146

ANNEXURE – 1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VADILAL INDUSTRIES LIMITED** having CIN **L91110GJ1982PLC005169** and having registered office at Vadilal House, 53, Shrimali Society, Nr. Navrangpura Police Station, Ahmedabad – 380009, Gujarat, India (hereinafter referred to as ‘the **Company**’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority:

Sr. No	Name of the Director	DIN	Date of Appointment*
1.	Rajeshbhai Ramchandrabhai Gandhi	00009879	01/04/2009
2.	Devanshubhai Laxmanbhai Gandhi	00010146	01/04/2008
3.	Vijaykumar Ratilal Shah (upto 29 th September, 2022)	00376570	11/11/2016
4.	Deval Devanshu Gandhi	00988905	31/03/2015
5.	Kalpiti Rajesh Gandhi	02843308	31/03/2015
6.	Preet Prakashbhai Shah	05131516	29/08/2020
7.	Shaily Jatin Dedhia	08853685	29/08/2020

*the date of appointment is as per MCA portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Premnarayan R. Tripathi

(Designated Partner)

SPAN & Co. Company Secretaries LLP

FCS 8851

PR: 800/2020

COP: 10029

UDIN: F008851E000757995

Date : 07th August, 2023

Place : Ahmedabad

ANNEXURE – 2

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
VADILAL INDUSTRIES LIMITED

We, M/s. **SPAN & Co. Company Secretaries LLP** (having registration no. **AAG-7017**), a firm of Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by **Vadilal Industries Limited** having CIN **L91110GJ1982PLC005169** ("**the Company**") for the year ended 31st March, 2023, as per regulations 17 to 27, clauses (b) to (i) and (t) of regulation 46(2) and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") with amendments as applicable.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

We further 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.

Date : 07th August, 2023
Place : Ahmedabad

Premnarayan R. Tripathi
(Designated Partner)
SPAN & Co. Company Secretaries LLP
FCS 8851
PR: 800/2020
COP: 10029
UDIN: F008851E000757819

ANNEXURE – D TO THE DIRECTORS’ REPORT

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

I Details of the listed entity

Sr. No.	Details of Listed Entity	Particulars
1	Corporate Identity Number (CIN) of the Company	L91110GJ1982PLC005169
2	Name of the Company	Vadilal Industries Limited
3	Year of Corporation	1982
4	Registered Address	Vadilal House, 53, Shrimali Society Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad- 380009
5	Corporate office address	Colonnade Building, 10 th Floor, opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015
6	E-mail id	shareslogs@vadilalgroup.com
7	Telephone	079-48081200
8	Website	www.vadilalgroup.com
9	Financial Year reported	Financial year 2022-23 (April 1, 2022 to March 2023)
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11	Paid up Capital	718.78 Lacs
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Rashmi Bhatt -Company Secretary & Compliance Officer Telephone : 079-48081200 Email : shareslogs@vadilalgroup.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis

II Products/services

14. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Company
1	Manufacturing	Ice-cream, Dairy Products and Processed Food manufacturing	100.00%

15 Products/Services sold by the Company:(accounting for 90% of the turnover):

S.No.	Product/Service	NIC Code	% of Total Turnover
1	Ice-cream, and Frozen Desserts products	1050	90%
2	Fruit pulp , Frozen fruits etc	1030	10%

III Operations

16. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of Plants	Number of Offices	Total
National	3	3 Manufacturing, Head office, Corporate office	5
International	2	USA and Australia	2

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No of States)	28
International (No. of Countries)	45+

b. What is the contribution of exports as a percentage of the total turnover of the Company?

Exports sales is 0.68% of total turnover of the entity

d. A brief on types of customers:

Company is Selling its goods to various Customers of General Trade situated in different states within India for domestic business and Company is selling to its subsidiary as well as customers across the globe for export business

IV. Employees

Details as at the end of Financial Year: FY 2022-23

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
EMPLOYEES						
1.	Permanent (D)	576	554	96.18%	22	3.82%
2.	Other than Permanent (E)	46	41	89.13%	5	10.87%
3.	Total employees (D + E)	622	595	95.66%	27	4.34%
WORKERS						
4.	Permanent (F)	103	47	45.63%	56	54.37%
5.	Other than Permanent (G)	2990	2520	84.28%	470	15.72%
6.	Total workers (F + G)	3093	2567	82.99%	526	17.01%

b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0%	0	0
2.	Other than Permanent (E)	0	0	0%	0	0
3.	Total differently abled employees (D + E)	0	0	0%	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0
5.	Other than Permanent (G)	0	0	0%	0	0
6.	Total differently abled workers (F + G)	0	0	0%	0	0

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	%(B/A)
Board of Directors	6	2	33.33%
Key Managerial Personnel (KMP)*	4	1	25%

20. Turnover rate for permanent employees and workers:

	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.76%	0.030%	0.79%	1.5%	0.05%	1.64%	1.76%	0.14%	1.90%
Permanent Workers	0.00%	0.30%	0.30%	0.39%	0.23%	0.62%	0.13%	0.12%	0.25%

V. Holding, Subsidiary and Associate Companies (including joint ventures)
21. (a) Names of holding/subsidiary/associate companies/joint ventures:

Refer to Form AOC-1 provided at Page No. 35 of this Annual Report for information and holding / Subsidiary/associate Companies / joint ventures

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
(ii) Turnover (₹ in Lacs): 89671.61
(iii) Net worth (₹ in Lacs): 21397

VII Transparency and Disclosures Compliances

23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place	FY 2023			FY 2022		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	-	0	0	-
Investors (other than shareholders)	N.A	0	0	-	0	0	-
Shareholders	Yes, through share Transfer Agent or Stock Exchanges	2	0	-	3	0	-
Employees and workers	Yes. Weblinks*	0	0	-	0	0	-
Customers	Yes	0	0	-		0	-
Value Chain Partners	Yes	30	3	-	5	0	-
Others (please specify)	No-	0	0	-	0	0	-

*Weblinks: Policy: https://vadilalgroup.com/?page_id=904

Vigil mechanism: https://vadilalgroup.com/wp-content/uploads/2023/08/VIL_VIGIL-MECHANISM-WHISTLE-BLOWER-POLICY-FINAL.pdf

24. Overview of the Company's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Renewable Power	Opportunity	Reduction of pollution and protection of the environment	Move to renewable sources of energy across the manufacturing locations.	Initially because of Capex, this will be negative but in medium to long term it will be positive.
2	Plastic (laminates used for packaging)	Risk and Opportunity	Limited recycling infrastructure. Reduced plastic consumption, use of recycled content and pack-size optimization.	Move to mono layer laminate to mitigate impact. approach directed towards circular economy.	Change to mono Layer will be negative. Reduced plastic usage will be positive.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct [NGRBC] as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

S. No.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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Policy and management processes

1.	Whether your Company's policy/policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Web Link of the Policies, if available	@	@	@	@	@	@	@	@	@
2.	Whether the Company has translated the policy into procedures.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your Company and mapped to each principle.	<p>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 the evident of 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.</p> <p>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.</p> <p>The Ice Cream plants of the Company located in two locations i.e. Pundhra in Gujarat & Bareilly in UP are also certified for ISO22000:2005 and BRC: Issue 6 for Food Safety Management System is another feather in the cap of the Company.</p>								
5.	Specific commitments, goals and targets set by the Company with defined timelines, if any.	<p>The Company is dedicated towards providing long-term sustainable value to its stakeholders. While the Company is still in the process of defining targets, it is however taking conscious efforts to promote a sustainable way of living by providing highest quality of products and eco-friendly packaging.</p>								
6.	Performance of the Company against the specific commitments, goals and targets along-with reasons in case the same are not met.	N.A								

Governance, leadership and oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p>The Company is striving towards setting - up targets for ESG and committed to achieve them in near future</p> <p>The Company has made substantial progress in the sustainability journey towards reducing overall emissions. The key projects across 4 focus areas:</p> <ul style="list-style-type: none"> » Sourcing the ingredients sustainably: especially raw materials where your Company is working closely with farmers to educate / build sustainability practices. » Manufacturing sustainably: By increasing usage of renewable sources of energy. » Optimizing use of water: By conserving, limiting usage, facilitating re-use. » Building sustainable packaging options: Reducing overall use of virgin plastic material, design for recycle. <p>Your Company is committed to being open and transparent, and to listening to the views of others as we move forward in sustainable development.</p>								
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8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>At the highest level, the Board of Directors of your Company, led by the Managing Director, has the primary role to protect and assess the Business Responsibility (BR) performance of your Company.</p> <p>The Corporate Social Responsibility (CSR) Committee oversees, inter-alia, corporate social responsibility and other related matters as may be referred by the Board of Directors. The CSR Committee formulates an Annual Action Plan pursuant to the CSR Rules and the CSR Policy of the Company, as amended from time to time. All the CSR projects and programmes are undertaken, monitored, assessed and reported as per the CSR Rules.</p> <p>In order to review the sustainability agenda of your Company at the desired levels, the Board of Directors added sustainability areas as part of terms of reference of the Risk Management Committee.</p> <p>Risk Management) Committee reviews amongst other things, your Company's sustainability agenda including the measures which ensure the Company's sustainability commitment and how its long-term strategy relates to its ability to create shared value.</p> <p>The RM Committee, inter-alia, reviews Company's plan and actions with regard to climate change, plastics and packaging, water management and responsible sourcing while ensuring that the Company carries out human rights due diligence and manages diversity, inclusion and employee health and well-being appropriately. The RM Committee also oversees compliance of all policies and the regulatory reporting requirements under the Listing Regulations.</p>
9.	Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? If yes, provide details.	The Company has a committee on sustainability and the Company's Business performance is reviewed by the Board of Directors on an annual basis in addition RM also addresses internal/ External risks pertains to sustainability as identified

Note: The policies have been derived and adopted from the Vadilal group Policies and are aligned as per local requirements to safeguard the interests of all its stakeholders.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																	
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	All the the policies of the Company, as approved by the Board, are reviewed periodically or on need basis. The Company complies with the regulations to the extent and principles as are applicable.																		

11. Has the Company carried out independent assessment/ evaluation of the working of its policies by an external agency? If yes, provide name of the agency.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the Company carried out independent assessment/ evaluation of the working of its policies by an external agency? If yes, provide name of the agency.	The Company ensures that all the policies are reviewed internally either by the department heads /domain Experts /relevant committee members as application								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company does not consider the principles material to its business	Not Applicable								
The Company is not at a stage where it is in a position to formulate and implement the policies on specified principles									
The Company does not have the financial or/human and technical resources available for the task									
It is planned to be done in the next financial year									
Any other reason									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Business should conduct and govern themselves with integrity, and in a manner that is Ethical , Transparent and Accountable
Essential Indicator

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total Number of Training and Awareness Programmes held	Topics/Principles Covered Under the Training and its impact	% of Persons in Respective Category Covered by the Awareness Programmes
Board of Directors (BOD)	NIL	All principles	100%
Key Managerial Personnel (KMPs) (Training is administered using the virtual learning platform)	NIL	All principles	100%
Employees other than BoD and KMPs Majority of the training programs are administered through the internal virtual learning platform. Some employees are also covered via classroom sessions – 51 such sessions have been held during the year.	570	All principles	100%
Workers	2567	All principles	100%

2. Details of fines/penalties/punishment/award/ compounding fees/settlement amount paid in proceedings (by the Company or by directors/KMPs with regulators/law enforcement agencies/judicial institutions, in the financial year:

(Note: the Company shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the Company's website):

During 2023, no fines/penalties/punishment/award/compounding fees/settlement amount was paid in proceedings (by the Company or by directors/KMPs with regulators/law enforcement agencies/judicial institutions).

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?
Penalty/ Fine	Not Applicable				
Settlement					
Compounding Fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?
Imprisonment	Not Applicable				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/enforcement agencies/ judicial institutions
Not Applicable	

4. Does the Company have an anti-corruption or anti bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has a Policy which prescribe certain values and principles and Company has committed to globally. Other significant documents from the Vadilal Group, which define the standard of behaviour of the Company, are Vadilal Purpose and Values and Vadilal Responsible Sourcing Standard.

The Vadilal Code of Business Conduct specifies and helps the continued implementation of the Corporate Business Principles by establishing certain non-negotiable minimum standards of behaviour in key areas, one of which is anti- corruption and bribery. The policy prescribed behaviour pertaining to the area. Part of it states, "The Employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return for any preferential treatment of a third party.

Moreover, employees must refrain from any activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt thereof." The link of the policy is provided hereunder: [Vigil-Mechanism-VIL.pdf \(vadilalgroup.com\)](#)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Segment	FY 2023	FY 2022
Directors	None	None
KMPs		
Employees		
Workers		

6 Details of complaints with regard to conflict of interest:

	FY 2023		FY 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	0	Not Applicable	0	Not Applicable
Number of complaints received in relation to issues of conflict of interest of the KMPs	0	Not Applicable	0	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, or cases of corruption and conflicts of interest:

Not Applicable.

PRINCIPLE 2

Product Life Cycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the Company, respectively:

(Amount Rupees in Lacs)

	FY 2023	FY 2022	Details of improvements in environmental and social impacts
R&D	79.11	58.18	Invested towards innovation and renovation of products to achieve high manufacturing quality and safe products.
Capex	NIL		

2. a. Does the Company have procedures in place for sustainable sourcing? (pending)

b. If yes, what percentage of inputs were sourced sustainably?

Yes, Company has sourcing policy which includes vendor selection procedure, standard norms, delivery schedule, quality parameter, visit to vendor's location for proper sourcing. During 2022-23, about 80% of inputs were sourced sustainably

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:

Company endeavors to re-cycle its plastic and E-Waste through authorized / certified vendors

4. Whether Extended Producer Responsibility (EPR) is applicable to the Company's activities. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable. As a responsible manufacturer of food products, your Company has initiated collection and management of both pre-consumer and post-consumer plastic packaging through registered waste management service providers as a part of EPR. This initiative not only ensures compliance to 'Plastic Waste Management Rules' 2016 and as amended but also facilitates reinforcement of positive attitude and behaviour towards responsible waste disposal through consumer awareness. All the packaging carries anti-litter logo for consumer awareness. For easy segregation and recycling, packaging identification logo is placed on the plastic-based packaging material.

PRINCIPLE 3

Employee Wellbeing: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1.a. Details of measures for the well-being of employees:

Category	% of Employee covered by										
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	554	554	100%	554	100%	0	0%	554	100%	-	-
Female	32	32	100%	32	100%	32	100%	0	100%	-	-
Total	586	586	100%	586	100%	32	100%	554	100%	-	-
Other than Permanent Employees											
Male	824	787	96%	824	100%	0	0%	41	100%	-	-
Female	6	2	33%	6	100%	6	100%	0	100%	-	-
Total	830	789	95%	830	100%	6	100%	41	100%	-	-

b. Details of measures for the well-being of workers:

Category	% of Workers covered by										
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	27	27	100%	27	100%	27	100%	0	-	-	-
Female	56	56	100%	56	100%	56	100%	0	-	-	-
Total	83	83	100%	83	100%	83	100%	0	-	-	-
Other than Permanent Employees											
Male	2509	2509	100%	2509	100%	0	0%	0	-	-	-
Female	469	469	100%	469	100%	0	0%	0	-	-	-
Total	2978	2978	100%	2978	100%	0	100%	0	-	-	-

Details of retirement benefits, for FY 2023 and FY 2022:

Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	-	-
Others – please specify	N.A	N.A	N.A	N.A	N.A	N.A

3. accessibility of workplaces:

Are the premises/offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

Yes, Company's premises/offices are accessible to people with disabilities, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-Link to the policy:

Not Applicable

5. Return to work and retention rates of permanent employees and workers that took parental leave:

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

YES

Employee (Employee-> Supervisor -> Manager HR-> Grievance Committee)

Worker (Worker -> Supervisor-> Contractor -> Manager HR -> Grievance Committee)

	Yes/No
Permanent Workers	Yes, Mechanism brief as above
Other than Permanent Workers	Yes, Mechanism brief as above
Permanent Employees	Yes, Mechanism brief as above
Other than Permanent Employees	Yes, Mechanism brief as above

7. Membership of employees and worker in association(s) or Unions recognised by the Company:

Category	FY 2023			FY 2022		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	0	0	0%	0	0	0%
- Male	0	0	0%	0	0	0%
- Female	0	0	0%	0	0	0%
Total Permanent Workers	83	82	99%	84	83	99%
- Male	27	26	96%	27	26	96%
- Female	56	56	100%	57	57	100%

8. Details of training given to employees and workers:

Category	FY 2023					FY 2022				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
- Male	549	394	72%	375	68%	609	380	62%	317	52%
- Female	21	6	29%	15	71%	24	7	29%	6	25%
Total	570	400	70%	390	68%	633	387	61%	323	51%
Workers										
- Male	2310	2163	94%	1038	45%	2387	2167	91%	1045	44%
- Female	257	243	95%	307	119%	353	297	84%	129	37%
Total	2567	2406	94%	1345	52%	2740	2464	90%	1174	43%

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
- Male	554	455	82%	611	444	773%
- Female	32	14	44%	15	12	80%
Total	586	469	80%	624	456	73%
Workers						
- Male	0	0	0%	0	0	0
- Female	0	0	0%	0	0	0
Total	0	0	0%	0	0	0

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the Company? If yes, the coverage such system?

Yes, The company has process in place to ensure safety of its employee & workers across its operations. The company places utmost importance on fostering a safe working environment.

b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the Company?

As a part of its ISO 45001:2018 compliant Occupational Health and Safety Management System, Company has a documented procedure to carry out assessment of work-related hazards and risks for all routine and non-routine activities carried out at any location. Hazard and risk identification is carried out by the process owners in consultation with the safety experts. The process owners are responsible to ensure adequate controls are identified and implemented to control the identified risks. Mitigation plan and controls are provided to eliminate the identified hazards and risks.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks:

Yes. Company has a safety incident reporting and management process to ensure that all work-related incidents (which include accidents, near-misses, unsafe conditions and unsafe acts) are reported and closed after taking necessary corrective actions. This is enabled through an online safety incident reporting tool which is accessible to all employees to facilitate transparent reporting. The platform also supports incident investigation and corrective action with the perspective of eliminating hazards and preventing incidents. The awareness to employees on incident reporting is created during through trainings and communication through E-mails. The action owners are also sensitized on the importance of taking corrective action within given timelines with the perspective of eliminating hazards and ensuring mitigation plan is implemented and employee can also report their health and safety related issues or concerns through an internal administration helpdesk and these issues are resolved by the concerned action owner within prescribed timelines. They can also email their concerns to the Corporate office or email ID and communicate with local health and safety teams.

d. Do the employees/worker of the Company have access to non-occupational medical and healthcare services?

Yes, the employees/workers of your Company have access to non-occupational medical and healthcare services.

11. Details of safety related incidents:

Safety Incident/ No	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the Company to ensure a safe and healthy work place:

Company recognizes, health and safety and overall physical and mental wellbeing of its employees is integral to its success and growth aspirations as spelled out in its Policy. Company is committed to provide safe workplaces focusing on preventing injuries, illnesses, and continuously strives to eliminate hazards and reduce risks. Some of the mitigation measures to prevent or mitigate significant occupational health & safety impacts includes.

1. Conducting safety awareness programme (emergency preparedness plan, fire safety, first -aid training etc,)
2. Training program for operations
3. Periodic check of equipment's
4. other trainings / sessions

13. Number of complaints on the following made by employees and workers:

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Health and safety practices	NA			NA		
Working Conditions	NA			NA		

14. Assessments for the year:

	% of your Plants and Offices that were Assessed (by the Company or Statutory Authorities or Third Parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions:

NA

PRINCIPLE 4

Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the Company:

Company engages with a broad spectrum of stakeholders, to deepen its insights into their needs and expectations, and to develop sustainable strategies for the short, medium and long term. Stakeholder engagement also helps to manage risks and opportunities in business operations. The key stakeholders identified in consultation with the company’s management are: customers, employees, shareholders, academic institutions, staffing firms, other suppliers, technology partners and collaborators, industry bodies, governments, NGOs, local communities, regulators and society at large.

2. List stakeholder groups identified as key for your Company and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of Engagement (Annually, Half yearly, Quarterly, Others- Please Specify)	Purpose and Scope of Engagement including Key topics and concerns raised during such engagement
Investors and Shareholders	No	As needed: Press releases and press conferences; email advisories; inperson meetings; conference calls	<ul style="list-style-type: none"> Quarterly: Financial statements in IndAS earnings call; exchange notifications; press conferences Continuous: Investors page on the Vadilal Website Annual: Annual General Meeting; Annual Report 	<ul style="list-style-type: none"> Educating the investor community about Vadilal Helping investors voice their concerns regarding company policies, reporting, strategy, etc. Understanding shareholder expectations
Employees	No	As needed: project or operations reviews; video conferences; audio conference calls; one-on-one counselling	As needed: project or operations reviews; video conferences; audio conference calls; one-on-one counselling	<ul style="list-style-type: none"> Career Management and Growth Prospects Learning opportunities Compensation structure Building a safety culture and inculcating safe work practices among employees Improving Diversity, Equity and Inclusion
Consumers	No	Websites, Advertisements, Email	As and when required	Company engages with consumers for awareness about the products, recipes and nutrition information, ingredients and any other information relevant for consumers.

Farmers	Yes	Email, SMS, Meetings	As and when required	Your Company engages with dairy farmers, , spice farmers and other farmers who form a part of the value chain directly or indirectly for training/ awareness on good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.
Distributors & trade partners, Suppliers	No	Email, SMS, Meetings	As and when required	Company engages and receives co- operation and unstinted support from the distributors, retailers, stockist, suppliers and others associated with the Company as its trading partners.
Government bodies	No	Email, SMS, Meetings	As and when required	Your Company engages with Government and Food Authorities to establish science- based regulations for protecting the health of consumers and development of other best practices in areas of food processing.
Industry associations	No	Email, SMS, Meetings	As and when required	Your Company engages with industry and professional associations for promoting industry positions – that are aligned with Vadilal viewpoints / proposals with external stakeholders/ policy makers. Topics include Food Regulations, Environment, Plastic Packaging, Governance, Compliance, Corporate Laws, and other Societal activities.

PRINCIPLE 5

Human Rights: Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the Company:

Category	FY 2023			FY 2022		
	Total (A)	No. of employees workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
Employees						
Permanent	345	150	100%	394	394	100%
Other than permanent	46	0	100%	48	48	100%
Total Employees	391	150	100%	442	442	100%
Workers						
Permanent	12	12	100%	12	12	100%
Other than permanent	1747	1747	100%	1545	1545	100%
Total Workers	1759	1759	100%	1557	1557	100%

2. Details of minimum wages paid to employees and workers:

Category	FY 2023					FY 2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	345	0	0%	345	100%	371	0	0%	371	100%
Male	495	0	0%	495	100%	517	0	0%	517	100%
Female	19	0	0%	19	100%	20	0	0%	20	100%
Other Than Permanent	215	0	0%	215	100%	200	0	0%	200	100%
Male	41	0	0%	41	100%	31	0	0%	31	100%
Female	5	0	0%	5	100%	3	0	0%	3	100%
Workers										
Permanent	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other Than Permanent										
Male	2328	1764	76%	564	24%	2383	1871	79%	512	21%
Female	203	140	69%	63	31%	193	137	71%	56	29%

3. Details of remuneration/salary/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)*	4	5,96,384	2	5,23,942
Key Managerial Personnel (KMP)**	3	8,50,060	1	1,81,930
Employees other than BoD and KMP	486	38,93.50	24	65,008
Workers	51	22,021	57	22,021

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Employees can reach out to HR team to address their concerns and company also has grievance redressal mechanism

5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

The company pledges to uplift the dignity of every person working for or affiliated with and has zero tolerance policy for any kind of discrimination. company also has grievance redressal mechanism

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

Not Applicable

8. Do human rights requirements form part of your business agreements and contracts?

As per Applicable Law

9. Assessments for the year:

	% of your Plants and Offices that were Assessed (by Entity or Statutory Authorities or Third Parties)
Child Labour	NIL
Forced/Involuntary Labour	NIL
Sexual Harassment	NIL
Discrimination at Workplace	NIL
Wages	NIL
Others- please specify	NIL

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above:

N.A

PRINCIPLE 6

Environment: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter* (in GJ)	FY 2023	FY 2022
Total electricity consumption (A)	1510,63,834	1221,10,625
Total fuel consumption (B)	1239,49,916	1044,02,460
Energy consumption through other sources [C]	143,50,587	121,00,840
Total energy consumption (A+B+C)	2893,64,337	2386,13924
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees] *GJ/mio INR	0.0318	0.0432
Energy intensity (optional) – the relevant metric may be selected by the Company		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

2. Does the Company have any sites/ facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

NO

3. Provide details of the following disclosures related to water:

Parameter	FY 2023	FY 2022
Water withdrawal by source [in kiloliters]		
[i] Surface water	2,32,874	2,22,300
[ii] Groundwater	2,30,865	2,92,654
[iii] Third party water	-	-
[iv] Seawater/desalinated water	-	-
[v] Others	-	-
Total volume of water withdrawal [in kiloliters] i+ ii+ iii+ iv + v	4,63,739	5,14,954
Total volume of water consumption [in kiloliters]	0.000051	0.000093
Water intensity per rupee of turnover [Water consumed/turnover] *kiloliters/mio INR		
Water intensity (optional) – the relevant metric may be selected by the Company		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

5. Please provide details of air emissions (other than GHG emissions) by the Company:

Parameter	Please Specify Unit	FY 2023	FY 2022
NOX	µg/m3	8.33	74.48
SOX	µg/m3	22.88	34.28
Particulate Matter (PM)	µg/m3	37.10	43.00
Persistent Organic Pollutants (POP)		0	0
Volatile Organic Compounds (VOC)		0	0
Hazardous Air Pollutants (HAP)		0	0
Others please specify		0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Please Specify Unit	FY 2023	FY 2022
Total Scope 1 emissions [Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3 if available]	Metric tonnes of CO2 equivalent	48065.68	48178
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3 if available)	Metric tonnes of CO2 equivalent	0	0
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.00000529	0.00000871
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the Company			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the Company have any project related to reducing Green House Gas emission? If Yes, then provide details.

Not Applicable

8. Provide details related to waste management by the Company:

Parameter	FY 2023	FY 2022
Total Waste generated (in metric tonnes)		
Plastic waste (A)	28.834	64.054
E-waste (B)	0.435	1.47
Bio-medical waste I	0	0
Construction and demolition waste (D)	0	0
Battery waste I	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	1.05	1.05
Other Non-hazardous waste generated (H)	32.91	311.4
Total [A+B + C + D + E + F + G + H]	34.395	313.92

Parameter	FY 2023	FY 2022
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	-	-
(ii) Reused	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	0	0
(ii) Landfilling	1.865	2.03
(iii) Other disposal operations	0	0
Total	1.865	2.03

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste:

Company ensures the any waste generated is disposed off in accordance with applicable law

10. If the Company has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details:

S.No	Location of Operation /offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) if no, the reasons thereof and corrective action taken , if any
N. A			

11. Details of environmental impact assessments of projects undertaken by the Company based on applicable Laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results Communicated in public Domain (Yes/No)	Relevant web link
N. A					

12. Is the Company compliant with the applicable environmental Law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances:

Yes, Vadilal has complied with applicable environmental law/regulations / guidelines applicable in India. No fine/penalty/action was initiated against the entity under any of the applicable environmental laws/regulation/guidelines.

PRINCIPLE 7

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations: 4**
- b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to:**

S. No.	Name of the trade and industry chambers/Associations	Reach of trade and industry chambers/associations (State/National)
1	AHMEDABAD MANAGEMENT ASSOCIATION ‘	State
2	INDIAN ICE CREAM MANUFACTURER’S ASSOCIATION	National
3	CONFEDERAION OF INDIAN INDUSTRIES	National
4	INDIAN DAIRY ASSOCIATION	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities:**

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

PRINCIPLE 8

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the Company based on applicable Laws, in the current financial year:**

S. No.	Nam Name and details of Project	SIA Notification No.	Whether conducted by external agency	Results communicated in public domain	Relevant Weblink
Not Applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Company:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. Of Project Affected Families (PAFs)	%age of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community:**

Company is committed to the social and economic uplift of communities in which it operates

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023	FY 2022
Directly sourced from MSMEs/small producers	12.34%	13.46%
Sourced directly from within the district and neighboring districts	31.45%	36.31%

PRINCIPLE 9

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

The Company has a holistic customer experience approach to understand the behaviours, needs, expectations and grievances of individual customers through feedback.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

Not Applicable

3. Number of consumer complaints in respect of the following:

	FY 2023		Remarks	FY 2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	No such complaint received during 2023	-	-	No such complaint received during 2022
Advertising						
Cyber- security	-	-	No such complaint received during 2023	-	-	No such complaint received during 2022
Delivery of essential services	-	-	No such complaint received during 2023	-	-	No such complaint received during 2022
Restrictive Trade Practices	-	-	No such complaint received during 2023	-	-	No such complaint received during 2022
Unfair Trade Practices	-	-	No such complaint received during 2023	-	-	No such complaint received during 2022
Other*	544	NIL		304	NIL	

4. Details of instances of product recalls on account of safety issues:

Not Applicable

5. Does the Company have a framework/policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy.

Vadilal has https://vadilalgroup.com/wp-content/uploads/2023/08/VIL_Cyber-Security-Policy.pdf policy which covers for cyber security and risks related to data privacy

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services:

Please refer to the answer to Q.5 above. All the initiatives explained above has ensured that Company did not have any incidents leading to regulatory issues / penalties.

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 29.09.2017, which is valid for a period of 10 years w.e.f. 1 st October, 2017.
d	Salient terms of the contracts or arrangements or transaction including the value, if any	<ul style="list-style-type: none"> - Sale of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products and Processed Food Procucts 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 8-8-2017. The details transactions of sale/purchase between VIL and VEL are placed at the Board Meetings on quarterly basis.
f	Amount paid as advances, if any	No.

By order of the Board of Directors

Date : 09th August, 2023
Place : Ahmedabad

Mr. Rajesh R. Gandhi
Managing Director
DIN: 00009879

Mr. Devanshu L. Gandhi
Managing Director
DIN: 00010146

ANNEXURE – F 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, 2023]

A) CONSERVATION OF ENERGY

➤ **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 automatic Air Purger system in refrigeration plant for improve the refrigeration system efficiency
- Installed the steam operated pumping trap in Paneer section to recover the steam condensate water
- Installed new LT panel with 500 KVAR APFC panel for improve the power factor
- Auto load-unload Panel for Kirlosker compressor to save Electrical power.
- Installation of VFD in APV Homogenizer for Power saving & process improvement

Ice-cream Division at Bareilly, Uttar Pradesh:

i. Energy Conservation measures taken:

- New cone and cup machines , Tetrapak ice cream freezers 4 nos. , New chocolate making machine installed without increasing utility load.
- Expand both hardening traditional hardening no.5 and 6 to get more crate hardening capacity.
- One capacitor 1100 kva panel taken to maintain the power factor
- Sugar /Rm material unloading conveyor installed near L.T. Room.
- One new 1500 kva d g set installed at same cooling tower cooling system

ii. Additional investments and proposals, if any, for reduction of consumption of energy:

- One new 1500 kva dg set ,Tetrapak ice-cream freezer-4 nos ,New chocolate machine,Capacitor bank 1100 kva and conveyor installed
- Open excess energy saving system in process at final stage.
- 2 nos , 18 wide candy machine received to be installed after season .
- New CIP system taken but commissioning is to be done
- New Factory Is Proposed And Matter Is Under Process ,Very Soon Work May Start.

iii. Impact of measures at (i) and (ii) above for reduction of production of goods:

- Production is increased by installing of cup,cone freezer and chocolate machines
- Hardening capacity is increased
- Sugar and RM Material handling become smooth.
- By installing capacitor panel power factor improved and Electricity bill reduced.
- Power back-up improved by installing d g at same cooling tower.

Processed Food Division at Dharampur, Gujarat:

- We saved power to reschedule the operating time of refrigeration section such as more running of compressors in night hours to get night hours lower unit charges
- We avoid to run ETP plant in peak hours to get the electricity saving. Although, parameters are kept under control.
- We fabricated the GI ducting & repaired the old blower for IQF section.

b) Capital investments on energy conservation equipments:

Ice-cream Division at Pundhra, Gujarat:

- Installation of Roof top Solar power system for generating cheaper power than State Electricity Board
- Installation of VFD in one screw compressor for Power saving & controlling MD.
- Comprehensive study in process for purchase of the Hybrid Power from third party to save the cost of Electrical power.

Processed Food Division at Dharampur, Gujarat:

- We are planning to fabricate a crate washer in house to save the water & keep hygiene condition of crates.
- We are planning to use the condense water to save the boiler fuel cost.
- We are planning to fabricate anti-rooms to avoid heat shock & save the energy.

c) Impact of measures at (a) and (b) above for reduction of production of goods:

- We are saving the electricity cost in every month.
- To use of old blower in IQF section, we save electricity as well as healthy preparation environment.
- We will save the water utilization as well as energy cost & keep hygiene condition of crates.
- We will save the fuel cost & electricity cost also.
- We will save the electricity cost & quality of product will improve.

d) Ice-cream Division at Pundhra, Gujarat:

- After installation of automatic Air purge system in refrigeration plant, reduction in manual air purging is observed and found improvement in compressor performance.
- After installation of the SOPT, the steam condensate from Paneer plant is recovered and saved the feed water quantity, leading to reduction in steam cost.
- After installation of the APFC panel, the power factor improved.
- After installation of the Roof top solar power system total power cost will be reduced.
- After installation of VFD in ammonia screw compressor, peak starting load will be reduced and compressor efficiency will improve and compressor power also will be saved.
- By Purchase of the Hybrid power, we can get cheaper power than State Electricity Board and our average electrical power unit cost will reduce.

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:

Ice-cream Division at Pundhra, Gujarat:

- Procured the 3000 Kva new transformer and replaced 1600 Kva old technology transformer.
- Installed 5000 Amp new LT panel to cater the newly installed machines power demand.
- Installed 25 KL sand filter to replace the old lower capacity sand filter at ETP and improved the treated water quality.
- Install belt conveyer for salt bag transfer at WTP plant and reduced manual work.
- 02 Nos. goods lift modification done in RMPM warehouse and increase the speed and improve the productivity.
- Diesel Engine Driven Pump with Piping Modification work completed in existing fire fighting system to make system work in case of power failure also.
- New Twin liner cone m/c with common Hardening Tunnel is installed in First Floor Production area to cater the increased market demand.
- Tetra Hoyer Rollo Model 27 Stick Novelty Machine is installed in First Floor Production area to cater the increased market demand.

- Installed & commissioned dedicated Sandwich making & packing line to reduce load on Extrusion line.
- Installed Metal Detector with Check weigher - 7 nos on various product line to control complains of foreign objects going into product.
- Installed L.S. Screw Compressor(-45 Deg. C) With VFD Starter
- One more spiral conveyor installed in cold store to speed up FG dispatch.

b) Additional investments and proposals, if any, for Technology Absorption, Adaption & Innovation: -

Ice-cream Division at Pundhra, Gujarat:

- (a) Hydraulic dock leveller at finished product Dispatch dock for save the time in vehicle loading
- (b) Automatic Hot Gas Defrosting System for Cold Room 1 To 6
- (c) New scissor lift at RMPM store for improve the work efficiency
- (d) Two more metal detector with check weigher will be installed for product line to control complaint of foreign object going into product

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

Ice-cream Division at Pundhra, Gujarat:

- Plant safety
- water saving
- production capacity enhancement
- Food safety

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

During the last five years, 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	2017	Yes	NA
"Product in Product machine" (PIP) for candy product	2017	Yes	NA
Extrusion ice cream machine with Continuous tunnel	2017	Yes	NA
"Gram" make continuous ice cream making freezer -02 nos.	2017	Yes	NA
"Ulma" make Paneer packing machine	2018	No	Packing Material in development stage
Ice cream freezing Continuous tunnel with candy filling attachment	2018	Yes	No
Tub filling machine 02 nos from China	2018	Yes	NA
Rotary cone machine from china	2018	Yes	NA
Automatic Cartoning Machine	2019	No	Packing Material in development stage
"Tetra" make Continuous ice cream making freezer 700 ltr & 1500 ltr	2020	Yes	NA
"WCB" make Continuous nut feeder	2020	Yes	NA
New Choco Bar Module for Tetra Roll Machine	2021	No	NA
"Tetra pak" make Continuous ice cream making freezer 700 litre - 2nos & 1500 litre- 2nos .	2023	Yes	NA
Tetra Hoyer Rollo Model 27 Stick Novelty system from USA	2023.	Yes	NA
New Twin liner cone m/c with common Hardening Tunnel from China.	2023	Yes	NA

Processed Food Division at Dharampur, Gujarat:

- Efforts in brief, made towards technology absorption, adaptation and innovation,
- We are planning to purchase a spiral freezer.
- Benefits derived as a results of the above efforts, e.g. product improvement, cost reduction, product development, etc.
- Product quality will be improved.
- Details regarding imported technology, if any, (imported during last five years reckoned from the beginning of the financial year).

e) The expenditure incurred on Research and Development:

During the year under review, the Company has incurred expenditure of ₹ 79.11 lacs towards Research and Development.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

As against Foreign Exchange Earnings of 10936.71 lacs for the previous year ended on 31st March, 2022, the Company has earned Foreign Exchange of ₹ 13287.89 lacs for Export of Goods on FOB value for the year ended on 31st March, 2023.

As against Foreign Exchange Outgo of ₹ 918.82 lacs for the previous year, the Outgo during the year under review was ₹ 2944.07 lacs.

By order of the Board of Directors

Mr. Rajesh R. Gandhi
Managing Director
DIN: 00009879

Mr. Devanshu L. Gandhi
Managing Director
DIN: 00010146

Date : 09th August, 2023
Place : Ahmedabad

ANNEXURE- G TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year – 2022-2023

1. Brief outline on CSR Policy of the Company:

- To direct the Company's CSR Programmes, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports;
- To develop the required capability and self-reliance of beneficiaries at the grass roots in the belief that these are prerequisites for social and economic development;
- To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for various persons including farmers;
- To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to ensure maximum development impact;

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meeting of CSR committee held during the year	Number of meeting of CSR Committee attended during the year
1.	Mr. Preet shah (w.e.f 30 th September, 2022)	Chairman & Independent Director	2	1
2.	Mr. Devanshu L Gandhi	Managing Director	2	2
3.	Mr. Kalpit R. Gandhi	Director & CFO	2	1
4	Ms. Shaily Dedhia (w.e.f 30 th September, 2022)	Independent Director	2	1
5	Mr. Vijay R. Shah (upto 29 th September, 2022)	Chairman & Independent Director	2	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<https://vadilalgroup.com/pdf/CSR%20Policy%20VIL.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Lacs)	Amount required to be set off for the financial year, if any (in Lacs)
1.	2019-20	-	-
2.	2020-21	-	-
3.	2021-22	-	2.45
	TOTAL	-	-

6. Average net profit of the company as per section 135(5): ₹ 747.71 Lacs

- Two percent of average net profit of the company as per section 135(5): ₹ 14.95 Lacs
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- Amount required to be set off for the financial year, if any.: ₹ 2.45 Lacs
- Total CSR obligation for the financial year (7a+7b-7c): ₹ 12.50 Lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
	Amount	Date of Transfer	Name of the Fund	Amount
₹ 48.98 Lacs	-	NA	NA	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sr No.	Name of the Project	Item from the list of activities in Schedule VII to the act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR Account for the project as per section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Agency	
				State	District						Name	CSR
1.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Agency	
				State	District			Name	CSR Registration Number
1.	Agriculture Activity	Promoting health care and preventive health care	Yes	Gujarat	Gandhinagar	13.75	Yes	NA	NA
2.	Medical Aid at Pundhra Plant and providing health facility	Promoting health care and preventive health care	Yes	Gujarat	Gandhinagar	28.24	Yes	NA	NA
3.	Social Activity	promoting education	Yes	Gujarat	Gandhinagar	5.99	Yes	NA	NA
4.	Pink Auto project	Women Empowerment	Yes	Gujarat	Gandhinagar	1.00	Yes	NA	NA

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year: ₹ 48.98 Lacs

(g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (In ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 14.95 Lacs
(ii)	Total amount spent for the Financial Year	₹ 48.98 Lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹34.03 Lacs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 34.03 Lacs

9. (a) **Details of Unspent CSR amount for the preceding three financial years: Not Applicable**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2019-20	-	-	NA	-	NA	-
2.	2020-21	-	-	NA	-	NA	-
3.	2021-22	-	-	NA	-	NA	-

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

Sr. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial year (in ₹)	Status of the project- Completed / Ongoing
1.	2019-20	NA	NA	NA	-	-	-	NA
2.	2020-21	NA	NA	NA	-	-	-	NA
3.	2021-22	NA	NA	NA	-	-	-	NA

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

- Date of creation or acquisition of the capital asset(s): Not Applicable
- Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** The Company has spent full amount towards CSR activities during the year as per Section 135 and Companies (Social Responsibility Policy) Rules, 2014. There is no unspent amount of CSR obligation for the financial year 2021-22.

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
 Managing Director
 Vadilal Industries Limited

Devanshu L. Gandhi
 Managing Director
 Vadilal Industries Limited

Preet Shah
 Chairman of CSR Committee
 Vadilal Industries Limited

Date : 09th August, 2023
 Place : Ahmedabad

ANNEXURE- H TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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 53 Shrimali Society,
Nr Navrangpura Police Station,
Ahmedabad - 380009,
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 secretarial audit, we hereby report that in our opinion, the Company has, during the Audit period covering the financial year 2022-23 i.e from 01st April, 2022 to 31st March, 2023 ('**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;
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not Applicable to the Company during the Audit Period*);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (*Not Applicable to the Company during the Audit Period*)
 - e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; (*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, 2021; (*Not Applicable to the Company during the Audit Period*) and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (*Not Applicable to the Company during the Audit Period*).
- vi. 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, 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 there under;
- b. Food Safety and Standards Act, 2006 and rules and regulations made there under;
- 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 there under;
- d. Legal Metrology Act, 2009 And Legal Metrology (Packaged Commodities) Rules, 2011;

For the purpose of other laws 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.

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

- i) Secretarial Standards (SS-1 for Meetings of the Board of Directors & SS-2 for General Meetings) issued by the Institute of Company Secretaries of India; and
- ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['LODR Regulations'].

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

1. Hundred percent shareholding of one of the promoter is not maintained in dematerialized form as per regulation 31(2) of the LODR Regulations.

We further report that:

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

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

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

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

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

Date : 07th August, 2023
Place: Ahmedabad

Premnarayan Tripathi, Designated Partner
SPAN & Co. Company Secretaries LLP
FCS 8851, COP: 10029
UDIN: F008851E000758105
PR:800/2020

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 53 Shrimali Society,
Nr Navrangpura Police Station,
Ahmedabad-380009, 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 07th August, 2023
Place: Ahmedabad

Premnarayan Tripathi, Designated Partner
SPAN & Co. Company Secretaries LLP
FCS 8851, COP: 10029
UDIN: F008851E000758105
PR:800/2020

ANNEXURE – I 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, 2023, 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 – 2022-2023 and the percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year – 2022-2023:**

Name of the Managing Directors, Chief Executive Officer, Chief Financial Officer, and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year
Mr. Rajesh R. Gandhi, Managing Director	1: 27	6.00%
Mr. Devanshu L. Gandhi, Managing Director	1: 27	6.00%
Mr. Kalpit R. Gandhi, Chief Financial Officer	N.A.	0%
Ms. Rashmi T. Bhatt, Company Secretary	N.A.	13.00%

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 – 2022-2023: 16%**
- c. The number of permanent employees on the rolls of Company as on 31-3-2023: 638**
- d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year – 2022-2023 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the year under review, the average annual increase was around 12%

Increase in the managerial remuneration for the year was 6.25%. 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 containing top ten employees in terms of remuneration drawn and particulars of employees as required under Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any shareholder interested in obtaining a copy of the same may write to the Company Secretary and the same will be provided free of cost to the shareholder.

By order of the Board of Directors

Date : 09th August, 2023
Place : Ahmedabad

Mr. Rajesh R. Gandhi
Managing Director
DIN: 00009879

Mr. Devanshu L. Gandhi
Managing Director
DIN: 00010146

Independent Auditor's Report

To the members of Vadilal Industries Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Vadilal Industries Limited (the "Company"), which comprise the standalone Balance Sheet as at March 31, 2023, the standalone Statement of Profit and Loss (including Other Comprehensive Expense), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, except for possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act"), in the manner so required, and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We are unable to comment upon the possible effects of the following matters, on the standalone financial statements of the Company for the year ended March 31, 2023. The matter more fully discussed in Note No. 54 of the standalone financial statements pertaining to the pending receipt of conclusive reports/findings for the item described therein:

- Matter involving counter allegations levelled by two Promoter Directors against each other in respect of potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lakh (for financial year 2017-18 and financial year 2018-19), and ₹ 25.00 lakh (for financial year 2014-15 to financial year 2018-19) respectively, by the Promoter Directors.

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

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

Emphasis of Matter

We draw attention to Note No. 41 of the standalone financial statements, which refers to the status of on-going litigations filed against the Company and some of its promoters under Section 241 and 242 of the Companies Act, 2013, pertaining to prevention of oppression and mismanagement of the Company before the National Company Law Tribunal, Ahmedabad.

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

Key Audit Matters

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

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

S. No.	Key Audit Matter	Auditor's Response
Inventory Existence and Carrying Value		
1.	<p>Refer to Note No. 2(l) (accounting policy), Note No. 9 to the standalone financial statements. Inventory is held by the Company's plants, and hired locations across India.</p> <p>The Company has significant levels of inventories and significant management judgments are taken with regard to categorization of inventories into obsolete and/or slow moving and which should be therefore be considered for provision. Estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories to arrive at valuation based on lower of cost and net realizable value.</p> <p>Given the level of significant management judgments and estimates involved this is considered to be a key audit matter.</p>	<p>Our procedures included :</p> <ul style="list-style-type: none"> ▶ Performed inventory count at plant on sample basis, which were selected based on financial significance and risk. Where locations were not attended, we tested certain controls over inventory existence across the Company. ▶ Observing sample of management's inventory count procedures, to assess compliance with the Company process. ▶ Performing roll forward procedures for the year-end balance from the date of inventory count attended. ▶ Obtaining inventory confirmations from the hired locations as on balance sheet date and comparing the same with the inventory as per books and obtaining the reconciliations for the variations (if any). ▶ Challenging the management with regard to the calculation methodology, the basis for provision and the process with respect to inventory provision; ▶ Testing the design, implementation and operating effectiveness of the key controls management has established for provision computations and to ensure the accuracy of the inventory provision. ▶ Assessing the adequacy of, and movements in, inventory provisions held, by recalculating a sample of items included within the provision to ensure appropriate basis of valuation. ▶ Evaluating, on a sample basis, whether inventories were stated at the lower of cost or net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date. ▶ Evaluating the appropriateness of the assumptions used based on our knowledge and information of the client and the industry.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, but does not include the standalone financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'.

Management's responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act and the rules thereunder, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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, except for the matter described in the "Basis for Qualified Opinion" paragraph, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the matter described in the "Basis for Qualified Opinion" paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The standalone Balance Sheet as at March 31, 2023, the standalone Statement of Profit and Loss (including Other Comprehensive Expense), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended dealt with by this Report are in agreement with the books of account.

- (d) Except for the effects of the matter described in the “Basis for Qualified Opinion” paragraph, in our opinion, the standalone financial statements comply with the Ind AS specified under section 133 of the Act and the Rules thereunder, as amended.
- (e) The matter described in the “Basis for Qualified Opinion” paragraph in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.
- (g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the “Basis for Qualified Opinion” paragraph above and para 2(b).
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in ‘Annexure B’ to this report.
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended, we report that to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year read above with note 46(5) is in accordance with the provisions of Section 197 of the Act.
- (j) With respect to the other matters to be included in the auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements. Please refer Note No. 40.
 - (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.
 - (iv)
 - (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.
 - (v) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
As stated in Note No. 18(a) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Arpit Patel & Associates,
Chartered Accountants
Firm’s Registration No.: 144032W

Arpit K. Patel
Partner

Membership No.: 034032
UDIN: 23034032BGYJCV6383

Place: Ahmedabad
Date: May 29, 2023

Annexure A to the Independent Auditor's Report of even date on the Standalone Financial Statements of Vadilal Industries Limited

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Vadilal Industries Limited)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and the records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a regular program of physical verification of Property, Plant & Equipment, so as to cover all the assets in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant & Equipment were due for verification during the year and were physically verified by the Management during the year. According to information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts, registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the standalone financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date, except the following:

Description of the property, including location, identification number from land records, municipal records, etc.	Gross carrying amount as per balance sheet of the Client (in ₹ lakhs)	Name of the party(s) who are holding the title of the immovable property	Whether the immovable property is held in the name of the promoter, director or their relative or employee?	In whose name is the property held?	Period of Holding	Reason for the immovable property not being held in the name of the Client
Freehold land located at Dwarka admeasuring 58,096 sq. mtrs.	338.44	Vadilal Industries Limited	No	Vadilal Industries Limited	08-01-1996	The title deeds are not readily available. In the revenue records it is in the name of the Company.
Freehold land located at Bareilly admeasuring 94 sq. yards	8.82	Vadilal Industries Limited	No	Vadilal Industries Limited	26-11-2015	Original title deeds are not readily available.
House Building Located at Pushpak Bungalow, Ahmedabad admeasuring 200 sq. yards	13.39	Bipin P Mehta / Minaben N Mehta	No	Bipin P Mehta / Minaben N Mehta	28-05-1996	The said property is in dispute. Deed of Conveyance is in the name of Vadilal Financial Services Limited (VFSL amalgamated with the Company w.e.f. 1 April, 1997).

- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
- (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
 - (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks on the basis of security of current assets. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of account of the Company.

- (iii) The Company has not made investments in, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms and limited liability partnerships or any other parties covered in the register maintained under section 189 of the Act except to one company for which guarantee is given by the Company. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee provided is not prejudicial to the company's interest.
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the operations of the Company.
- (vii) In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing the undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (c) Details of dues of Sales Tax, Duty of excise, Goods and Services Tax and Income-tax which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount involved (₹ in lakhs)	Amount unpaid (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, Sales Tax Acts of various states & Goods and Service Tax	Sales tax and penalty	39.08	23.24	1998-99	High Court
	Additional tax demand	12.49	12.49	2000-01	JT Comm S. Tax
	Sales tax demand	20.74	15.74	2000-01	DC, Appeal-4, Mehsana
	Sales tax demand	1.55	1.55	2001-02	Dy. Comm, S. Tax
	Sales tax demand	2.10	0.60	2002-03	Sales Tax Tribunal, Bhubaneswar
	Sales tax asst. dues	2.39	2.39	2003-04	JC-1, Appeal, Ahmedabad
	Purchase tax	0.46	0.46	2003-04	JC-1, Appeal, Ahmedabad
	Sales tax	3.67	3.67	2004-05	Sales Tax Tribunal
	Sales tax and penalty	24.81	14.81	2010-11	Sales Tax Tribunal
	Sales tax	8.02	7.25	2010-11	JC-Corporate, Bareilly.
	Sales tax	9.34	4.67	2013-14	Addnl. Comm., Grade- 2 Appeal, Bareilly.
	Sales tax	0.66	-	2012-13	Addnl. Comm., Grade- 2 Appeal, Bareilly
	Sales tax	0.36	-	2017-18	Addnl. Comm., Grade- 2 Appeal, Bareilly.
	Sales tax	3.83	1.25	2015-16	Addnl. Comm., Grade- 2 Appeal, Bareilly
	Sales tax	2.07	-	2016-17	Addnl. Comm., Grade- 2 Appeal, Bareilly
	Sales tax	0.19	-	2016-17	Addnl. Comm., Grade- 2 Appeal, Bareilly
GST	GST	43.16	12.12	2017-18 to 2020-21	Gujarat Authority for Advance Ruling
	GST	22.36	5.5	2017-18 to 2020-21	Gujarat Authority for Advance Ruling
Excise Act	Excise duty	4.58	4.58	1988-89	Asst. Commissioner
	Excise duty	4.28	4.28	2003-04	Asst. Commissioner
	Excise duty	34.14	34.14	2011-12 to 2014-15	Customs, Excise & Service Tax Appellate Tribunal
Income tax	Income tax	1.93	1.93	1996-97	ITAT

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961).
- (ix) (a) The Company is regular in repayment of loans or other borrowings or in payment of interest thereon to lenders.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.
- (c) The Company has utilised the money obtained by way of term loans during the year for the purpose for which they were obtained.
- (d) According to the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) We refer to the matter described in the Basis for Qualified Opinion section of our audit report, the outcome of which is inconclusive as on date of this report. Read with the above, to the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, the Company is in compliance with Section 177 and Section 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) In our opinion, during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors, and hence, provisions of section 192 of Act are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a), (b), and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the board of directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

For Arpit Patel & Associates,
Chartered Accountants
Firm's Registration No.: 144032W

Arpit K. Patel
Partner
Membership No.: 034032
UDIN: 23034032BGYJCV6383

Place: Ahmedabad
Date: May 29, 2023

Annexure B to the Independent Auditor's Report of even date on the Standalone Financial Statements of Vadilal Industries Limited

Referred to in paragraph 2(h) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Vadilal Industries Limited)

Report on the internal financial controls with reference to the standalone financial statements under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those SAs 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 were 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 with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to the standalone financial statements, 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 standalone 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 internal financial controls system over financial reporting with reference to the standalone financial statements.

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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone 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 (iii) 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 standalone financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the Company's internal financial controls over financial reporting as at March 31, 2023:

We draw attention to Note No. 54 of the standalone financial statements relating to the counter allegations levelled by two Promoter Directors against each other in respect of potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lakh (for financial year 2017-18 and financial year 2018-19), and ₹ 25.00 lakh (for financial year 2014-15 to financial year 2018-19) respectively,

by the Promoter Directors, without following the process of the Company. Pending receipt of the reports/findings, as referred above, we are unable to conclude whether the Company's financial reporting process did have controls to identify the nature of the expenses and the procedures to be followed for the payments made for certain travelling expenses.

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effect of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2023, and this material weakness has affected our opinion on the said standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements of the Company.

For Arpit Patel & Associates,
Chartered Accountants
Firm's Registration No.: 144032W

Arpit K. Patel
Partner

Membership No.: 034032
UDIN: 23034032BGYJCV6383

Place: Ahmedabad
Date: May 29, 2023

STANDALONE BALANCE SHEET as at March 31, 2023

(₹ in Lacs)

Particulars	Notes No.	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3 (a)	28,712.33	28,761.67
(b) Capital Work-in-Progress	3 (b)	1,874.68	276.53
(c) Investment Property	3 (c)	18.04	18.38
(d) Intangible Assets	3 (d)	50.30	84.04
(e) Right of Use Assets	3 (e)	1,367.18	478.73
(f) Financial Assets			
(i) Investments	4	782.96	304.96
(ii) Loans	5	11.44	4.36
(iii) Other Financial Assets	6	475.73	233.80
(g) Non Current Tax Assets (Net)	7	159.82	171.36
(h) Other Non-Current Assets	8	146.59	190.19
Total Non-Current Assets		33,599.07	30,524.02
(2) Current Assets			
(a) Inventories	9	22,254.30	14,341.49
(b) Financial Assets			
(i) Investments	10	8.18	9.31
(ii) Trade Receivables	11	3,752.31	3,412.28
(iii) Cash & Cash Equivalents	12	571.70	286.43
(iv) Other Balances with Banks	13	568.57	644.29
(v) Loans	14	25.34	12.79
(vi) Other Financial Assets	15	22.28	30.08
(c) Other Current Assets	16	1,933.41	1,787.70
Total Current Assets		29,136.09	20,524.37
Total Assets		62,735.16	51,048.39
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	17	718.78	718.78
(b) Other Equity	18	28,202.20	21,224.92
Total Equity		28,920.98	21,943.70
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	5,382.35	7,579.08
(ii) Lease Liabilities	20	412.81	476.37
(b) Provisions	21	476.62	392.41
(c) Deferred Tax Liabilities (Net)	22	1,629.86	1,167.51
(d) Other Non Current Liabilities	23	479.18	529.02
Total Non-Current Liabilities		8,380.82	10,144.39
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	14,325.81	9,460.56
(ii) Lease Liabilities	25	134.15	111.33
(iii) Trade Payables			
- Dues of micro enterprises and small enterprises	26	679.50	879.42
- Dues of creditors other than micro enterprises and small enterprises	26	7,124.84	6,347.29
(iv) Other Financial Liabilities	27	1,465.08	777.90
(b) Provisions	28	464.64	373.67
(c) Current Tax Liabilities (Net)	29	264.50	-
(d) Other Current Liabilities	30	974.84	1,010.13
Total Current Liabilities		25,433.36	18,960.30
Total Liabilities		33,814.18	29,104.69
Total Equity and Liabilities		62,735.16	51,048.39

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

For Arpit Patel & Associates

Chartered Accountants

ICAI Firm registration number: 144032W

Arpit K Patel

Partner

Membership No.: 034032

Place : Ahmedabad

Date: May 29, 2023

For and on behalf of the Board of Directors

Rajesh R Gandhi

Managing Director

(DIN: 00009879)

Kalpiti R Gandhi

Director & Chief Financial Officer

(DIN: 02843308)

Place : Ahmedabad

Date: May 29, 2023

Devanshu L Gandhi

Managing Director

(DIN: 00010146)

Rashmi Bhatt

Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Notes No.	Year Ended March 31, 2023	Year Ended March 31, 2022
I Revenue From Operations	31	89,671.40	54,411.61
II Other Income	32	1,224.08	879.14
III Total Income (I+II)		90,895.48	55,290.75
IV Expenses:			
Cost of Materials Consumed	33	52,614.32	33,168.18
Purchase of Stock-in-trade	34	713.51	512.07
Changes in Inventories of Finished Goods and Stock-in-trade	35	(661.29)	(910.32)
Employee Benefits Expense	36	5,872.70	4,130.23
Finance Costs	37	1,287.81	1,788.34
Depreciation and Amortization Expenses	3	2,023.38	1,923.87
Other Expenses	38	19,396.08	13,263.44
Total Expense (IV)		81,246.51	53,875.81
V Profit Before Tax (III-IV)		9,648.97	1,414.94
VI Tax Expenses			
(a) Current Tax	39	1,949.51	5.07
(b) Deferred Tax	39	505.13	375.44
Total Tax Expenses		2,454.64	380.51
VII Profit / (Loss) for the year (V-VI)		7,194.33	1,034.43
VIII Other Comprehensive Income			
A (i) Item that will not be reclassified subsequently to profit or loss			
Remeasurement gain / (loss) of defined benefit plans		(24.46)	(92.62)
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		6.16	23.31
B (i) Item that will be reclassified subsequently to profit or loss			
Fair value changes of Cash Flow Hedges		(145.52)	-
(ii) Income tax relating to items that will be reclassified subsequently to profit or loss		36.62	-
Other Comprehensive Income / (Expense) for the Year		(127.20)	(69.31)
Total Comprehensive Income for the Year (VII+VIII)		7,067.13	965.12
Earnings Per Share (Face Value of ₹ 10 each)			
- Basic & Diluted	45	100.09	14.39

See accompanying notes to the standalone financial statements.

In terms of our report attached.

For Arpit Patel & Associates

Chartered Accountants

ICAI Firm registration number: 144032W

Arpit K Patel

Partner

Membership No.: 034032

Place : Ahmedabad

Date: May 29, 2023

For and on behalf of the Board of Directors

Rajesh R Gandhi

Managing Director

(DIN: 00009879)

Kalpiti R Gandhi

Director & Chief Financial Officer

(DIN: 02843308)

Place : Ahmedabad

Date: May 29, 2023

Devanshu L Gandhi

Managing Director

(DIN: 00010146)

Rashmi Bhatt

Company Secretary

STATEMENT OF STANDALONE CASH FLOWS for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	9,648.97	1,414.94
Adjustments for:		
Depreciation and Amortisation Expense	2,023.38	1,923.87
Loss on Sale of Property, Plant and Equipment (Net)	45.94	21.45
Profit on Sale of Investments	(31.36)	(5.66)
Excess Provision Written Back	(47.83)	(178.03)
(Gain) / Loss on Fair Value of Current Investment	1.14	(8.03)
Gain on Fair Value of Non Current Investment	(5.24)	(5.65)
Financial Guarantee Commission Income	(1.64)	(24.90)
Grant Income	(49.84)	(53.02)
Dividend Income	(0.33)	(0.31)
Interest Income	(45.99)	(50.83)
Finance Costs	1,287.81	1,788.34
Provision for Doubtful Debts	12.62	24.41
Provision / (Reversal of Provision) for Doubtful Advances	1.63	(1.18)
Bad Debts Written Off	0.53	0.21
Share of Loss of Partnership Firm	3.62	3.64
Unrealised Foreign Exchange Loss	5.85	36.97
	3,200.29	3,471.28
Operating Profit before Working Capital Changes	12,849.26	4,886.22
Changes in Working Capital:		
(Increase) / Decrease in Inventories	(7,912.81)	(1,708.77)
(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	(656.90)	(747.98)
Increase / (Decrease) in Trade Payables, Financial Liabilities, Other Liabilities and Provisions	726.60	(2,851.74)
Cash Generated from / (Used in) Operations	5,006.15	(422.27)
Income Taxes Paid (Net of Refund)	(1,692.54)	(68.65)
Net Cash Generated from / (Used in) Operating Activities (A)	3,313.61	(490.92)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditure on Property, Plant & Equipment and Intangible Assets	(3,850.10)	(1,212.71)
Proceeds from Sale of Property, Plant & Equipment	49.08	74.11
Proceeds from Sale of Current Investment (Net)	31.35	5.66
Purchase of Non Current Investments	(472.76)	-
Interest Received	42.38	125.66
Dividend Received	0.33	0.31
Net Cash Generated from / (Used in) Investing Activities (B)	(4,199.72)	(1,006.97)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Non Current Borrowings	2,346.74	4,630.64
Repayment of Non Current Borrowings	(3,932.98)	(1,997.12)
Proceeds from / (Repayment of) Current Borrowings (Net)	4,254.76	286.83
Payment of Lease Liabilities	(120.53)	(110.45)
Interest Paid	(1,286.76)	(1,872.31)
Dividend Paid	(89.85)	-
Net Cash Generated from / (Used in) Financing Activities (C)	1,171.38	937.59
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	285.27	(560.30)
Cash and Cash Equivalents at the beginning of the year (Refer Note-12)	286.43	846.73
Cash and Cash Equivalents at the end of the year (Refer Note-12)	571.70	286.43

See accompanying notes to the standalone financial statements.

STATEMENT OF STANDALONE CASH FLOWS for the year ended March 31, 2023

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

(₹ in Lacs)

Particulars of liabilities arising from financing activity.	Note No.	As at March 31, 2022	Net cash Flows	Other changes*	As at March 31, 2023
Borrowings :					
Non Current borrowings	19	9,790.24	(1,602.61)	16.37	8,204.00
Current borrowings	24	7,249.40	4,254.76	-	11,504.16
Interest accrued on borrowings	27	255.56	(255.56)	237.54	237.54
Total		17,295.20	2,396.59	253.91	19,945.70

(₹ in Lacs)

Particulars of liabilities arising from financing activity.	Note No.	As at March 31, 2021	Net cash Flows	Other changes*	As at March 31, 2022
Borrowings :					
Non Current borrowings	19	7,156.72	2,595.06	38.46	9,790.24
Current borrowings	24	6,962.57	286.83	-	7,249.40
Interest accrued on borrowings	27	339.53	(339.53)	255.56	255.56
Total		14,458.82	2,542.36	294.02	17,295.20

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

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

In terms of our report attached.

For Arpit Patel & Associates

Chartered Accountants

ICAI Firm registration number: 144032W

Arpit K Patel

Partner

Membership No.: 034032

Place : Ahmedabad

Date: May 29, 2023

For and on behalf of the Board of Directors

Rajesh R Gandhi

Managing Director

(DIN: 00009879)

Kalpiti R Gandhi

Director & Chief Financial Officer

(DIN: 02843308)

Place : Ahmedabad

Date: May 29, 2023

Devanshu L Gandhi

Managing Director

(DIN: 00010146)

Rashmi Bhatt

Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2023

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	718.78	718.78
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	718.78	718.78
Changes in equity share capital during the year	-	-
Balance as at the end of the year	718.78	718.78

B. OTHER EQUITY

Particulars	Capital Reserve	Securities Premium Reserve	General Reserves	Retained Earning	Revaluation Surplus	Items of other comprehensive income		Total
						Fair Value changes of Cash Flow Hedge	Remeasurement gain / (loss) of defined benefit plan	
Balances as at April 01, 2021	8.84	487.28	5,000.00	7,351.66	7,524.17	-	(112.15)	20,259.80
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	1,034.43	-	-	-	1,034.43
Other comprehensive income / (expense)	-	-	-	-	-	-	(69.31)	(69.31)
Total Comprehensive Income	-	-	-	1,034.43	-	-	(69.31)	965.12
Balances as at March 31, 2022	8.84	487.28	5,000.00	8,386.09	7,524.17	-	(181.46)	21,224.92
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	7,194.33	-	-	-	7,194.33
Other comprehensive income / (expense)	-	-	-	-	-	(108.90)	(18.30)	(127.20)
Total Comprehensive Income	-	-	-	7,194.33	-	(108.90)	(18.30)	7,067.13
Payment of dividend for the year	-	-	-	(89.85)	-	-	-	(89.85)
Balances as at March 31, 2023	8.84	487.28	5,000.00	15,490.57	7,524.17	(108.90)	(199.76)	28,202.20

See accompanying notes to the standalone financial statements.

In terms of our report attached.

For Arpit Patel & Associates

Chartered Accountants

ICAI Firm registration number: 144032W

Arpit K Patel

Partner

Membership No.: 034032

Place : Ahmedabad

Date: May 29, 2023

For and on behalf of the Board of Directors

Rajesh R Gandhi

Managing Director

(DIN: 00009879)

Kalpiti R Gandhi

Director & Chief Financial Officer

(DIN: 02843308)

Place : Ahmedabad

Date: May 29, 2023

Devanshu L Gandhi

Managing Director

(DIN: 00010146)

Rashmi Bhatt

Company Secretary

NOTES FORMING PART OF THE STANDALONE 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, Processed Foods, Other Dairy Products. It is also engaged in export of Ice-cream, Dairy Products, 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 across globe.

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 Standalone Financial Statements for the year ended March 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 29, 2023.

2 SIGNIFICANT ACCOUNTING POLICIES:-

a) Statement of Compliance

These financial statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2023 have been prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

b) Basis of Preparation of Financial Statements

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

The financial statements are presented in Indian Rupee ("INR") and all values are rounded to the nearest lakhs as per the requirement of Schedule III, except when otherwise indicated.

Fair value:

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) 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 end of financial year, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after end of financial year

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The company has identified twelve months as its operating cycle.

d) Use of estimates and critical accounting judgements

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

Key Sources of Estimation Uncertainty

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

i. Useful Lives of Property, Plant and Equipment

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

ii. Allowances for Expected Credit Losses

As described in Note 11, the Company makes allowances for expected credit loss 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 financial year in which such estimate has been changed.

iii. 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.

iv. Fair Value Measurement of Financial Instruments

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

v. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

vi. 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.

e) 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 sale 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, for which, based on technical evaluation, 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

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

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

f) Intangible Assets**Intangible Assets Acquired Separately**

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

Derecognition of Intangible Assets

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

Useful Lives of Intangible Assets

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

g) 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.

h) 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 and recognises expected credit losses through a loss allowance as required by Ind AS 109.

Non-financial Assets

Property, Plant and Equipment and Intangible Assets

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

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

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

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

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee :

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

<u>Assets</u>	<u>Estimated useful life</u>
Right-of-use of office premises & parlour premises	Over the balance period of lease agreement

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in relating to Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases. (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

j) 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.

k) 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 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 financial year at fair value with all changes recognised in the statement of profit and loss.

Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 and interest rate 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 financial year. 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 the statement of Profit & Loss

l) Inventories

Inventories are valued as under -

Finished Goods:- At lower of cost or net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. Due provision for obsolescence is made. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Raw Materials, Packing Materials & Stores and Spares:- Valued at lower of cost or net realisable value and for this purpose cost is determined on moving weighted average basis. Due provision for obsolescence is made.

m) Cash and Cash Equivalents

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

n) Provisions, Contingent Liabilities and Contingent Assets and Commitments

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

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

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

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

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

o) Revenue Recognition

Sale of Goods

The Company earns revenue primarily from sale of manufactured ice-creams. It has applied the principles laid down in Ind AS 115 and determined that there is no change required in the existing revenue recognition methodology. In case of sale to domestic customers, most of the sale is made on ex-factory basis and revenue is recognised when the goods are dispatched from the factory gates. In case of export sales, revenue is recognised on shipment date or goods are made available to customer.

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Assets and liabilities arising from rights to return

Right to return assets

A return right gives an entity a contractual right to recover the goods from a customer (return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company has therefore recognized refund liabilities in respect of customer's right to return. The liability is measured at the

amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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.

p) 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 and 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.

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

q) 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 financial year in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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

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

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

Short-term and Long-term Employee Benefits:

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

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

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

r) 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 year in which they are incurred.

s) Foreign Currencies

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

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

t) Taxation

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

Current Tax

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

Deferred Tax

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

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

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

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

Current and Deferred Tax for the Year

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

u) 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 dilutive securities in any period presented.

v) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected

to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

(ii) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

(iii) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTE-3

(₹ in Lacs)

Particulars	Land (Refer Note 18 (b))	Building	Leasehold Building Improvements	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
3 (a) Property, Plant and Equipment								
As at April 1, 2021	7,918.07	6,936.96	17.13	29,510.33	298.45	918.67	453.53	46,053.14
Additions	-	71.90	-	1,160.94	73.76	41.12	-	1,347.72
Deductions / Reclassification	-	8.83	-	357.79	0.27	14.67	0.43	381.99
As at March 31, 2022	7,918.07	7,000.03	17.13	30,313.48	371.94	945.12	453.10	47,018.87
Additions	-	180.75	-	2,452.54	39.25	126.26	43.18	2,841.98
Deductions / Reclassification	954.80	5.50	-	294.00	8.64	53.59	-	1,316.53
As at March 31, 2023	6,963.27	7,175.28	17.13	32,472.02	402.55	1,017.79	496.28	48,544.32
Accumulated Depreciation and Impairment								
As at April 1, 2021	-	2,298.99	12.69	13,225.75	218.66	721.49	304.49	16,782.07
Depreciation charge for the year	-	253.63	1.79	1,387.52	13.99	71.80	32.83	1,761.56
Deductions	-	5.10	-	266.44	0.22	14.24	0.43	286.43
As at March 31, 2022	-	2,547.52	14.48	14,346.83	232.43	779.05	336.89	18,257.20
Depreciation charge for the year	-	257.36	-	1,461.50	22.45	67.75	32.44	1,841.50
Deductions	-	5.23	-	203.89	8.59	49.00	-	266.71
As at March 31, 2023	-	2,799.65	14.48	15,604.44	246.29	797.80	369.33	19,831.99
Net carrying value								
As at March 31, 2023	6,963.27	4,375.63	2.65	16,867.58	156.26	219.99	126.95	28,712.33
As at March 31, 2022	7,918.07	4,452.51	2.65	15,966.65	139.51	166.07	116.21	28,761.67

3 (b)	Capital Work In Progress	(₹ in Lacs)	3 (d)	Intangible Assets (Software & Development Cost)	(₹ in Lacs)
	As at April 1, 2021	529.59		Cost or Deemed Cost	
	Additions	904.43		As at April 1, 2021	864.54
	Deductions	1,157.49		Additions	14.46
	As at March 31, 2022	276.53		Deductions	-
	Additions	4,090.94		As at March 31, 2022	879.00
	Deductions	2,492.79		Additions	1.65
	As at March 31, 2023	1,874.68		Deductions	-
3 (c)	Investment Property	(₹ in Lacs)		As at March 31, 2023	880.65
	Deemed cost			Amortisation	
	As at April 1, 2021	20.69		As at April 1, 2021	758.79
	Additions	-		Depreciation charge for the year	36.17
	Deductions	-		Deductions	-
	As at March 31, 2022	20.69		As at March 31, 2022	794.96
	Additions	-		Depreciation charge for the year	35.39
	Deductions	-		Deductions	-
	As at March 31, 2023	20.69		As at March 31, 2023	830.35
	Accumulated Depreciation			Net Carrying Amount	
	As at April 1, 2021	1.97		As at March 31, 2023	50.30
	Depreciation charge for the year	0.34		As at March 31, 2022	84.04
	Deductions	-			
	As at March 31, 2022	2.31			
	Depreciation charge for the year	0.34			
	Deductions	-			
	As at March 31, 2023	2.65			
	Net Carrying Amount				
	As at March 31, 2023	18.04			
	As at March 31, 2022	18.38			
	Fair Value of Investment Property				
	As at March 31, 2023 (As per valuation report by approved valuer)	76.64			
	As at March 31, 2022 (As per valuation report by approved valuer)	61.11			
3 (e)	Right of Use Assets	(₹ in Lacs)			
	Cost or Fair Value				
	As at April 1, 2021	859.93			
	Additions / Reclassification	-			
	Deductions	-			
	As at March 31, 2022	859.93			
	Additions / Reclassification	1,034.60			
	Deductions	-			
	As at March 31, 2023	1,894.53			
	Accumulated Depreciation and Impairment				
	As at April 1, 2021	255.40			
	Additions	125.80			
	Deductions	-			
	As at March 31, 2022	381.20			
	Additions	146.15			
	Deductions	-			
	As at March 31, 2023	527.35			
	Net Carrying Amount				
	As at March 31, 2023	1,367.18			
	As at March 31, 2022	478.73			

Note: (i) Refer footnote to Note 19 & 24 for security / charges created on property, plant and equipment.

(ii) As at March 31, 2023

(a) Details of Title deeds of Immovable Properties which are not in the name of company:

Relevant line item in the Balance sheet	Nature	Description of item of property	Gross carrying value (₹ in Lacs) as on 31/03/2023	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Building	House Building Located at Pushpak Bungalow, Ahmedabad admeasuring 200 sq. yards	13.39	Bipin P Mehta / Minaben N Mehta	No	28/05/1996	The said property is in dispute. Deed of Conveyance is in the name of Vadilal Financial Services Limited (amalgamated with Vadilal Industries Limited w.e.f. April 01, 1997).

(b) Details of Title deeds of Immovable Properties where original title deeds are not available with the company:

Relevant line item in the Balance sheet	Nature	Description of item of property	Gross carrying value (₹ in Lacs) as on 31/03/2023	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Land	Freehold land located at Dwarka admeasuring 58,096 sq. mtrs.	338.44	Vadilal Industries Limited	No	08/01/1996	The title deeds are not readily available. In the revenue records it is in the name Vadilal Industries Limited.
PPE	Land	Freehold land located at Bareilly admeasuring 94 sq. meter	8.82	Vadilal Industries Limited	No	26/11/2015	Original title deeds are not readily available.

As at March 31, 2022

(a) Details of Title deeds of Immovable Properties which are not in the name of company:

Relevant line item in the Balance sheet	Nature	Description of item of property	Gross carrying value (₹ in Lacs) as on 31/03/2021	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Building	House Building Located at Pushpak Bungalow, Ahmedabad admeasuring 200 sq. yards	13.39	Bipin P Mehta / Minaben N Mehta	No	28/05/1996	The said property is in dispute. Deed of Conveyance is in the name of Vadilal Financial Services Limited (amalgamated with Vadilal Industries Limited w.e.f. April 01, 1997).

(b) Details of Title deeds of Immovable Properties where original title deeds are not available with the company:

Relevant line item in the Balance sheet	Nature	Description of item of property	Gross carrying value (₹ in Lacs) as on 31/03/2022	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
PPE	Land	Freehold land located at Dwarka admeasuring 58,096 sq. mtrs.	338.44	Vadilal Industries Limited	No	08/01/1996	The title deeds are not readily available. In the revenue records it is in the name Vadilal Industries Limited.
PPE	Land	Freehold land located at Bareilly admeasuring 94 sq. meter	8.82	Vadilal Industries Limited	No	26/11/2015	Original title deeds are not readily available.

(iii) Capital Work in Progress Ageing Schedule

Capital Work in Progress aging schedule as at March 31, 2023

(₹ in Lacs)

Capital Work in Progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1812.46	33.56	14.52	14.14	1874.68
Projects temporarily suspended	-	-	-	-	-
TOTAL	1812.46	33.56	14.52	14.14	1874.68

Capital Work in Progress aging schedule as at March 31, 2022

(₹ in Lacs)

Capital Work in Progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	138.99	40.87	89.69	6.98	276.53
Projects temporarily suspended	-	-	-	-	-
TOTAL	138.99	40.87	89.69	6.98	276.53

(iv) Capital Work in Progress whose costs has exceeded compared to its original budget : None (As at March 31, 2022 : None)

(v) Project in progress for more than one year includes overdue projects amounting to ₹ 62.22 lacs pending for installation at different production facilities due to delay in technical support from Original Equipment Manufacturer. The same are expected to be installed in F.Y.2023-24.

NOTE-4 INVESTMENTS

Particulars	Face Value	As at March 31, 2023		As at March 31, 2022	
		Units	(₹ in Lacs)	Units	(₹ in Lacs)
Non Current Investments					
A) Investment in Equity Instruments of Subsidiary at cost (Unquoted fully paid up): (Refer Note-46)					
Vadilal Industries (Inc.) USA	\$100	2,250	136.41	2,250	136.41
Varood Industries Ltd.	10	50,000	5.00	50,000	5.00
Vadilal Delight Ltd.	10	50,000	5.00	50,000	5.00
Vadilal Industries Pty Ltd.*	AUD 1	100	0.05	100	0.06
Investment in Partnership Firm at cost:					
Vadilal Cold Storage (Refer Note-46)	-	-	140.00	-	140.00
* The company had incorporated a subsidiary company in Australia in the name of VADILAL INDUSTRIES PTY LTD. dated April 16, 2018 and this subsidiary has started operations during previous financial year 2021-22.					
B) Other Investments					
Investment in Government and Trust securities at amortized cost (Unquoted):					
7 Year National Saving Certificates (Lodged with Government Authorities)	-	-	0.28	-	0.28
In Equity instruments of other companies at Cost (Unquoted fully paid up) :					
Kalupur Commercial Co-operative Bank Ltd.	25	8,000	2.00	8,000	2.00
In Equity instruments of other companies at FVTPL (Unquoted fully paid up) :					
Vadilal Forex and Consultancy Services Ltd.	10	36,250	17.61	36,250	12.27
Majestic Farm House Ltd. (Refer Note-46)	10	74,100	3.79	74,100	3.88
Padm Complex Ltd.	10	280	0.03	280	0.03
Volute Construction Ltd.	10	280	0.03	280	0.03
In Equity instruments of other companies at FVOCI (Unquoted fully paid up) :					
AMP Energy C&I Two Private Limited	10	421,117	42.11	-	-
In 0.01% Compulsory Convertible Debentures at FVOCI :					
AMP Energy C&I Two Private Limited	1000	43,065	430.65	-	-
Total			782.96		304.96

NOTE- 5 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current (Unsecured, considered good)		
Loan to employees	11.44	4.36
Total	11.44	4.36

NOTE-6 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Margin Money Deposits with banks (Refer Note-13)	222.92	36.61
Other Deposits	252.81	197.19
Total	475.73	233.80

NOTE-7 TAX ASSETS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Non Current		
Taxes Receivable	159.82	171.36
Total	159.82	171.36

NOTE-8 OTHER ASSETS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Non Current		
Capital Advances	20.62	56.28
Prepaid Expenses	125.97	133.91
Total	146.59	190.19

NOTE-9 INVENTORIES

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(At lower of Cost or Net Realisable Value)		
Raw Materials	13,438.76	7,260.67
Packing Materials	2,516.37	1,669.39
Finished Goods	5,226.49	4,565.20
Stores, Spares and Consumables	1,072.68	846.23
Total	22,254.30	14,341.49

Inventories write downs are accounted, considering the nature of inventory usage, ageing and net realisable value. Write-down value of inventories as at March 31, 2023 ₹ 720.45 lacs (as at March 31, 2022 ₹ 610.60 lacs). These write-downs are recognised as an expense in the statement of profit & loss.

NOTE-10 INVESTMENTS

Particulars	Face Value	As at March 31, 2023		As at March 31, 2022	
		Units	(₹ in Lacs)	Units	(₹ in Lacs)
Current Investments					
Investments in Equity Instruments-Quoted (Valued at fair value through Profit and Loss)					
Century Enka Ltd.	10	15	0.05	15	0.08
Great Eastern Shipping Co. Ltd.	10	100	0.65	100	0.35
GOL Offshore Limited	10	25	-	25	-
Interface Financial Services Ltd.	1	25,000	0.05	25,000	0.05
Radhe Developers Ltd.	10	4,900	6.96	4,900	8.36
Saket Projects Ltd.	10	2,500	0.02	2,500	0.02
Sanara Media Ltd.	1	900,000	0.45	900,000	0.45
		Total	8.18	Total	9.31

NOTE-11 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Trade Receivables considered good- Secured	101.61	105.73
Trade Receivables considered good- Unsecured (Refer Note-46)	3,650.70	3,306.55
Trade Receivables which have significant increase in credit risk	69.23	56.61
Trade Receivables- credit impaired	-	-
	3,821.54	3,468.89
Less: Expected credit loss allowances	69.23	56.61
Total	3,752.31	3,412.28

Note: Refer Note-44 for information about credit risk and market risk of Trade receivables.

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Break-up of trade receivables		
Trade receivables from other than related parties	397.16	545.54
Receivables from related parties (Refer Note-46)	3,355.15	2,866.74
Total	3,752.31	3,412.28

Notes

- The credit period ranges from 0 days to 180 days.
- Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually. There are no customers who represent more than 5% of the total balance of trade receivable except, as at March 31, 2023 : ₹ 3,355.15 lacs (as at March 31, 2022 : ₹ 2,866.74 lacs).
- In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

- Movement in Expected Credit Loss Allowance (₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	56.61	32.20
Add: Allowance for the year	34.19	34.24
Less: Reversal of provision due to recovery	21.57	9.83
Balance at the end of the year	69.23	56.61

- Trade Receivable Ageing Schedule as on March 31, 2023 (₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,355.15	332.37	40.71	5.00	0.02	19.06	3,752.31
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	31.65	10.29	7.51	19.78	69.23
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	3,355.15	332.37	72.36	15.29	7.53	38.84	3,821.54
Less: Expected credit loss allowances							69.23
TOTAL							3,752.31

Trade Receivable Ageing Schedule as on March 31, 2022

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,866.74	488.56	28.13	0.07	-	28.78	3,412.28
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	24.97	8.63	7.82	15.19	56.61
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	2,866.74	488.56	53.10	8.70	7.82	43.97	3,468.89
Less: Expected credit loss allowances							56.61
TOTAL							3,412.28

NOTE-12 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks :		
In Current Accounts	564.80	272.48
Cash on hand	6.90	13.95
Total	571.70	286.43

Note: There are no restrictions with regards to Cash and Cash Equivalents

NOTE-13 OTHER BALANCES WITH BANKS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances in Fixed Deposits Repayment Reserve Account	53.58	48.58
Balances in Unclaimed Dividend Accounts	15.07	16.05
Margin Money Deposit (towards Funded and Non-Funded facilities from Banks & NBFCs)	722.84	616.27
	791.49	680.90
Less : Margin Money Deposits with maturity of more than 12 months		
Amount disclosed under Non-Current Financial Assets (Note-6)	222.92	36.61
Total	568.57	644.29

Note: Unclaimed Dividend Account balance can only be used for payment of Unclaimed Dividend.

NOTE-14 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
(Unsecured, Considered Good)		
Loan to Employees	25.34	12.79
Total	25.34	12.79

NOTE-15 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Current		
(Unsecured, Considered Good)		
Interest accrued on loans and deposits from others	6.58	2.97
Other Deposits	5.47	4.46
Mark to Market Receivables on Derivatives	-	12.03
Receivable from a Subsidiary Company (Refer Note-46)	10.19	10.57
Others	0.04	0.05
Total	22.28	30.08

NOTE-16 OTHER ASSETS

(₹ in Lacs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Current		
Prepaid Expenses	258.25	288.04
Balances with Govt. Authorities	507.33	272.07
Export Benefits Receivable	625.65	799.43
	(A)	1,391.23
Advances for Goods & Expenses		
Considered Good	542.18	428.16
Considered Doubtful	36.27	34.64
Less: Impairment Allowances	36.27	34.64
	(B)	542.18
Total (A + B)	1,933.41	1,787.70

NOTE-17 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Authorised Share Capital:		
1,50,00,000 (as at March 31, 2022 : 1,50,00,000) Equity shares of ₹ 10/- each	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, 2022 : 71,88,230) Equity shares of ₹ 10/- each	718.82	718.82
	718.82	718.82
Paid up Share Capital:		
71,87,830 (as at March 31, 2022 : 71,87,830) Equity shares of ₹ 10/- each	718.78	718.78
	718.78	718.78

a) Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Shares outstanding at the beginning of the period	7,187,830	718.78	7,187,830	718.78
Add / Less: Issued shares / buy back during the year	-	-	-	-
Shares outstanding at the end of the period	7,187,830	718.78	7,187,830	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.

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, 2023		As at March 31, 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Vadilal International Pvt. Ltd.	28,09,704	39.09%	28,09,704	39.09%

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.

d) Details of shares held by Promoters as on March 31, 2023 and as on March 31, 2022.

Sr. No.	Name of the Promoters / Promoter Group	No. of Equity Shares Held as on March 31, 2023	% of Total Shares	No. of Equity Shares Held as on March 31, 2022	% of Total Shares	% change during the year
Promoter						
1	Mr. Rajesh Ramchandra Gandhi	2,27,721	3.17%	2,27,721	3.17%	NIL
2	Mr. Devanshu Laxmanbhai Gandhi	3,45,691	4.81%	3,45,691	4.81%	NIL
Promoter Group						
1	M/s. Virendra Ramchandra Gandhi, HUF	1,19,699	1.67%	1,19,699	1.67%	NIL
2	M/s. Rajesh R. Gandhi, HUF	62,411	0.87%	62,411	0.87%	NIL
3	M/s. Vadilal International Private Limited	28,09,704	39.09%	28,09,704	39.09%	NIL
4	M/s. Vadilal Finance Company Limited	3,28,311	4.57%	3,28,311	4.57%	NIL
5	M/s. Veronica Constructions Pvt. Ltd.	2,44,600	3.40%	2,44,600	3.40%	NIL
6	M/s. Vadilal Marketing Pvt. Ltd.	10,330	0.14%	10,330	0.14%	NIL
7	M/s. Byad Packaging Industries Pvt. Ltd.	10,137	0.14%	10,137	0.14%	NIL
8	M/s. Axilrod Pvt. Ltd.	9,943	0.14%	9,943	0.14%	NIL
9	M/s. Vadilal Enterprises Limited	150	0.00%	150	0.00%	NIL
10	Mr. Virendra Ramchandra Gandhi	1,58,634	2.21%	1,58,634	2.21%	NIL
11	Ms. Mamta Rajesh Gandhi	1,22,251	1.70%	1,22,251	1.70%	NIL
12	Ms. Ila Virendrabhai Gandhi	1,07,931	1.50%	1,07,931	1.50%	NIL
13	Ms. Deval Devanshu Gandhi	59,266	0.82%	59,266	0.82%	NIL
14	Mr. Janmajay Virendrabhai Gandhi	14,893	0.21%	14,893	0.21%	NIL
15	Ms. Hemali Piyush Surti	11,808	0.16%	11,558	0.16%	0.0035%
16	Mr. Navinchandra Chimanlal Modi	7,304	0.10%	7,304	0.10%	NIL
17	Ms. Khevna Raj Shah	809	0.01%	809	0.01%	NIL
18	Mr. Dharini Ketan Khambhatta	811	0.01%	811	0.01%	NIL
TOTAL		46,52,404	64.73%	46,52,154	64.72%	

NOTE-18 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
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
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	8,386.09	7,351.66
Add : Profit / (Loss) for the year	7,194.33	1,034.43
Less : Appropriations		
Dividend per share ₹ 1.25 paid for the year	89.85	-
Total Appropriations	89.85	-
Balance at the end of the year	15,490.57	8,386.09
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
Other Comprehensive Income / (Expense)		
Balance at beginning of the year	(181.46)	(112.15)
Add : Remeasurement gain / (loss) of defined benefit plan	(18.30)	(69.31)
Add : Fair value changes of cash flow hedges	(108.90)	-
Balance at the end of the year	(308.66)	(181.46)
	28,202.20	21,224.92

a) **Dividend distributions made and proposed**

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend on equity shares declared and paid:		
Final dividend for March 31, 2022 : ₹ 1.25 per share (March 31, 2021 ₹ Nil)	89.85	-
Proposed Dividend on equity shares:		
Final dividend for March 31, 2023 : ₹ 1.50 per share (March 31, 2022 ₹ 1.25)	107.82	89.85

Proposed dividend on equity shares are subject to approval of members at the ensuing Annual General Meeting and are not recognised as a liability as at March 31.

b) **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 and 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.

NOTE-19 BORROWING

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Secured-at amortised Cost		
Term Loans from Banks	5,535.82	5,310.83
Less: Current maturities of long term loans (Note-24)	1,435.62	1,340.26
	4,100.20	3,970.57
Vehicle Loans from Bank	87.23	113.56
Less: Current maturities of long term vehicle loans (Note-24)	49.18	51.75
	38.05	61.81
Term Loans from Non Banking Financial Company	-	1,000.00
Less: Current maturities of long term loans (Note-24)	-	-
	-	1,000.00
	4,138.25	5,032.38
Unsecured-at amortised Cost		
Public Fixed Deposits	2,580.95	3,365.85
Less: Current maturities of long term public fixed deposits (Note-24)	1,336.85	819.15
	1,244.10	2,546.70
Total	5,382.35	7,579.08

Note

- 1 Refer Note-44 for information about Liquidity Risk.
- 2 Amount stated in current maturities is disclosed under the head of " Current Borrowings " (Note-24).

Repayment Schedule of Loans

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022	Effective Interest Rate	Terms of repayment
Term Loans				
From Banks				
Bank of Baroda (COVID 19-BCECL)	-	32.02	8.15%	6 monthly instalments of ₹ 5.65 lacs starting from December, 2020 and 12 monthly instalment of ₹ 16.01 lacs starting from June, 2021
State Bank of India (COVID 19-CCECL)	-	20.00	7.40%	18 monthly instalments of ₹ 10.00 lacs starting from December, 2020
IndusInd Bank (partially disbursed)	1,166.89	2,573.84	11.19%	72 monthly instalments of ₹ 61.11 lacs starting from February, 2019
IndusInd Bank Long Term Loan (partially disbursed)	2,238.75	-	10.21%	60 monthly instalments of ₹ 37.48 lacs starting from January, 2024
IndusInd Bank (GECL)	677.17	916.16	9.25%	48 monthly instalments of ₹ 14.94 lacs starting from February, 2022
IDBI Bank (GECL)	16.29	22.04	7.80%	48 monthly instalments of ₹ 0.48 lacs starting from February, 2022
State Bank of India (GECL)	573.97	782.77	10.25%	47 monthly instalments of ₹ 17.40 lacs starting from January, 2022 and 1 instalment of ₹ 17.20 lacs on December, 2025
State Bank of India (GECL Extension)	559.00	559.00	10.25%	48 monthly instalments of ₹ 11.65 lacs starting from January, 2024
Bank of Baroda (GECL)	303.75	405.00	8.40%	48 monthly instalments of ₹ 8.44 lacs starting from April, 2022
From Non Banking Financial Company				
Samunnati Financial Intermediation & Services Private Limited	-	1,000.00	15.00%	5 monthly instalments of ₹ 200 lacs starting from April, 2023
Vehicle Loans from Bank				
HDFC Bank Limited	87.23	113.56	8.30% to 12.76%	From 7 to 59 monthly Instalments * of ₹ 0.15 lacs to ₹ 0.75 lacs
Total Loan (a)	5,623.05	6,424.39		
Fixed deposits (b)	2,580.95	3,365.85	8.00% to 9.00% based on period of deposit	12 months to 36 months
Grand Total (a)+(b)	8,204.00	9,790.24		

*Includes Interest portion

- A** Term Loans from Indusind Bank ₹ 1,166.89 Lacs (As at March 31, 2022 ₹ 2,573.84 Lacs), Indusind Bank Long Term Loan ₹ 2,238.75 Lacs (As at March 31, 2022 ₹ NIL), Guaranteed Emergency Credit Line of Indusind Bank ₹ 677.17 Lacs (As at March 31, 2022 ₹ 916.16 Lacs), Guaranteed Emergency Credit Line of State Bank of India for ₹ 573.97 Lacs (As at March 31, 2022 ₹ 782.77 Lacs), Guaranteed Emergency Credit Line Extension of State Bank of India for ₹ 559.00 Lacs (As at March 31, 2022 ₹ 559.00 Lacs), Guaranteed Emergency Credit Line of Bank of Baroda for ₹ 303.75 Lacs (As at March 31, 2022 ₹ 405.00 Lacs) and Guaranteed Emergency Credit Line of IDBI Bank for ₹ 16.29 lacs (As at March 31, 2022 ₹ 22.04 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 :-
- 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 to term lenders and 2nd charge to GECL lenders)
 - Land and Building together with all plant and machineries situated at Village Dharampur, forming part of New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (Survey No. 970 (Paiki)) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (1st charge to term lenders and 2nd charge to GECL lenders)
 - Land and Building together with all plant and machineries situated at New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 to term lenders and 2nd charge to GECL lenders)

- (iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge to term lenders and 2nd charge to GECL lenders)
- (v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 & F-12 Parsakhera Industrial Estate, Bareilly, U.P. (Leased property) (Ice-cream Plant) (1st charge to term lenders and 2nd charge to GECL lenders)
- (vi) 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. (Leased property) (Ice-cream Plant) (1st charge to term lenders and 2nd charge to GECL lenders)
- (vii) Land and Building together with all plant and machineries situated at New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (1st charge to term lenders and 2nd charge to GECL lenders)
- (viii) Land and Building together with all plant and machineries situated at New Survey No. 3647 i.e. Old Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit) (2nd charge on term lenders and GECL lenders)
- (ix) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge on term lenders and GECL lenders)
- (x) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats) (2nd charge on term lenders and GECL lenders)

B The above Term Loans and GECL loans are also secured by way of Hypothecation on entire current assets of the Company on 2nd pari-passu charge basis.

C Vehicle loans are secured by hypothecation of vehicles with HDFC Bank Limited.

D The Term Loans are secured by Corporate Guarantee by Vadilal Cold Storage, Padm Complex Ltd. and Volute Constructions Ltd. The Credit Facilities of IndusInd Bank are additionally secured by Corporate Guarantee of Vadilal Enterprises Ltd.

E Fixed Deposit lien with IndusInd Bank ₹ 500.80 lacs

F The company does not have any charges or satisfaction which is yet to be registered with ROC beyond statutory period.

G Company has used the borrowings from banks and financial institutions for the purpose for which it was taken.

H Collateral / Additional Securities :-

Term loan and GECL loan from Consortium Banks, namely, BOB, SBI, IDBI and IndusInd bank are also secured by way of Mortgage on immovable properties of :-

- (i) Padm Complex Ltd. & Volute Constructions Ltd. by way of 2nd charge on pari-passu basis (Ground Floor, Office No. 2B, "Mahalaya" Opp. President Hotel, Swastik Char Rasta, Ahmedabad. (Owned Property))
- (ii) Vadilal Cold Storage by way of 2nd charge on pari-passu basis Gomtipur, Ahmedabad (Leased Property)

NOTE-20 LEASE LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Lease Liabilities	412.81	476.37
Total	412.81	476.37

NOTE-21 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Provision for Employee Benefits		
Gratuity (Refer Note-47)	476.62	392.41
Total	476.62	392.41

NOTE-22 DEFERRED TAX LIABILITY (NET)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities	2,303.45	2,289.69
Deferred Tax Assets	(673.59)	(1,122.18)
Total	1,629.86	1,167.51

Movement in Deferred Tax Liabilities and Assets

(₹ in Lacs)

Movement during the year ended March 31, 2023	As at April 1, 2022	Charge/(Credit) in statement of Profit and Loss	Charge/(Credit) in Other Comprehensive Income	As at March 31, 2023
Deferred Tax Liabilities / (Assets)				
Property, plant and equipments	2,083.28	21.66		2,104.94
Expenditure allowed in the year of payment	(233.52)	(41.41)		(274.93)
Provision for doubtful debts & advances	(23.13)	(3.59)		(26.72)
Government Grant under EPCG	(138.02)	12.06		(125.96)
Discounting of security deposit to present value and corresponding impact on other expenses	4.81	(0.90)		3.91
Discounting of security deposit to present value and corresponding impact on interest income	(5.38)	0.88		(4.50)
Increase in borrowing cost pursuant to application of EIR	12.22	(1.57)		10.65
Effect of measuring corporate guarantee liability	(0.41)	0.41		-
Leased Assets under Ind AS 116	120.49	(12.63)		107.86
Lease Liabilities under Ind AS 116	(147.91)	10.25		(137.66)
Unabsorbed Loss	(512.78)	512.78		-
Others	7.86	7.19	(42.78)	(27.73)
Total	1,167.51	505.13	(42.78)	1,629.86

(₹ in Lacs)

Movement during the year ended March 31, 2022	As at April 1, 2021	Charge/(Credit) in statement of Profit and Loss	Charge/(Credit) in Other Comprehensive Income	As at March 31, 2022
Deferred Tax Liabilities / (Assets)				
Property, plant and equipments	2,047.85	35.43		2,083.28
Expenditure allowed in the year of payment	(198.11)	(35.41)		(233.52)
Provision for doubtful debts & advances	(17.28)	(5.85)		(23.13)
Government Grant under EPCG	(150.90)	12.87		(138.02)
Discounting of security deposit to present value and corresponding impact on other expenses	5.94	(1.13)		4.81
Discounting of security deposit to present value and corresponding impact on interest income	(6.41)	1.03		(5.38)
Increase in borrowing cost pursuant to application of EIR	25.95	(13.73)		12.22
Effect of measuring corporate guarantee liability	(6.68)	6.27		(0.41)
Leased Assets under Ind AS 116	152.15	(31.66)		120.49
Lease Liabilities under Ind AS 116	(175.71)	27.80		(147.91)
Unabsorbed Loss	(865.84)	353.06		(512.78)
Others	4.41	26.76	(23.31)	7.86
Total	815.37	375.44	(23.31)	1,167.51

NOTE-23 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Deferred Govt. Grant	479.18	529.02
Total	479.18	529.02

NOTE-24 BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Secured-at amortised Cost		
Working Capital Loans from Banks	7,355.15	2,579.32
Current Maturities of long term borrowings From Banks	1,435.62	1,340.26
Current Maturities of long term borrowings For Vehicle Loan	49.18	51.75
	8,839.95	3,971.33
Unsecured-at amortised Cost		
Public Fixed Deposits	143.25	1,208.90
Inter Corporate Deposits from others	3,945.00	3,438.50
Book Overdraft in current account with Banks	60.76	22.68
Current Maturities of long term borrowings of Public Fixed Deposits	1,336.85	819.15
	5,485.86	5,489.23
Total	14,325.81	9,460.56

- A Working Capital facility from Consortium Banks, namely, BOB, SBI, IDBI and IndusInd Bank aggregating to ₹ 64.25 crores 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 to Working Capital lenders)
 - (ii) Land and Building together with all plant and machineries situated at Village Dharampur, forming part of New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (Survey No. 970 (Paiki)) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (2nd charge to Working Capital lenders)
 - (iii) Land and Building together with all plant and machineries situated at New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 to Working Capital lenders)
 - (iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge to Working Capital lenders)
 - (v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 & F-12 Parsakhera Industrial Estate, Bareilly, U.P. (Leased Property) (Ice-cream Plant) (2nd charge to Working Capital lenders)
 - (vi) 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. (Leased Property) (Ice-cream Plant) (2nd charge to Working Capital lenders)
 - (vii) Land and Building together with all plant and machineries situated at New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (2nd charge to Working Capital lenders)
 - (viii) Land and Building together with all plant and machineries situated at New Survey No. 3647 i.e. Old Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit) (1st charge to working capital lenders)
 - (ix) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge to working capital lenders)
 - (x) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats) (1st charge to working capital lenders)
- 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, 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 Vadilal Cold Storage, Padm Complex Ltd. and Volute Constructions Ltd.

- D Cash Credit facility from Kalupur Commercial Co-operative Bank of ₹ 3,500.00 Lacs is secured by pledge stocks and Personal Guarantee of Mr. Rajesh R. Gandhi, Managing Director and Mr. Devanshu L. Gandhi, Managing Director of the Company.
- E Secured Borrowing i.e. Working Capital facility & Term Loan Facility availed from Banks / FIs carries interest @ 9.35 % to 11.20 %.
- F Secured Borrowing i.e. GECL facility availed from Banks carries interest @ 8.40 % to 9.25 %
- G Inter corporate deposits are repayable between 90 days to 365 days and carry Interest @ 10.50 % to 14.50 %
- H Fixed deposits are repayable for 12 months to 36 months and carry interest @ 8.00 % to 9.00 %.
- I The company does not have any charges or satisfaction which is yet to be registered with ROC beyond statutory period.
- J Company has used the borrowings from banks and financial institutions for the purpose for which it was taken.
- K Collateral / Additional Securities :-
Working Capital facility from Consortium Banks, namely, BOB, SBI, IDBI and IndusInd bank are also secured by way of Mortgage on immovable properties of: -
- Padm Complex Ltd. & Volute Constructions Ltd. by way of 1st charge on pari-passu basis (Ground Floor, Office No. 2B, "Mahalaya" Opp. President Hotel, Swastik Char Rasta, Ahmedabad. (Owned Property))
 - Vadilal Cold Storage by way of 1st charge on pari-passu basis Gomitpur, Ahmedabad (Leased Property)

NOTE-25 CURRENT LEASE LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	134.15	111.33
Total	134.15	111.33

NOTE-26 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Due to Micro and Small Enterprises-Refer Note (A)	679.50	879.42
Due to Others (Refer Note-46)	7,124.84	6,347.29
Total	7,804.34	7,226.71

Note A) The amount outstanding to micro and small 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.

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
A i) Principal amount remaining unpaid at the end of the accounting year (Includes for Capital Goods ₹ 10.06 lacs, (P.Y. ₹ 7.19 lacs))	689.56	886.61
ii) Interest due on above	4.72	16.10
B The amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006, along with amount of payment made to the supplier beyond the appointed date during the accounting year	Nil	Nil
C The amount of interest accrued and remaining unpaid at the end of the financial year	4.72	16.10
D The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under MSMED Act, 2006	Nil	Nil
E The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	Nil	Nil

B) Trade Payables ageing schedule as on March 31, 2023

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	638.41	40.59	-	-	-	679.00
(ii) Others	2,426.56	2,674.07	-	-	-	5,100.63
(iii) Disputed dues – MSME			0.18	0.14	0.18	0.50
(iv) Disputed dues - Others			26.37	8.93	84.77	120.07
TOTAL	3,064.97	2,714.66	26.55	9.07	84.95	5,900.20
Accrued Expense	1,726.49	63.89	37.18	71.32	5.26	1,904.14
GRAND TOTAL	4,791.46	2,778.55	63.73	80.39	90.21	7,804.34

Trade Payables ageing schedule as on March 31, 2022

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	850.37	28.83	-	-	-	879.20
(ii) Others	3,713.73	1,935.91	-	-	-	5,649.64
(iii) Disputed dues – MSME			0.14	0.08	-	0.22
(iv) Disputed dues - Others			13.82	10.58	74.95	99.35
TOTAL	4,564.10	1,964.74	13.96	10.66	74.95	6,628.41
Accrued Expense	485.86	35.76	9.37	62.19	5.12	598.30
GRAND TOTAL	5,049.96	2,000.50	23.33	72.85	80.07	7,226.71

NOTE-27 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Interest Accrued	237.54	255.56
Unclaimed Dividends*	15.07	16.05
Unclaimed Deposits and Interest accrued thereon*	19.11	16.15
Financial Guarantee Liabilities (Refer Note-46)	-	1.64
Payable for Capital Goods (Includes MSME Payable ₹ 10.06 lacs, (P.Y. ₹ 7.19 lacs))	899.82	343.79
Security Deposits from Customers	126.25	126.55
Payable to subsidiary co. (Refer Note-46)	0.05	0.06
Fair Value of Derivative Liabilities	145.52	-
Others	21.72	18.10
Total	1,465.08	777.90

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

NOTE-28 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Provision for Employee Benefits		
Gratuity (Refer Note-47)	134.98	118.26
Compensated Absences	329.66	255.41
Total	464.64	373.67

NOTE-29 TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Income Tax Payable (Net of Advance Tax)	264.50	-
Total	264.50	-

NOTE-30 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Statutory Remittances	318.88	502.68
Advances Received from Subsidiary (Refer Note-46)	266.64	68.61
Advances Received from Customers	120.75	178.89
Other Liabilities	219.22	210.60
Deferred Govt. Grant	49.35	49.35
Total	974.84	1,010.13

NOTE-31 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale of Products		
Finished goods (Refer Note-46)	89,370.83	54,064.36
Currency	22.35	158.70
Sale of Services		
Income from Money Changing Business	-	3.32
Other Operating Revenues		
Scrap Sales	278.22	185.23
Total	89,671.40	54,411.61
Reconciliation of revenue from operation with contract price		
Revenue from contract with customers as per the contract price	89,801.17	54,531.22
Adjustment made to contract price on account of:		
Discounts and Rebates	(129.77)	(119.61)
Revenue from Operations	89,671.40	54,411.61

NOTE-32 OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Income (Refer Note-46)	45.99	50.83
Export Licenses Income	100.87	156.61
Other Export Incentive Income	589.01	193.37
Financial Guarantee Commission Income	1.64	24.90
Gain on Fair Value of Current Investment	-	8.03
Gain on Fair Value of Non Current Investment	5.24	5.65
Grant Income (Refer Note-48)	49.84	53.02
Dividend income on long term Investment	0.33	0.31
Net gain on Foreign Currency translations and transactions	122.10	5.66
Profit on sale of current investment	31.36	5.66
Excess Provision written back	47.83	178.03
Business Support Services Income from Subsidiary (Refer Note-46)	218.67	170.80
Provision for Doubtful Advance written back	-	1.18
Miscellaneous Income	11.20	25.09
Total	1,224.08	879.14

NOTE-33 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Inventory at the beginning of the year	8,930.06	8,334.91
Add : Purchases	59,639.39	33,763.33
Less: Inventory at the end of the year	15,955.13	8,930.06
Total	52,614.32	33,168.18

NOTE-34 PURCHASE OF TRADED GOODS

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Processed Food	134.35	52.52
Dairy Products	16.80	131.83
Others	540.16	170.62
Currency	22.20	157.10
Total	713.51	512.07

NOTE-35 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Inventories at beginning of the year		
Finished Goods	4,565.20	3,654.88
	4,565.20	3,654.88
Inventories at end of the year		
Finished Goods	5,226.49	4,565.20
	5,226.49	4,565.20
Total	(661.29)	(910.32)

NOTE-36 EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salary, Wages, Allowances and Bonus etc. (Refer Note-46)	5,297.54	3,632.18
Contribution to Provident and Other funds (Refer Note-47)	332.05	290.95
Staff Welfare Expenses	243.11	207.10
Total	5,872.70	4,130.23

NOTE-37 FINANCE COSTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Expense	1,187.59	1,628.72
Other Borrowing Costs	100.22	159.62
Total	1,287.81	1,788.34

NOTE-38 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Job Charges	4,681.72	3,402.29
Power & Fuel	4,449.34	3,265.98
Stores and Spares Consumption	1,122.73	844.70
Repairs & Maintenance	758.30	682.61
Rent (Refer Note-46)	419.87	282.69
Freight and forwarding charges	4,294.28	2,416.86
Sales Promotion Expense (Refer Note-46)	1,153.10	468.05
Corporate Social Responsibility Expense (Refer Note-50)	48.52	39.85
Payment to Auditors (Refer details below)	31.62	30.83
Provision for Doubtful Debts	34.19	34.24
Less : Reversal of provision due to recovery	21.57	9.83
Provision for Doubtful Debts	12.62	24.41
Bad Debt written off	0.53	0.21
Less : Provided in earlier years	-	-
	0.53	0.21
Provision for Doubtful Advances	1.63	-
Loss on disposal of Property, Plant & Equipment	45.94	21.45
Loss on fair value of Current Investment	1.14	-
Share of Loss of Partnership Firm (Refer Note-46)	3.62	3.64
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery etc.)	2,371.12	1,779.87
Total	19,396.08	13,263.44
Payment to Auditors		
As Auditor		
Audit Fees	22.50	22.50
Limited Review Fees	7.50	6.00
In Other Capacity		
Certification Fees	0.92	1.75
Reimbursement of expenses	0.70	0.58
Total	31.62	30.83

NOTE-39 TAX EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
A. Income tax recognised in Statement of Profit and Loss:		
Current Tax:		
In respect of the current year	1,949.51	-
In respect of the prior years	-	5.07
Total	1,949.51	5.07
Deferred Tax:		
In respect of the current year	505.13	375.44
Total	505.13	375.44
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 before tax	9,648.97	1,414.94
Income Tax Expense @ 25.168% (Previous year @ 25.168%)	2,428.45	356.11
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	19.97	18.30
Others	6.22	1.03
	2,454.64	375.44
Adjustments in respect of current income tax of previous year	-	5.07
Total	2,454.64	380.51
Tax effect on Items in Other Comprehensive Income	(42.78)	(23.31)
Tax expense as per Statement of Profit and Loss	2,411.86	357.20

The company's weighted average tax rates for the year ended March 31, 2023 and March 31, 2022 are 25.44 % and 26.89 % respectively.

NOTE - 40 CONTINGENT LIABILITIES NOT PROVIDED FOR AND COMMITMENTS :

(₹ in Lacs)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
Contingent Liabilities			
(a)	Guarantees given by the company against Borrowing given to companies in which Directors are interested is ₹ 2,150 Lacs (March 31, 2022 ₹ 3,001 Lacs) Outstanding against this as at March 31	121.93	567.37
(b)	For Excise-related matter decided in favour of the company, against which Excise Dept. has preferred an appeal	43.00	43.00
(c)	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
(d)	For Indirect Tax-Disputed by the company and against which company has preferred appeals	197.28	271.72
(e)	For Other Matters-cases against company by the Vendor and Authorities	243.82	243.82
(f)	Differential amount of custom / excise duty in respect of machinery purchased under EPCG Scheme	25.83	-
(g)	Differential amount of custom duty in respect of Advance Licence	175.49	140.94
(h)	Outstanding letter of credits and bank guarantees issued by banks	444.57	548.59
Total Contingent Liabilities		1,253.85	1,817.37
Commitments*			
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) :	702.77	224.36

*Shareholders of the Company have through e-voting ended on January 14, 2023 approved resolution for purchase of "VADILAL" brand for consideration not exceeding ₹ 67,600 lacs plus taxes from Vadilal International Private Ltd., a promoter of the Company. However, thereafter no substantial progress has happened in the same and Company has yet to obtain valuation reports, finalise the purchase consideration and enter in to purchase agreement. Hence, same is not included in Capital Commitments as on March 31, 2023.

NOTE - 41

In FY 2017-18, a petition was filed against the Company and some of its promoters, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013, pertaining to the prevention of oppression and mismanagement of the Company. The NCLT has fixed next hearing in the matter on June 08, 2023.

NOTE - 42 Segment Information :

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".

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	Purpose	As at March 31, 2023	As at March 31, 2022
Investments				
Vadilal Industries USA (Inc.)	Wholly owned subsidiary company	Business Purpose	136.41	136.41
Vadilal Cold Storage	Partnership firm where company has 98% Ownership Interest	Business Purpose	140.00	140.00
Varood Industries Ltd.	Wholly owned subsidiary company	Business Purpose	5.00	5.00
Vadilal Delight Ltd.	Wholly owned subsidiary company	Business Purpose	5.00	5.00
Vadilal Industries Pty Ltd.	Wholly owned subsidiary company	Business Purpose	0.05	0.06
Guarantee Given				
Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence	To avail credit facility and corporate loan	2,150.00	3,001.00

Maximum outstanding during the year:

(₹ in Lacs)

Name of Party	Relationship	Purpose	As at March 31, 2023	As at March 31, 2022
Investments				
Vadilal Industries USA (Inc.)	Wholly owned subsidiary company	Business Purpose	136.41	136.41
Vadilal Cold Storage	Partnership firm where company has 98% Ownership Interest	Business Purpose	140.00	140.00
Varood Industries Ltd.	Wholly owned subsidiary company	Business Purpose	5.00	5.00
Vadilal Delight Ltd.	Wholly owned subsidiary company	Business Purpose	5.00	5.00
Vadilal Industries Pty Ltd.	Wholly owned subsidiary company	Business Purpose	0.06	0.06
Guarantee Given				
Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence	To avail credit facility and corporate loan	3,001.00	3,001.00
Loans				
Vadilal Industries USA (Inc.)	Wholly owned subsidiary company	Business Purpose	-	250.00
Vadilal Cold Storage	Partnership firm where company has 98% Ownership Interest	Business Purpose	5.44	-

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 shareholders. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 19 and 24 off set by cash and bank balances) and total equity of the Company.

Gearing Ratio

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Debt *	19,708.16	17,039.64
Less: Cash and cash Equivalents	571.70	286.43
Net Debt	19,136.46	16,753.21
Total Equity excluding Revaluation Reserve	21,396.81	14,419.53
Net Debt to equity ratio	89.44%	116.18%

*Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in notes 19 and 24.

II Category-wise classification of financial instruments
Financial Assets & Financial Liabilities as at March 31, 2023

(₹ in Lacs)

Particulars	Fair value Through Profit and loss	Fair value Through Other Comprehensive Income	Amortised Cost	Total
Financial Assets				
Investments	29.64	472.76	288.74	791.14
Loans	-	-	36.78	36.78
Trade receivables	-	-	3,752.31	3,752.31
Cash and Cash Equivalents	-	-	571.70	571.70
Bank balances other than cash and cash Equivalents	-	-	568.57	568.57
Other Financial Assets	-	-	498.01	498.01
Total	29.64	472.76	5,716.11	6,218.51
Financial Liabilities				
Borrowings	-	-	19,708.16	19,708.16
Lease Liabilities	-	-	546.96	546.96
Trade Payable	-	-	7,804.34	7,804.34
Other Financial Liabilities	-	145.52	1,319.56	1,465.08
Total	-	145.52	29,379.02	29,524.54

Financial Assets & Financial Liabilities as at March 31, 2022

(₹ in Lacs)

Particulars	Fair value Through Profit and loss	Fair value Through Other Comprehensive Income	Amortised Cost	Total
Financial Assets				
Investments	25.52	-	288.75	314.27
Loans	-	-	17.15	17.15
Trade receivables	-	-	3,412.28	3,412.28
Cash and Cash Equivalents	-	-	286.43	286.43
Bank balances other than cash and cash Equivalents	-	-	644.29	644.29
Other Financial Assets	-	-	263.88	263.88
Total	25.52	-	4,912.78	4,938.30
Financial Liabilities				
Borrowings	-	-	17,039.64	17,039.64
Lease Liabilities	-	-	587.70	587.70
Trade Payable	-	-	7,226.71	7,226.71
Other Financial Liabilities	-	-	777.90	777.90
Total	-	-	25,631.95	25,631.95

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

(₹ in Lacs)

Particular	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, 2023				
Investments at fair value through profit and loss	29.64	8.18	-	21.46
Investments at fair value through Other Comprehensive Income	472.76	-	-	472.76
Derivative Liabilities at fair value through Other Comprehensive Income	145.52	-	145.52	-
As at March 31, 2022				
Investments at fair value through profit and loss	25.52	9.31	-	16.21
Investments at fair value through Other Comprehensive Income	-	-	-	-
Derivative Liabilities at fair value through Other Comprehensive Income	-	-	-	-

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.

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 denominated 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, 2023	As at March 31, 2022
Forward contract to sell USD		
No. of contracts	-	4
In USD	-	25,80,000
In INR (in Lacs)	-	1,998.95

(b) Particular of foreign currency exposures as at the reporting date.

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities (Foreign currency)		
In US Dollars (USD)	6,22,718.99	1,98,436.02
In Euro (EUR)	295.00	295.00
In Australian Dollars (AUD)	1,300.00	1,300.00
Assets (Foreign currency)		
In US Dollars (USD)	2,61,865.35	3,96,984.03
In Great Britain Pound (GBP)	-	32,938.95
In Australian Dollars (AUD)	-	18,542.55

(₹ in lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities (INR)		
In US Dollars (USD)	512.75	150.63
In Euro (EUR)	0.26	0.25
In Australian Dollars (AUD)	0.71	0.74
Assets (INR)		
In US Dollars (USD)	215.62	301.35
In Great Britain Pound (GBP)	-	32.88
In Australian Dollars (AUD)	-	10.57

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, 2023		For the year ended March 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
USD	(2.97)	2.97	1.51	(1.51)
GBP	-	-	0.33	(0.33)
EURO	-	-	-	-
AUD	(0.01)	0.01	0.10	(0.10)
Increase / (decrease) in profit & loss	(2.98)	2.98	1.94	(1.94)

(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, 2023	For the Year Ended March 31, 2022
BSE Index 100 - Increase by 5%	0.41	0.47
BSE Index 100 - Decrease by 5%	(0.41)	(0.47)

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 or management 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, 2023	100 bps	49.65
As at March 31, 2022	100 bps	47.22

Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the cash flow exposures on the variable rate loan. The following tables detail the principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period. Interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Company's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

Designated as cash flow hedges

Outstanding Contracts (Floating to Fixed)

Particulars	Principal Borrowing Amount		Fair Value of Liabilities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Less than 1 year	-	-	-	-
1 year to 2 years	-	-	-	-
2 years to 5 years	2,248.87	-	145.52	-
Total	2,248.87	-	145.52	-

The line items in the balance sheet that include the above hedging instruments are other financial liabilities. Debit Balance in cash flow hedge reserve of ₹ 145.52 Lacs as at March 31, 2023 (balance of ₹ NIL as at March 31, 2022) on interest rate swap derivative contracts has been recognised in other comprehensive income.

A change of 100 basis points in interest rate with all other variables held constant would result in increase / (decrease) in equity by ₹ 39.23 Lacs (P.Y. : ₹ NIL) (net of tax)

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.

Concentrations of Credit risk form part of Credit risk

Considering that the Company sells majority of its goods to Vadilal Enterprises Ltd. and Vadilal Industries (USA) Inc., the Company is significantly dependent on such customers. Out of total income, the Company earns 93.04 % revenue (previous year 90.00 %) from such customers, and with one of these customers, the Company has long term contracts. As at March 31, 2023, receivables from such customers constitute 89.42 % (previous year 84.01 %) of total trade receivables. A loss of these customers could adversely affect the operating result or cash flow of the Company.

C. Management of Liquidity Risk

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

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

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

Exposure as at March 31, 2023

(₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Interest Bearing Borrowings*	15,088.45	5,812.91	351.39	21,252.75
Lease Liabilities	134.15	412.81	-	546.96
Trade Payable	7,804.34	-	-	7,804.34
Other Financial Liabilities	1,465.08	-	-	1,465.08
Total Financial Liabilities	24,492.02	6,225.72	351.39	31,069.13

Exposure as at March 31, 2022

(₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Interest Bearing Borrowings*	10,205.23	8,363.26	3.49	18,571.98
Lease Liabilities	111.33	476.37	-	587.70
Trade Payable	7,226.71	-	-	7,226.71
Other Financial Liabilities	777.90	-	-	777.90
Total Financial Liabilities	18,321.17	8,839.63	3.49	27,164.29

* Maturity amount of borrowings includes the interest that will be paid on these borrowings.

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, 2023	As at March 31, 2022
Expiring within one year (Cash Credit and other facilities)	1,198.62	3,962.94
Expiring beyond one year (Bank loans)	2,251.13	-

NOTE - 45 EARNINGS PER SHARE (EPS) AS PER INDIAN ACCOUNTING STANDARD 33:

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit / (Loss) for the year attributable to owners of the Company (₹ in Lacs)	7,194.33	1,034.43
Weighted average number of Equity Shares (in Lacs)	71.88	71.88
Earning per Equity Share (Basic & Diluted)	100.09	14.39

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

No.	Name	Description of Relationship
1	Vadilal Industries (USA) Inc.	Wholly owned subsidiary company
2	Vadilal Industries PTY Ltd	Wholly owned subsidiary company
3	Varood Industries Limited	Wholly owned subsidiary company
4	Vadilal Delights Limited	Wholly owned subsidiary company
5	Vadilal Cold Storage	Partnership firm where company has 98% Ownership Interest
6	Rajesh R. Gandhi	Key Managerial Personnel
7	Devanshu L. Gandhi	Key Managerial Personnel
8	Kalpiti R. Gandhi	Key Managerial Personnel
9	Rashmi Bhatt	Key Managerial Personnel
10	Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
11	Vadilal International Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
12	Veronica Construction Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
13	Majestic Farm House Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
14	Byad Packaging Industries Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
15	Vadilal Marketing Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
16	Vadilal Chemicals Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
17	Vadilal Gases Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
18	Mamta R. Gandhi	Relative of Key Managerial Personnel
19	Deval 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
(a) Sales						
Vadilal Enterprises Ltd.	71,544.85					71,544.85
P.Y.	(40,002.50)					(40,002.50)
Vadilal Industries (USA) Inc.	11,886.46	11,886.46				
P.Y.	(8,967.63)	(8,967.63)				
(b) Sale of Fixed Assets						
Vadilal Enterprises Ltd.	9.76					9.76
P.Y.	(51.38)					(51.38)
(c) Sale of Export Licences						
Vadilal Gases Ltd.	29.24					29.24
P.Y.	-					-
(d) Purchases						
Vadilal Chemicals Ltd.	28.44					28.44
P.Y.	(19.90)					(19.90)
(e) Purchases of Fixed Asset						
Vadilal Industries (USA) Inc.	80.59	80.59				
P.Y.	-	-				
(f) Hire Charges / Rent Expense						
Vadilal Cold Storage	89.97		89.97			
P.Y.	(61.66)		(61.66)			
Vadilal Enterprises Ltd.	8.37					8.37
P.Y.	(4.44)					(4.44)
(g) i) Managerial Remuneration						
Rajesh R. Gandhi	532.80			532.80		
P.Y.	(96.11)			(96.11)		
Devanshu L. Gandhi	532.80			532.80		
P.Y.	(96.11)			(96.11)		
ii) Remuneration						
Kalpiti R. Gandhi	41.12			41.12		
P.Y.	(41.75)			(41.75)		
Rashmi Bhatt	20.57			20.57		
P.Y.	(18.06)			(18.06)		
Deval D. Gandhi	8.32				8.32	
P.Y.	(8.32)				(8.32)	
Mamta R. Gandhi	8.32				8.32	
P.Y.	(8.32)				(8.32)	
(h) Interest Income						
Vadilal Industries USA (Inc.)	-	-				
P.Y.	(5.00)	(5.00)				
(i) Business Support services Income						
Vadilal Industries USA (Inc.)	218.67	218.67				
P.Y.	(170.80)	(170.80)				
(j) Ocean freight Recovery						
Vadilal Industries USA (Inc.)	-	-				
P.Y.	(588.30)	(588.30)				
(k) Advertisement expenses						
Vadilal Industries USA (Inc.)	487.22	487.22				
P.Y.	(294.72)	(294.72)				

(₹ 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
(l) Business Supprt services expense						
Vadilal Industries USA (Inc.)	39.28	39.28				
P.Y.	-	-				
(m) Share of Loss in partnership Firm						
Vadilal Cold Storage	3.62		3.62			
P.Y.	(3.64)		(3.64)			
(n) Royalty Expense						
Vadilal International Pvt. Ltd.	57.40					57.40
P.Y.	(47.30)					(47.30)
(o) Rent deposit given						
Vadilal Enterprises Ltd.	-					-
P.Y.	(0.61)					(0.61)
(p) Loan or Deposits Received back						
Vadilal Industries (USA) Inc.	-	-				
P.Y.	(250.00)	(250.00)				
Balance outstanding at year end : Investments						
Vadilal Industries (USA) Inc.	136.41	136.41				
P.Y.	(136.41)	(136.41)				
Varood Industries Ltd	5.00	5.00				
P.Y.	(5.00)	(5.00)				
Vadilal Delights Ltd	5.00	5.00				
P.Y.	(5.00)	(5.00)				
Vadilal Industries PTY Ltd	0.05	0.05				
P.Y.	(0.06)	(0.06)				
Vadilal Cold Storage	140.00		140.00			
P.Y.	(140.00)		(140.00)			
Majestic Farm House Ltd.	3.79					3.79
P.Y.	(3.88)					(3.88)
Trade Receivable						
Vadilal Enterprises Ltd.	3,355.15					3,355.15
P.Y.	(2,866.74)					(2,866.74)
Loans & Advances Given						
Majestic Farm House Ltd.	5.52					5.52
P.Y.	(5.38)					(5.38)
Vadilal Enterprises Ltd.	0.61					0.61
P.Y.	(0.61)					(0.61)
Other Current Financial Assets						
Vadilal Industries PTY Ltd	10.19	10.19				-
P.Y.	(10.57)	(10.57)				-
Trade Payable						
Vadilal International Pvt. Ltd.	12.81					12.81
P.Y.	(10.24)					(10.24)
Vadilal Cold Storage	11.62		11.62			
P.Y.	(11.89)		(11.89)			
Vadilal Chemicals Ltd.	2.19					2.19
P.Y.	(4.32)					(4.32)
Other Current Financial Liabilities						
Vadilal Cold Storage	12.04		12.04			
P.Y.	(8.42)		(8.42)			
Vadilal Industries PTY Ltd	0.05	0.05				
P.Y.	(0.06)	(0.06)				

(₹ 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
Creditors for Capitals Goods						
Vadilal Industries (USA) Inc	80.59	80.59				
P.Y.	-	-				
Advance from Customers						
Vadilal Industries (USA) Inc	266.64	266.64				
P.Y.	(68.61)	(68.61)				
Corporate Guarantee Given						
Vadilal Enterprises Ltd.	2,150.00					2,150.00
P.Y.	(3,001.00)					(3,001.00)
Corporate Guarantee Taken						
Majestic Farm House Ltd.	14,035.00					14,035.00
P.Y.	(14,441.00)					(14,441.00)
Vadilal Enterprises Ltd.	250.00					250.00
P.Y.	(270.00)					(270.00)
Personal Guarantee Taken						
Rajesh R Gandhi and Devanshu L Gandhi (Jointly)	9,702.00			9,702.00		
P.Y.	(9,635.00)			(9,635.00)		

Notes

- Transaction of Sales / Purchases (where input tax credit is not available to the company) and outstanding of Trade Payables / Receivable are inclusive of Taxes.
- Previous Year figures are shown in bracket.
- The Company has entered into a "Trade Mark License Agreement with Vadilal International Private Limited ("VIPL") (which is the Proprietor and the beneficial owner of the Trade Mark "Vadilal") for the usage of the Trade Mark "Vadilal". The Company has also entered into an agreement with Vadilal Enterprises Limited, a related party, for sale of its products on a principal to principal basis. The Company has obtained a legal opinion, as per which, the sales / supplies of goods by the Company to VEL, do not fall with the scope of "Trade Mark License Agreement" between the Company and VIPL and accordingly, the Company is not contractually obliged to pay any royalty on sales made by it to VEL. Accordingly, the Company has made provision for royalty only on sales made to parties other than VEL which is consistent with the practice followed in the earlier years.
- Pursuant to the agreement signed with Vadilal Enterprises Ltd. (VEL) and approved by the shareholders, the pricing of the products to be sold to VEL shall be determined by the Company.
During the financial year 2022-23, the Company has debited to VEL for ₹ 270.27 lacs in March'23 (During the previous year ₹ 1,372.15 lacs in March'22) on account of higher material and other costs.
- Managing directors of the Company are appointed for 5 years w.e.f. March 25, 2020 and their remunerations was approved for 3 years w.e.f. March 24, 2020 in the Annual General Meeting (AGM) of the Company held on September 30, 2020. Provisions for their commission for financial year 2022-23 amounting to ₹ 860.00 lacs is made in the financial statements, is subject to approval of shareholders in the ensuing AGM.

Compensation to Key Managerial Personnel of the Company:

(₹ in Lacs)

Nature of Benefits	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Short Term Employee Benefits	293.14	291.11
Post Employment Gratuity Benefits*	43.76	42.56
Total	336.90	333.67

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 (g) 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 ₹ 204.96 Lacs (Previous Year: ₹ 190.60 Lacs).

Defined Benefit Plan:

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

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

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

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

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the 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, 2023	As at March 31, 2022
Obligations at the beginning of the year	819.58	663.15
Current service cost	50.44	39.92
Interest cost	59.12	45.43
Actuarial (gain) / loss-due to changes in Demographic Assumptions	-	(0.06)
Actuarial (gain) / loss-due to changes in Financial Assumptions	(17.86)	32.38
Actuarial (gain) / loss-due to Experience Adjustments	38.13	57.10
Benefits paid	(21.87)	(18.34)
Present value of benefit obligation at the end of the year	927.54	819.58

b) Movement in the fair value of defined plan assets are as follows : (₹ in Lacs)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Plan assets at the beginning of the year at fair value	308.91	302.37
Interest Income	22.19	20.71
Return on plan assets excluding interest income	(4.19)	(3.20)
Contributions from the employer	10.89	7.37
Benefits paid	(21.87)	(18.34)
Plan assets at the end of the year at fair value	315.93	308.91

- 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, 2023	As at March 31, 2022
Gratuity		
Present value of benefit obligation at the end of the period	927.54	819.58
Fair value of plan assets at the end of the period	(315.94)	(308.92)
Net liability / (assets) arising from defined benefit obligation	611.60	510.67

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

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gratuity		
Current service cost	50.44	39.92
Net Interest Cost	36.92	24.71
Past Service Cost	-	-
Net impact on the Profit / (Loss) before tax	87.36	64.63
(Gain) / Expense recognised in Other Comprehensive Income		
Return on plan assets excluding actuarial return on plan assets	4.19	3.20
Actuarial (gains) / losses arising from changes in Demographic Assumptions	-	(0.06)
Actuarial (gains) / losses arising from changes in Financial Assumption	(17.86)	32.38
Experience (gains) / losses arising on Experience Adjustments	38.13	57.10
Net (gain) / expense recognised in the Other Comprehensive Income before tax	24.46	92.62

- e) **The defined benefit obligations shall mature after year end March 31, 2023 as follows:**

(₹ in Lacs)

Gratuity	As at March 31, 2023
1st Following Year	180.32
2nd Following Year	25.85
3rd Following Year	96.11
4 th Following Year	63.73
5 th Following Year	80.10
Sum of Years 6 to 10	352.30
Sum of Years 11 and above	1,042.82

- 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, 2023	As at March 31, 2022
Projected Benefit Obligation on Current Assumptions	927.54	819.58
Delta Effect of +1% Change in Rate of Discounting	(60.69)	(56.31)
Delta Effect of -1% Change in Rate of Discounting	69.68	64.94
Delta Effect of +1% Change in Rate of Salary Increase	63.59	59.37
Delta Effect of -1% Change in Rate of Salary Increase	(56.68)	(53.17)
Delta Effect of +1% Change in Rate of Employee Turnover	(1.32)	(2.47)
Delta Effect of -1% Change in Rate of Employee Turnover	1.46	2.73

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:

Gratuity	As at March 31, 2023	As at March 31, 2022
Financial Assumptions		
Discount rate	7.50%	7.23%
Salary Escalation Rate	8.00%	8.00%
Attrition Rate		
For Service (4 years & below)	15.00%	15.00%
For Service (5 years & above)	2.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2012-14) (Urban)	

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, 2023 based on actuarial valuation carried out by using Projected Unit Credit Method is ₹ 329.66 Lacs . (As at March 31, 2022 : ₹ 255.41 Lacs)

Compensated Absences	As at March 31, 2023	As at March 31, 2022
Financial Assumptions		
Discount rate	7.50%	7.23%
Salary Escalation Rate	8.00%	8.00%
Attrition Rate		
For Service (4 years & below)	15.00%	15.00%
For Service (5 years & above)	2.00%	2.00%
Mortality Tables	Indian Assured Lives Mortality (2012-14) (Urban)	

NOTE - 48 SCHEDULE OF GOVERNMENT GRANT: (REFER NOTE 23 & 30)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance of Grant	578.37	608.77
Grant Received during the Year	-	22.62
Amortised to the statement of Profit & Loss	(49.84)	(53.02)
Closing balance of Grant	528.53	578.37
Current	49.35	49.35
Non-Current	479.18	529.02
Total	528.53	578.37

NOTE - 49 DISCLOSURE AS PER IND AS 116

The changes in the carrying value of ROU assets for the year ended March 31, 2023 are as follows : (₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	478.73	604.53
Additions	1,034.60	-
Changes on account of lease modification	-	-
Depreciation	(146.15)	(125.80)
Closing Balance	1,367.18	478.73

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2023 is as follows : (₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease Liabilities	134.15	111.33
Non-current lease Liabilities	412.81	476.37
Total	546.96	587.70

The movement in lease liabilities during the year ended March 31, 2023 is as follows: (₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	587.70	698.15
Additions	79.80	-
Finance cost accrued during the year	65.93	69.64
Payment of lease liabilities	(186.47)	(180.09)
Closing Balance	546.96	587.70

The details of the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis are as follows :

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	134.15	111.33
One to five years	412.81	476.37
More than five years	-	-
Total	546.96	587.70

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 419.87 Lacs for the year ended March 31, 2023 and ₹ 282.69 Lacs for year ended March 31, 2022.

NOTE - 50 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE:

- CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 is ₹ 14.95 Lacs for the year 2022-23. (P.Y. ₹ 37.40 Lacs).
- Expenditure related to CSR is ₹ 48.52 Lacs (P.Y. ₹ 39.85 Lacs), details of the same is as under:

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	48.52	39.85
Total	48.52	39.85

Details of CSR Activities	31-03-2023	31-03-2022
(i) amount required to be spent by the company during the year,	14.95	37.40
(ii) amount of expenditure incurred,	48.52	39.85
(iii) shortfall at the end of the year,	(33.57)	(2.45)
(iv) total of previous years shortfall / (Excess)	(2.45)	NA
(v) reason for shortfall,	NA	NA
(vi) Nature of CSR activities include promoting healthcare including preventive healthcare and sanitation, promoting education, including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water, promoting gender equality, empowering women, setting up homes and hostels for woman and measures for reducing inequality faced by socially and economically backward groups.		
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	NIL	NIL
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NIL	NIL

NOTE-51 RATIOS

Performance Ratios	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	Variance	Reason
(a) Current Ratio	Current Assets	Current Liabilities	1.15	1.08	5.83%	
(b) Debt-Equity Ratio	Total Debt	Total Equity	0.68	0.78	-12.24%	
(c) Debt Service Coverage Ratio	Earnings available for debt services	Debt Service	2.74	1.63	68.33%	Refer below Note 1) & 2)
(d) Return on Equity Ratio	Profit after taxes	Average Equity	28.29%	4.82%	486.89%	Refer below Note 1) & 3)
(e) Inventory turnover ratio	Net Sales of Products & Services	Average Inventory	4.89	4.02	21.51%	
(f) Trade Receivables turnover ratio	Net Sales of Products & Services	Average Account Receivable	24.95	19.61	27.22%	Refer below Note 1) & 4)
(g) Trade payables turnover ratio	Total Purchase	Closing Balance of Trade Payable	10.61	6.71	58.07%	Refer below Note 1) & 5)
(h) Net capital turnover ratio	Net Sales of Products & Services	Working Capital	24.14	34.67	-30.36%	Refer below Note 1) & 6)
(i) Net profit ratio	Profit after taxes	Net Sales of Products & Services	8.05%	1.91%	321.89%	Refer below Note 1) & 7)
(j) Return on Capital employed	Profit Before Interest and Tax	Total Assets Less Current Liabilities	29.32%	9.98%	193.70%	Refer below Note 1) & 8)
(k) Return on investment	Net income from Current Investment	Opening value of Current Investment	-12.14%	627.34%	-101.93%	Refer below Note 1) & 9)

Note :

- During the previous financial year of 2021-22, the business has been impacted during the financial year on account of second wave of COVID-19 and the Company has witnessed lower revenues in domestic ice-cream business in April and May 2021 being the peak period of the ice-cream business. Due to this unforeseen circumstances, operations of the company was impacted so financial ratios are not comparable for current and previous financial year.
- Increase in Debt Service coverage ratio is due to increase in EBITDA due to increase in profitability mainly attributable to growth in sales during the current financial year.
- Increase in Return on Equity ratio is due to increase in Profit and total equity due to increase in profitability mainly attributable to growth in sales during the current financial year.
- Increase in Trade receivables turnover ratio is due to growth in turnover during the current financial year.
- Increase in Trade payables turnover ratio is due to increase in Cost of goods sold attributable to growth in sales during the current financial year.
- Decrease in Net Capital Turnover ratio is mainly due to increase in Inventories.

- 7) Increase in Net profit ratio is due to increase in Profit due to increase in profitability mainly attributable to growth in sales during the current financial year.
- 8) Increase in Return on capital employed is due to increase in Profitability mainly attributable to growth in sales during the current financial year.
- 9) Decrease in Return on investment is due to variations in Market Price.

NOTE - 52 OTHER STATUTORY INFORMATION :

- a) The Company does not have any transactions with companies struck- off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- b) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- c) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- d) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- e) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- f) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- g) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- h) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- i) The company has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.
- j) Borrowing based on security of inventory and book debts :

The company has obtained secured short term loan from banks on basis of security of inventories and book debts (Refer Note 24) wherein the quarterly returns as filed with bank is in agreement with the books except below :

Financial Year Ended March 31, 2022	Name of Bank	Particulars of securities provided	Amount as per the books of account	Amount as reported in the quarterly return statement	Amount of Difference	Reason for material discrepancies
Quarter ended June 30, 2021	Refer Note (i)	Inventories	11,617.96	11,617.00	0.96	N.A.
Quarter ended June 30, 2021	Refer Note (i)	Trade Receivables	2,083.40	2,083.00	0.40	N.A.
Quarter ended September 30, 2021	Refer Note (i)	Inventories	8,483.40	8,483.00	0.40	N.A.
Quarter ended September 30, 2021	Refer Note (i)	Trade Receivables	1,898.58	1,908.00	-9.42	N.A.

Note:

- (i) Company is having consortium arrangement with Bank of Baroda, State Bank of India, IDBI and Indusind Bank, where lead bank is Bank of Baroda.

NOTE - 53

Shareholders of the Company have through e-voting ended on January 14, 2023 approved resolution for sale of certain non-core assets of the Company to entities of the members of Promoter and Promoter group of the Company. However, as complete plan to sell has not been initiated by the management and it is likely that changes of the plan may be made, the sell is considered not to be highly probable. Hence, these Property, Plant and Equipments having written down value of ₹ 5,709.17 lacs, Investment Property of ₹ 18.04 lacs and Non current investments of ₹ 161.46 lacs as at March 31, 2023 are continued to be presented under Property, Plant and Equipment, Investment Property and Non current Investments respectively.

NOTE - 54

Based on the report received from the Independent Law Firm and Chartered Accountant Firm, the board of directors in its meeting held on June 28, 2021 on the recommendation of committee of independent directors have decided to close all matters involving allegations & cross allegations levelled by two promoter directors upon each other except the allegations relating to potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lacs (for financial year 2017-18 and financial year 2018-19), and ₹ 25.00 lacs (for financial year 2014-15 to financial year 2018-19) by two Promoter Directors respectively for which report / findings are yet to be received. The Board of Directors believe that it shall not have any material financial impact on the financial statements of the Company for year ended March 31, 2023.

NOTE - 55

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

NOTE - 56

Previous years' figures have been regrouped and rearranged wherever necessary to comply with requirement of Ind AS.

For Arpit Patel & Associates

Chartered Accountants

ICAI Firm registration number: 144032W

Arpit K Patel

Partner

Membership No.: 034032

Place : Ahmedabad

Date: May 29, 2023

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

Managing Director

(DIN: 00009879)

Kalpiti R Gandhi

Director & Chief Financial Officer

(DIN: 02843308)

Place : Ahmedabad

Date: May 29, 2023

Devanshu L Gandhi

Managing Director

(DIN: 00010146)

Rashmi Bhatt

Company Secretary

Independent Auditor's Report

To the members of Vadilal Industries Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Vadilal Industries Limited** (the "Holding Company"), and its subsidiaries (the Holding Company and the subsidiaries together referred to as the "Group"), which comprising of the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, except for possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act"), in the manner so required, and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We are unable to comment upon the possible effects of the following matters, on the consolidated financial statements of the Holding Company for the year ended March 31, 2023. The matter more fully discussed in Note No. 51 of the consolidated financial statements pertaining to the pending receipt of conclusive reports/findings for the item described therein:

- Matter involving counter allegations levelled by two Promoter Directors of the Holding Company against each other in respect of potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lakh (for financial year 2017-18 and financial year 2018- 19), and ₹ 25.00 lakh (for financial year 2014-15 to financial year 2018-19) respectively, by the Promoter Directors.

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

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

Emphasis of Matter

We draw attention to Note No. 42 of the consolidated financial statements, which refers to the status of on- going litigations filed against the Holding Company and some of its promoters under Section 241 and 242 of the Companies Act, 2013, pertaining to prevention of oppression and mismanagement of the Holding Company before the National Company Law Tribunal, Ahmedabad.

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

Key Audit Matters

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

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

S. No.	Key Audit Matter	Auditor's Response
Inventory Existence and Carrying Value		
1.	<p>Refer to Note No. 2(n) (accounting policy), Note No. 9 to the consolidated financial statements. Inventory is held by the Group's plants, and hired locations across India.</p> <p>The Group has significant level of inventories and significant management judgments are taken with regard to categorization of inventories into obsolete and/or slow moving and which should be therefore be considered for provision. Estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories to arrive at valuation based on lower of cost and net realizable value.</p> <p>Given the level of significant management judgments and estimates involved this is considered to be a key audit matter.</p>	<p>Our procedures included :</p> <ul style="list-style-type: none"> ▶ Performed inventory count at plant locations Pundhra and Dharampur on sample basis, which were selected based on financial significance and risk and for the differences found during physical verification, if any, we have verified that the same has been accounted. Where locations were not attended, we tested certain controls over inventory existence across the Group. ▶ Observing sample of management's inventory count procedures, to assess compliance with the Group process. ▶ Making enquiries regarding non-moving inventory items and inspecting the conditions of items counted. ▶ Performing roll forward procedures for the year-end balance from the date of inventory count attended. ▶ Obtaining inventory confirmations from the hired locations as on balance sheet date and comparing the same with the inventory as per books and obtaining the reconciliations for the variations (if any). ▶ Challenging the management with regard to the calculation methodology, the basis for provision and the process with respect to inventory provision; ▶ Testing the design, implementation and operating effectiveness of the key controls management has established for provision computations and to ensure the accuracy of the inventory provision. ▶ Assessing the adequacy of, and movements in, inventory provisions held, by recalculating a sample of items included within the provision to ensure appropriate basis of valuation. ▶ Evaluating, on a sample basis, whether inventories were stated at the lower of cost or net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date. ▶ Evaluating the appropriateness of the assumptions used based on our knowledge and information of the client and the industry.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, but does not include the consolidated financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'.

Management's responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act and the rules thereunder, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors of the respective companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The accompanying consolidated financial statements includes the audited financial statements and other financial information in respect of:

- (a) 3 (three) subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of INR 22,561.50 lakh as at March 31, 2023, total revenue (before consolidation adjustments) of INR 28,738.33 lakh, total net profit after tax (before consolidation adjustments) of INR 2,871.31 lakh and net cash outflows of INR 1,698.29 lakh for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

The financial statements of an overseas subsidiary have not been prepared in accordance with the accounting principles generally accepted in India as applicable to the Holding Company. The Management of the Holding Company has converted the financial statements of this subsidiary from those accounting principles to the accounting principles generally accepted in India, as applicable to the Holding Company.

- (b) 1 (One) subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of INR 392.47 lakh as at March 31, 2023, total revenue (before consolidation adjustments) of INR 201.23 lakh, total net loss after tax (before consolidation adjustments) of INR 44.81 lakh and net cash inflows of INR 74.25 lakh for the year ended on that date. These unaudited financial statements have been approved and furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on such unaudited financial statements. In our opinion, and according to the information and explanations given to us by the Management of the Holding Company, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

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, except for the matter described in the "Basis for Qualified Opinion" paragraph, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the matter described in the "Basis for Qualified Opinion" paragraph, in our opinion, proper books of account as required by law have been kept by the Group companies incorporated in India so far as it appears from our examination of those books.
 - (c) The consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended dealt with by this Report are in agreement with the books of account.
 - (d) Except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, in our opinion, the consolidated financial statements comply with the Ind AS specified under section 133 of the Act and the Rules thereunder, as amended.
 - (e) The matter described in the "Basis for Qualified Opinion" paragraph in our opinion, may have an adverse effect on the functioning of the Group.
 - (f) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.
 - (g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion" paragraph above and para 2(b).

- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, with reference to the consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' to this report.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended, we report that to the best of our information and according to the explanations given to us, remuneration paid by the Holding Company to its directors during the year read above with note 45(5) is in accordance with the provisions of Section 197 of the Act.
- (j) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Please refer Note No. 41.
 - (ii) The Group 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 Holding Company and such companies incorporated in India.
 - (iv)
 - (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and such companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and such companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Holding Company and such companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and such companies incorporated in India shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.
 - (v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 19(a) to the accompanying consolidated financial statements, the Board of Directors of the Holding have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and by the auditors of its subsidiaries included in the consolidated financial statements of the Holding Company, we report that there are no qualifications or adverse remarks in these CARO reports.

For Arpit Patel & Associates,
Chartered Accountants
Firm's Registration No.: 144032W

Arpit K. Patel
Partner

Membership No.: 034032
UDIN: 23034032BGYJCW3664

Place: Ahmedabad
Date: May 29, 2023

Annexure A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Vadilal Industries Limited

Referred to in paragraph 1(h) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Vadilal Industries Limited)

Report on the internal financial controls with reference to the consolidated financial statements under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of the Holding Company as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

Management's responsibility for internal financial controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those SAs 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 were 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 with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to the consolidated financial statements, 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 consolidated 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 internal financial controls system over financial reporting with reference to the consolidated financial statements.

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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to consolidated financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated 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 (iii) 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 consolidated financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the Holding Company's internal financial controls over financial reporting as at March 31, 2023:

We draw attention to Note No. 51 of the consolidated financial statements relating to the counter allegations levelled by two Promoter Directors against each other in respect of potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lakh (for financial year 2017-18 and financial year 2018-19), and ₹ 25.00 lakh (for financial year 2014-15 to financial year 2018-19) respectively, by the Promoter Directors, without following the process of the Holding Company. Pending receipt of the reports/findings, as referred above, we are unable to conclude whether the Group's financial reporting process did have controls to identify the nature of the expenses and the procedures to be followed for the payments made for certain travelling expenses.

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effect of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Holding Company and such companies incorporated in India have maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2023, based on the internal control over financial reporting criteria established by the companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company for the year ended March 31, 2023, and this material weakness has affected our opinion on the said consolidated financial statements of the Holding Company and we have issued a qualified opinion on the consolidated financial statements of the Holding Company.

For Arpit Patel & Associates,
Chartered Accountants
Firm's Registration No.: 144032W

Arpit K. Patel
Partner

Membership No.: 034032
UDIN: 23034032BGYJCW3664

Place: Ahmedabad
Date: May 29, 2023

CONSOLIDATED BALANCE SHEET as at March 31, 2023

(₹ in Lacs)

Particulars	Note No.	As At March 31, 2023	As At March 31, 2022
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3 (a)	30,929.35	29,433.70
(b) Capital Work-in-Progress	3 (b)	1,956.85	276.53
(c) Investment Property	3 (c)	18.04	18.38
(d) Goodwill		73.67	-
(e) Intangible Assets	3 (d)	190.45	86.60
(f) Right of Use Assets	3 (e)	9,110.82	1,133.72
(g) Financial Assets			
(i) Investments	4	540.12	62.11
(ii) Loans	5	11.44	4.36
(iii) Other Financial Assets	6	592.05	360.00
(h) Non Current Tax Assets (Net)	7	164.29	176.05
(i) Other Non-Current Assets	8	458.83	562.78
Total Non-Current Assets		44,045.91	32,114.23
(2) Current Assets			
(a) Inventories	9	25,570.33	16,518.70
(b) Financial Assets			
(i) Investments	10	8.18	9.31
(ii) Trade Receivables	11	7,745.45	6,543.77
(iii) Cash & Cash Equivalents	12	3,177.45	4,516.40
(iv) Other Balances with Banks	13	568.57	644.29
(v) Loans	14	26.73	15.08
(vi) Other Financial Assets	15	12.09	19.51
(c) Current Tax Assets (Net)	16	260.46	-
(d) Other Current Assets	17	2,374.94	1,952.15
Total Current Assets		39,744.20	30,219.21
Total Assets (1+2)		83,790.11	62,333.44
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	18	718.78	718.78
(b) Other Equity	19	39,008.20	29,015.31
Total Equity		39,726.98	29,734.09
Non Controlling Interest		31.01	31.09
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	5,967.89	7,730.53
(ii) Lease Liabilities	21	7,801.12	960.32
(b) Provisions	22	476.62	392.41
(c) Deferred Tax Liabilities (Net)	23	1,767.64	1,167.14
(d) Other Non Current Liabilities	24	479.18	529.02
Total Non-current Liabilities		16,492.45	10,779.42
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	14,483.84	9,497.98
(ii) Lease Liabilities	26	834.20	382.43
(iii) Trade Payables			
- Dues of micro enterprises and small enterprises	27	679.50	879.42
- Dues of creditors other than micro enterprises and small enterprises	27	8,291.30	7,374.75
(iv) Other Financial Liabilities	28	1,772.97	787.15
(b) Provisions	29	464.64	373.67
(c) Current Tax Liabilities (Net)	30	264.50	1,516.32
(d) Other Current Liabilities	31	748.72	977.12
Total Current Liabilities		27,539.67	21,788.84
Total Liabilities		44,032.12	32,568.26
Total Equity and Liabilities (1+2)		83,790.11	62,333.44

See accompanying notes to the consolidated financial statements.

In terms of our report attached.

For Arpit Patel & Associates

Chartered Accountants

ICAI Firm registration number: 144032W

Arpit K Patel

Partner

Membership No.: 034032

Place : Ahmedabad

Date: May 29, 2023

For and on behalf of the Board of Directors

Rajesh R Gandhi

Managing Director

(DIN: 00009879)

Kalpiti R Gandhi

Director & Chief Financial Officer

(DIN: 02843308)

Place : Ahmedabad

Date: May 29, 2023

Devanshu L Gandhi

Managing Director

(DIN: 00010146)

Rashmi Bhatt

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
I Revenue from Operations	32	1,05,785.99	69,771.81
II Other Income	33	1,376.96	831.11
III Total Income (I+II)		1,07,162.95	70,602.92
IV Expenses:			
Cost of Materials Consumed	34	52,905.65	33,336.90
Purchase of Stock-in-trade	35	4,893.66	3,774.26
Changes in Inventories of Finished Goods and Stock-in-trade	36	(1,748.51)	(1,543.27)
Employee Benefits Expense	37	9,403.70	6,881.67
Finance Costs	38	1,585.43	1,938.43
Depreciation and Amortization Expenses	3	2,988.24	2,397.47
Other Expenses	39	24,078.84	17,434.40
Total Expense (IV)		94,107.01	64,219.86
V Profit Before Tax (III-IV)		13,055.94	6,383.06
VI Tax Expenses			
(a) Current Tax	40	2,832.84	1,531.21
(b) Deferred Tax	40	593.56	381.76
Total Tax Expenses		3,426.40	1,912.97
VII Profit for the year (V-VI)		9,629.54	4,470.09
VIII Profit / (Loss) Applicable to Non Controlling Interest		(0.07)	(0.07)
IX Profit Attributable to Owners of Group (VII-VIII)		9,629.61	4,470.16
X Other Comprehensive Income / (Expense)			
A. (i) Item that will not be reclassified subsequently to profit or loss			
(a) Remeasurement gain / (loss) of defined benefit plans		(24.46)	(92.62)
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		6.16	23.31
B. (i) Items that will be reclassified to statement of Profit or Loss			
(a) Fair value changes of Cash Flow Hedges		(145.52)	-
(b) Exchange difference on translation on foreign operations		580.33	225.98
(ii) Income tax relating to items that will be reclassified subsequently to profit or loss		36.62	-
Other Comprehensive Income for the Year		453.13	156.67
Attributable to:			
a) Non Controlling Interest		-	-
b) Owners of group		453.13	156.67
XI Total Comprehensive Income for the Year (VII+X)		10,082.67	4,626.76
Attributable to:			
a) Non Controlling Interest		(0.07)	(0.07)
b) Owners of group		10,082.74	4,626.83
Earning Per Share (Face Value of ₹ 10 each)			
- Basic & Diluted	44	133.97	62.19

See accompanying notes to the consolidated financial statements.

In terms of our report attached.

For Arpit Patel & Associates

Chartered Accountants

ICAI Firm registration number: 144032W

Arpit K Patel

Partner

Membership No.: 034032

Place : Ahmedabad

Date: May 29, 2023

For and on behalf of the Board of Directors

Rajesh R Gandhi

Managing Director

(DIN: 00009879)

Kalpiti R Gandhi

Director & Chief Financial Officer

(DIN: 02843308)

Place : Ahmedabad

Date: May 29, 2023

Devanshu L Gandhi

Managing Director

(DIN: 00010146)

Rashmi Bhatt

Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,055.94	6,383.06
Adjustments for:		
Depreciation and Amortisation Expense	2,988.24	2,397.47
Loss on Sale of Property, Plant and Equipment (Net)	364.92	12.51
Profit on Sale of Investments	(31.36)	(5.66)
Excess Provision Written Back	(276.09)	(188.14)
(Gain) / Loss on Fair Value of Current Investment	1.14	(8.03)
Gain Fair Value of Non Current Investment	(5.24)	(5.65)
Financial Guarantee Commission Income	(1.64)	(24.90)
Grant Income	(49.84)	(53.02)
Dividend Income	(0.33)	(0.31)
Interest Income	(46.74)	(48.43)
Finance Costs	1,585.43	1,938.43
Provision / (Reversal) for Doubtful Debts	(7.96)	225.25
Provision / (Reversal of Provision) for Doubtful Advances	1.63	(1.18)
Bad Debts Written Off	69.47	7.82
Exchange Rate Difference on Consolidation	580.33	225.98
	5,171.96	4,472.14
Operating Profit before Working Capital Changes	18,227.90	10,855.20
Changes in Working Capital:		
(Increase) / Decrease in Inventories	(9,051.63)	(2,405.58)
(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	(1,843.70)	(1,857.42)
Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	960.24	(2,225.29)
Cash Generated from / (Used in) Operations	(9,935.09)	(6,488.29)
Income Taxes Paid (Net of Refund)	(4,344.96)	(1,163.70)
Net Cash Generated from / (Used in) Operating Activities (A)	3,947.85	3,203.21
B CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditure on Property, Plant & Equipment	(5,839.47)	(2,138.59)
Proceeds from Sale of Property, Plant & Equipment	49.08	83.82
Proceeds from Sale of Current Investment (Net)	31.35	5.66
Purchase of Non Current Investment	(472.77)	-
Interest Received	43.13	56.16
Dividend Received	0.33	0.31
Net Cash Generated from / (Used in) Investing Activities (B)	(6,188.35)	(1,992.64)

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Non Current Borrowings	2,993.26	4,630.64
Repayment of Non Current Borrowings	(4,024.80)	(2,024.47)
Proceeds from / (Repayment of) Current Borrowings (Net)	4,254.76	286.83
Repayment of Lease Liabilities	(648.08)	(95.13)
Interest Paid	(1,583.74)	(2,014.05)
Dividend Paid	(89.85)	-
Net Cash Generated from / (Used in) Financing Activities (C)	901.55	783.82
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	(1,338.95)	1,994.39
Cash and Cash Equivalents at the beginning of the year (Refer Note-12)	4,516.40	2,522.01
Cash and Cash Equivalents at the end of the year (Refer Note-12)	3,177.45	4,516.40

See accompanying notes to the consolidated financial statements.

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

(₹ in Lacs)

Particulars of liabilities arising from financing activity.	Note No.	As at March 31, 2022	Net cash Flows	Other changes*	As at March 31, 2023
Borrowings :					
Non Current borrowings	20	9,979.11	(1,047.91)	16.37	8,947.57
Current borrowings	25	7,249.40	4,254.76	-	11,504.16
Interest accrued on borrowings	28	263.03	(263.03)	245.65	245.65
Total		17,491.54	2,943.82	262.02	20,697.38

(₹ in Lacs)

Particulars of liabilities arising from financing activity.	Note No.	As at March 31, 2021	Net cash Flows	Other changes*	As at March 31, 2022
Borrowings :					
Non Current borrowings	20	7,372.94	2,567.71	38.46	9,979.11
Current borrowings	25	6,962.57	286.83	-	7,249.40
Interest accrued on borrowings	28	338.65	(338.65)	263.03	263.03
Total		14,674.16	2,515.89	301.49	17,491.54

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

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

In terms of our report attached.

For Arpit Patel & Associates

Chartered Accountants

ICAI Firm registration number: 144032W

Arpit K Patel

Partner

Membership No.: 034032

Place : Ahmedabad

Date: May 29, 2023

For and on behalf of the Board of Directors

Rajesh R Gandhi

Managing Director

(DIN: 00009879)

Kalpiti R Gandhi

Director & Chief Financial Officer

(DIN: 02843308)

Place : Ahmedabad

Date: May 29, 2023

Devanshu L Gandhi

Managing Director

(DIN: 00010146)

Rashmi Bhatt

Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

Particulars	As at	
	March 31, 2023	March 31, 2022
Balance as at the beginning of the year	718.78	718.78
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	718.78	718.78
Changes in equity share capital during the year	-	-
Balance as at the end of the year	718.78	718.78

B. OTHER EQUITY

Particulars	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			Total
							Fair Value changes of Cash Flow Hedge	Remeasurement gain / (loss) of defined benefit plan	Total	
Balances as at April 01, 2021	8.84	487.28	5,000.00	11,609.69	7,524.17	(129.35)	(112.15)	24,388.48		
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	
Profit for the year	-	-	-	4,470.16	-	-	-	4,470.16	-	
Current year transfer	-	-	-	-	225.98	-	-	225.98	-	
Other comprehensive income / (expense)	-	-	-	-	-	225.98	(69.31)	(69.31)	(69.31)	
Total Comprehensive Income	-	-	-	4,470.16	-	225.98	(69.31)	4,626.83	4,626.83	
Balances as at March 31, 2022	8.84	487.28	5,000.00	16,079.85	7,524.17	96.63	(181.46)	29,015.31	-	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	
Profit for the year	-	-	-	9,629.61	-	-	-	9,629.61	-	
Current year transfer	-	-	-	-	580.33	-	-	580.33	-	
Other comprehensive income / (expense)	-	-	-	-	-	-	(108.90)	(108.90)	(127.20)	
Total Comprehensive Income	-	-	-	9,629.61	-	580.33	(18.30)	10,082.74	(89.85)	
Payment of dividend for the year	-	-	-	(89.85)	-	-	-	-	-	
Balances as at March 31, 2023	8.84	487.28	5,000.00	25,619.61	7,524.17	676.96	(199.76)	39,008.20	(89.85)	

See accompanying notes to the consolidated financial statements.

In terms of our report attached.

For Arpit Patel & Associates

Chartered Accountants

ICAI Firm registration number: 144032W

Arpit K Patel

Partner

Membership No.: 034032

Place : Ahmedabad

Date: May 29, 2023

For and on behalf of the Board of Directors

Rajesh R Gandhi

Managing Director

(DIN: 00009879)

Kalpiti R Gandhi

Director & Chief Financial Officer

(DIN: 02843308)

Place : Ahmedabad

Date: May 29, 2023

Devanshu L Gandhi

Managing Director

(DIN: 00010146)

Rashmi Bhatt

Company Secretary

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, Processed Foods, Other Dairy Products. It is also engaged in export of Ice-cream, Dairy Products, 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 exporting to various countries across globe.

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 Holding 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
Varood Industries Ltd.	India
Vadilal Delight Ltd.	India
Partnership Firm [having 98% proportion of ownership interest]	
Vadilal Cold Storage	India
Fellow Subsidiary [having 100% proportion of ownership interest of Vadilal Industries (USA) Inc.]	
Krishna Krupa Corporation	U.S.A.

The Consolidated Financial Statements for the year ended 31st March, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 29, 2023.

2 SIGNIFICANT ACCOUNTING POLICIES:-

a) Statement of Compliance

These financial statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2023 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

b) Basis of Preparation of Financial Statements

The 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 financial year, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value:

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 Holding Company. All the amounts are stated in the nearest rupee lacs.

d) 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.

e) 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 financial year, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting financial year

All other assets are classified as non-current.

A liability is current when:

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

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.

f) Use of estimates and critical accounting judgements

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

Key Sources of Estimation Uncertainty

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

i. Useful Lives of Property, Plant and Equipment

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

ii. Allowances for Expected Credit Losses

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 financial year in which such estimate has been changed.

iii. 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.

iv. Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Information about the fair value of various assets and liabilities are disclosed in Note 43.

v. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

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

As described in Note 46, 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.

g) Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets transferred, liabilities incurred by the Group to the former owners of the acquiree and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognised in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised, as applicable. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

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 sale 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, for which, based on technical evaluation, 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

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

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

i) 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.

Intangible Assets Acquired under Business Combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with definite useful lives acquired in a business combination are reported at cost or deemed cost applied on transition to Ind AS, less accumulated amortisation and accumulated impairment losses.

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.

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 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.

k) 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 and recognises expected credit losses through a loss allowance as required by Ind AS 109.

Non-financial Assets**Property, Plant and Equipment and Intangible Assets**

At the end of each reporting financial year, 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.

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee :**(i) Right-of-use assets**

Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Assets	Estimated useful life
Right-of-use of office premises, parlour premises, warehouses	Over the balance period of lease agreement

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in relating to Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for

the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

Group applies the short-term lease recognition exemption to its short-term leases. (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases for which group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

m) 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 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 financial year at fair value with all changes recognised in the statement of profit and loss.

Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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 Group 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 financial year. 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 Group 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 the statement of Profit & Loss

n) Inventories

Inventories are valued as under -

Finished Goods:-At lower of cost or net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. Due provision for obsolescence is made. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Raw Materials, Packing Materials & Stores and Spares:-Valued at lower of cost or net realisable value and for this purpose cost is determined on moving weighted average basis. Due provision for obsolescence is made.

o) 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 maturities of three months or less from the date of purchase, to be cash equivalents.

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

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

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

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

q) Revenue Recognition**Sale of Goods**

The Group earns revenue primarily from sale of manufactured ice-creams. It has applied the principles laid down in Ind AS 115 and determined that there is no change required in the existing revenue recognition methodology. In case of sale to domestic customers, most of the sale is made on ex-factory basis and revenue is recognised when the goods are dispatched from the factory gates. In case of export sales, revenue is recognised on shipment date or goods are made available to customer.

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Assets and liabilities arising from rights to return**Right to return assets**

A return right gives an entity a contractual right to recover the goods from a customer (return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer. The Group has therefore recognized refund liabilities in respect of customer's right to return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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.

r) 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.

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

s) 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 financial year 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 and Long-term Employee Benefits:

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

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

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

t) 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 financial year in which they are incurred.

u) 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 financial year, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date and differences are recognised in statement of profit and loss account. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

v) 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 financial year.

Deferred Tax

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

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

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

Current and Deferred Tax for the Year

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

w) 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 dilutive securities in any period presented.

x) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

(ii) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

(iii) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTE-3

(₹ in Lacs)

Particulars	Land (Refer Note 19 (b))	Building	Leasehold Building Improvements	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
3 (a) Property, Plant and Equipment								
As at April 01, 2021	7,918.07	7,037.59	17.13	30,279.88	304.53	954.42	453.55	46,965.17
Additions	-	71.90	-	1,313.90	96.50	44.80	-	1,527.10
Deductions / Reclassification	-	8.83	-	366.99	0.27	14.67	0.43	391.19
Effect of Foreign Currency Translation	-	-	-	17.63	0.07	0.95	-	18.65
As at March 31, 2022	7,918.07	7,100.66	17.13	31,244.42	400.83	985.50	453.12	48,119.73
Additions	-	196.55	262.58	4,041.55	39.25	165.40	43.18	4,748.51
Addition due to acquisition of Krishna Krupa Corporation	-	-	-	55.11	-	-	-	55.11
Deductions / Reclassification	954.80	5.50	-	697.99	34.47	59.60	-	1,752.36
Effect of Foreign Currency Translation	-	-	-	61.68	2.24	2.82	-	66.74
As at March 31, 2023	6,963.27	7,291.71	279.71	34,704.77	407.85	1,094.12	496.30	51,237.73
Accumulated Depreciation and Impairment								
As at April 01, 2021	-	2,368.00	12.69	13,518.77	222.10	740.80	304.51	17,166.87
Depreciation charge for the year	-	254.26	1.79	1,429.55	14.85	77.27	32.83	1,810.55
Deductions	-	5.10	-	274.87	0.22	14.24	0.43	294.86
Effect of Foreign Currency Translation	-	-	-	-	3.00	0.01	0.45	3.47
As at March 31, 2022	-	2,617.16	14.48	14,673.45	239.73	803.84	337.36	18,686.03
Depreciation charge for the year	-	260.32	11.12	1,538.74	24.05	75.51	32.44	1,942.18
Addition due to acquisition of Krishna Krupa Corporation	-	-	-	-	45.40	-	-	45.40
Deductions	-	5.23	-	310.95	10.96	53.15	-	380.29
Effect of Foreign Currency Translation	-	-	0.02	0.19	12.93	0.14	1.78	15.06
As at March 31, 2023	-	2,872.25	25.62	15,901.43	311.15	826.34	371.58	20,308.38
Net carrying value								
As at March 31, 2023	6,963.27	4,419.46	254.09	18,803.34	96.69	267.78	124.72	30,929.35
As at March 31, 2022	7,918.07	4,483.50	2.65	16,570.97	161.09	181.66	115.76	29,433.70

3 (b)	Capital Work In Progress	(₹ in Lacs)	3 (d)	Intangible Assets	(₹ in Lacs)	
	As at April 1, 2021	529.59			Software	Word Marks
	Additions	904.43		Cost or Deemed Cost		
	Deductions	1,157.49		As at April 1, 2021	875.29	-
	As at March 31, 2022	276.53		Additions	14.63	-
	Additions	4,173.11		Deductions	-	-
3 (c)	Investment Property	(₹ in Lacs)	Effect of Foreign Currency Translation	0.35	-	
	Deemed cost		As at March 31, 2022	890.27	-	
	As at April 1, 2021	20.69	Additions	1.65	-	
	Additions	-	Addition due to acquisition of Krishna Krupa Corporation	-	144.70	
	Deductions	-	Deductions	-	-	
	As at March 31, 2022	20.69	Effect of Foreign Currency Translation	0.95	-	
	Additions	-	As at March 31, 2023	892.87	144.70	
	Deductions	-	Amortisation			
	As at March 31, 2023	20.69	As at April 1, 2021	764.91	-	
	Accumulated Depreciation		Depreciation charge for the year	38.56	-	
	As at April 1, 2021	1.97	Deductions	-	-	
	Depreciation charge for the year	0.34	Effect of Foreign Currency Translation	0.20	-	
	Deductions	-	As at March 31, 2022	803.67	-	
	As at March 31, 2022	2.31	Additions	36.98	5.73	
	Depreciation charge for the year	0.34	Deductions	-	-	
	Deductions	-	Effect of Foreign Currency Translation	0.74	-	
	As at March 31, 2023	2.65	As at March 31, 2023	841.39	5.73	
	Net Carrying Amount		Net Carrying Amount			
	As at March 31, 2023	18.04	As at March 31, 2023	51.48	138.97	
As at March 31, 2022	18.38	As at March 31, 2022	86.60	-		
Fair Value of Investment Property						
As at March 31, 2023 (As per valuation report by approved valuer)	76.64					
As at March 31, 2022 (As per valuation report by approved valuer)	61.11					
3 (e)	Right of Use Assets	(₹ in Lacs)				
	Cost or Fair Value					
	As at April 1, 2021	2,352.41				
	Additions / Reclassification	378.65				
	Deductions	-				
	Effect of Foreign Currency Translation	48.94				
	As at March 31, 2022	2,780.00				
	Additions / Reclassification	9,562.28				
	Derecognition of Lease	2,074.44				
	Effect of Foreign Currency Translation	154.37				
	As at March 31, 2023	10,422.21				
	Accumulated Depreciation and Impairment					
	As at April 1, 2021	1,101.93				
	Additions	516.59				
	Deductions	-				
	Effect of Foreign Currency Translation	27.76				
	As at March 31, 2022	1,646.28				
	Additions	1,173.41				
	Derecognition of Lease	1,610.01				
Effect of Foreign Currency Translation	101.70					
As at March 31, 2023	1,311.38					
Net Carrying Amount						
As at March 31, 2023	9,110.83					
As at March 31, 2022	1,133.72					

Note: (i) Refer footnote to Note 20 & 25 for security / charges created on property, plant and equipment.

- (ii) In accordance with the Stock Purchase Agreement, effective as of June 10, 2022, Vadilal Industries (USA) Inc. acquired 100% of the issued and outstanding stock of Krishna Krupa Corporation. The primary reason for the acquisition was to expand the Company's market position and accelerate growth. The purchase consideration was for USD 250,000 (equivalent to ₹ 205.84 lacs).

The purchase price allocation was recorded as follows:

Particulars	Amount in USD	₹ in Lacs
Advance recoverable in Cash or Kind	9,004.00	7.41
Inventories	15,600.00	12.84
Less: Other Trade Payable	9,890.00	8.14
Net working capital	14,714.00	12.11
Net fixed assets	12,200.00	10.05
Total tangible assets acquired	26,914.00	22.16
Wordmark	1,75,740.00	144.70
Total intangible assets acquired	1,75,740.00	144.70
Deferred tax liability on identifiable intangible asset	(52,019.00)	(42.83)
Net assets acquired	1,50,635.00	124.03
Residual goodwill	89,475.00	73.67
Fair value of assets acquired	2,40,110.00	197.70
Cash	9,890.00	8.14
Total Purchase Price	2,50,000.00	205.84

- (iii) **Capital Work in Progress Ageing Schedule**

Capital Work in Progress ageing schedule as at March 31, 2023

(₹ in Lacs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1894.63	33.56	14.52	14.14	1956.85
Projects temporarily suspended	-	-	-	-	-
TOTAL	1894.63	33.56	14.52	14.14	1956.85

Capital Work in Progress ageing schedule as at March 31, 2022

(₹ in Lacs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	138.99	40.87	89.69	6.98	276.53
Projects temporarily suspended	-	-	-	-	-
TOTAL	138.99	40.87	89.69	6.98	276.53

- (iv) Capital Work in Progress whose costs has exceeded compared to its original budget : None (As at March 31, 2022 : None)
- (v) Project in progress for more than one year includes overdue projects amounting to ₹ 62.22 lacs pending for installation at different production facilities due to delay in technical support from Original Equipment Manufacturer. The same are expected to be installed in F.Y.2023-24.

NOTE-4 INVESTMENTS

Particulars	Face Value	As at March 31, 2023		As at March 31, 2022	
		Units	(₹ in Lacs)	Units	(₹ in Lacs)
Non Current					
Investment in Partnership Firm at cost :					
Vadilal Cold Storage			43.62		43.62
Investment in Government and Trust securities at amortized cost (Unquoted) :					
7 Year National Saving Certificates (Lodged with Government Authorities)			0.28		0.28
In Equity instruments of other companies at Cost (Unquoted fully paid up) :					
Kalapur Commercial Co-operative Bank Ltd.	25	8,000	2.00	8,000	2.00
In Equity instruments of other companies at FVTPL (Unquoted fully paid up) :					
Vadilal Forex and Consultancy Services Ltd.	10	36,250	17.61	36,250	12.27
Majestic Farm House Ltd. (Refer Note-45)	10	74,100	3.79	74,100	3.88
Padm Complex Ltd.	10	280	0.03	280	0.03
Volute Construction Ltd.	10	280	0.03	280	0.03
In Equity instruments of other companies at FVOCI (Unquoted fully paid up) :					
AMP Energy C&I Two Private Limited	10	4,21,117	42.11	-	-
In 0.01% Compulsory Convertible Debentures at FVOCI:					
AMP Energy C&I Two Private Limited	1000	43,065	430.65	-	-
Total			540.12		62.11

NOTE- 5 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
(Unsecured, Considered good)		
Loan to employees	11.44	4.36
Total	11.44	4.36

NOTE-6 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Margin Money Deposits with banks (Refer Note-13)	222.92	36.61
Security Deposits (Refer Note-45)	70.03	50.21
Other Deposits	299.10	273.18
Total	592.05	360.00

NOTE-7 TAX ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Taxes Receivable	164.29	176.05
Total	164.29	176.05

NOTE-8 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Capital Advances	332.86	428.87
Prepaid Expenses	125.97	133.91
Total	458.83	562.78

NOTE-9 INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(At lower of Cost or Net Realisable Value)		
Raw Materials	13,542.51	7,347.15
Packing Materials	2,573.52	1,696.02
Finished Goods	8,381.15	6,629.30
Stores, Spares and Consumables	1,073.15	846.23
Total	25,570.33	16,518.70

Inventories write downs are accounted, considering the nature of inventory usage, ageing and net realisable value. Write-down of inventories amounted to ₹ 746.91 Lacs as at March 31, 2023 (as at March 31, 2022 ₹ 626.57 Lacs). These write-downs are recognised as an expense in the statement of profit & loss.

NOTE-10 INVESTMENTS

Particulars	Face Value	As at March 31, 2023		As at March 31, 2022	
		Units	(₹ in Lacs)	Units	(₹ in Lacs)
Current					
(Valued at fair value through Profit and Loss)					
Investments in Equity Instruments-Quoted					
Century Enka Ltd.	10	15	0.05	15	0.08
Great Eastern Shipping Co. Ltd.	10	100	0.65	100	0.35
GOL Offshore Ltd.	10	25	-	25	-
Interface Financial Services Ltd.	1	25,000	0.05	25,000	0.05
Radhe Developers Ltd.	10	4,900	6.96	4,900	8.36
Saket Projects Ltd.	10	2,500	0.02	2,500	0.02
Sanara Media Ltd.	1	9,00,000	0.45	9,00,000	0.45
Total			8.18		9.31

NOTE-11 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good- Secured	101.61	105.73
Trade Receivables considered good- Unsecured (Refer Note-45)	7,643.84	6,438.04
Trade Receivables which have significant increase in credit risk	352.53	360.50
Trade Receivables- credit impaired	-	-
	8,097.98	6,904.27
Less: Expected credit loss allowance	352.53	360.50
Total	7,745.45	6,543.77

Note: Refer Note-43 for information about credit risk and market risk of Trade receivables.

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Break-up of trade receivables		
Trade receivables from other than related parties	4,390.30	3,677.03
Receivables from related parties (Refer Note-45)	3,355.15	2,866.74
Total	7,745.45	6,543.77

Notes

- The credit period ranges from 0 days to 180 days.
- 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, 2023 : ₹ 3,355.15 lacs are due from one customer (as at March 31, 2022 : ₹ 2,866.74 lacs are due from one customer).
- 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 a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

- Movement in Expected Credit Loss Allowance

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	360.50	135.25
Add: Allowance for the year	193.19	235.08
Less : Reversal of provision due to recovery	201.16	9.83
Balance at the end of the year	352.53	360.50

- Trade Receivable Ageing Schedule as on March 31, 2023

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,355.15	4,146.43	170.74	21.77	9.41	41.94	7,745.44
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	93.49	122.53	77.70	39.03	19.78	352.53
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
TOTAL	3,355.15	4,239.92	293.27	99.47	48.44	61.72	8,097.97
Less: Expected credit loss allowances							352.53
TOTAL							7,745.44

Trade Receivable Ageing Schedule as on March 31, 2022

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,866.74	3,596.07	-	4.83	37.13	39.00	6,543.77
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	77.29	168.48	51.50	26.84	36.39	360.50
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
TOTAL	2,866.74	3,673.36	168.48	56.33	63.97	75.39	6,904.27
Less: Expected credit loss allowances							360.50
TOTAL							6,543.77

NOTE-12 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks :		
In Current Accounts	3,167.57	4,499.29
Cash on hand	9.88	17.11
Total	3,177.45	4,516.40

Note: There are no restrictions with regards to Cash and Cash Equivalents.

NOTE-13 OTHER BALANCES WITH BANKS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances in Fixed Deposits Repayment Reserve Account	53.58	48.58
Balances in Unclaimed Dividend Accounts	15.07	16.05
Margin Money Deposit (towards Funded and Non-Funded facilities from Banks & NBFCs)	722.84	616.27
	791.49	680.90
Less : Margin Money Deposits with maturity of more than 12 months		
Amount disclosed under Non-Current Financial Assets (Refer Note-6)	222.92	36.61
Total	568.57	644.29

Note: Unclaimed Dividend Account balance can only be used for payment of Unclaimed Dividend.

NOTE-14 LOANS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
(Unsecured, Considered Good)		
Loan to Employees	26.73	15.08
Total	26.73	15.08

NOTE-15 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
(Unsecured, Considered Good)		
Interest accrued on loans and deposits from others	6.58	2.97
Other Deposits	5.47	4.46
Mark to Market Receivables on Derivatives	-	12.03
Others	0.04	0.05
Total	12.09	19.51

NOTE-16 TAX ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Taxes Receivable (Net of Provision)	260.46	-
Total	260.46	-

NOTE-17 OTHER ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Prepaid Expenses	383.03	289.26
Balances with Govt. Authorities	522.21	283.44
Export Benefits Receivable	625.65	799.43
(A)	1,530.89	1,372.13
Advances for Goods & Expenses		
Considered Good	844.05	580.02
Considered Doubtful	222.90	221.27
Less: Impairment Allowances	222.90	221.27
(B)	844.05	580.02
Total (A + B)	2,374.94	1,952.15

NOTE-18 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital:		
1,50,00,000 (as at March 31, 2022 :1,50,00,000) Equity shares of ₹ 10/- each	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, 2022 :71,88,230) Equity shares of ₹ 10/- each	718.82	718.82
	718.82	718.82
Paid up Share Capital:		
71,87,830 (as at March 31, 2022 :71,87,830) Equity shares of ₹ 10/- each	718.78	718.78
	718.78	718.78

a) **Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at March 31, 2023		As at March 31, 2022	
	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
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

b) **Rights, preferences and restrictions attached to equity shares:**

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.

All shares rank equally with regard to Group's residual assets after distribution of all preferential amount.

c) **Details of shareholders holding more than 5% shares in group (Equity shares of ₹ 10 each fully paid)**

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Vadilal International Pvt. Ltd.	28,09,704	39.09%	28,09,704	39.09%

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 ownership of shares.

d) **Details of shares held by Promoters as on March 31, 2023 and as on March 31, 2022.**

Sr. No.	Name of the Promoters / Promoter Group	No. of Equity Shares Held as on March 31, 2023	% of Total Shares	No. of Equity Shares Held as on March 31, 2022	% of Total Shares	% change during the year
	Promoter					
1	Mr. Rajesh Ramchandra Gandhi	2,27,721	3.17%	2,27,721	3.17%	NIL
2	Mr. Devanshu Laxmanbhai Gandhi	3,45,691	4.81%	3,45,691	4.81%	NIL
	Promoter Group					
1	M/s. Virendra Ramchandra Gandhi, HUF	1,19,699	1.67%	1,19,699	1.67%	NIL
2	M/s. Rajesh R. Gandhi, HUF	62,411	0.87%	62,411	0.87%	NIL
3	M/s. Vadilal International Private Limited	28,09,704	39.09%	28,09,704	39.09%	NIL
4	M/s. Vadilal Finance Company Limited	3,28,311	4.57%	3,28,311	4.57%	NIL
5	M/s. Veronica Constructions Pvt. Ltd.	2,44,600	3.40%	2,44,600	3.40%	NIL
6	M/s. Vadilal Marketing Pvt. Ltd.	10,330	0.14%	10,330	0.14%	NIL
7	M/s. Byad Packaging Industries Pvt. Ltd.	10,137	0.14%	10,137	0.14%	NIL
8	M/s. Axilrod Pvt. Ltd.	9,943	0.14%	9,943	0.14%	NIL
9	M/s. Vadilal Enterprises Limited	150	0.00%	150	0.00%	NIL
10	Mr. Virendra Ramchandra Gandhi	1,58,634	2.21%	1,58,634	2.21%	NIL
11	Ms. Mamta Rajesh Gandhi	1,22,251	1.70%	1,22,251	1.70%	NIL
12	Ms. Ila Virendrabhai Gandhi	1,07,931	1.50%	1,07,931	1.50%	NIL
13	Ms. Deval Devanshu Gandhi	59,266	0.82%	59,266	0.82%	NIL
14	Mr. Janmajay Virendrabhai Gandhi	14,893	0.21%	14,893	0.21%	NIL
15	Ms. Hemali Piyush Surti	11,808	0.16%	11,558	0.16%	0.0035%
16	Mr. Navinchandra Chimanlal Modi	7,304	0.10%	7,304	0.10%	NIL
17	Ms. Khevna Raj Shah	809	0.01%	809	0.01%	NIL
18	Mr. Dharini Ketan Khambhatta	811	0.01%	811	0.01%	NIL
	TOTAL	46,52,404	64.73%	46,52,154	64.72%	

NOTE-19 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
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	96.63	(129.35)
Add : Transfer for the current year	580.33	225.98
Closing Balance	676.96	96.63
Retained Earnings		
Balance at beginning of the year	16,079.85	11,609.69
Add : Profit for the year	9,629.61	4,470.16
Less : Appropriations		
Dividend per share ₹ 1.25 paid for the year	89.85	-
Total Appropriations	89.85	-
Balance at the end of the year	25,619.61	16,079.85
Other Comprehensive Income / (Expense)		
Balance at beginning of the year	(181.46)	(112.15)
Add : Remeasurement gain / (loss) of defined benefit plan	(18.30)	(69.31)
Add : Fair value changes of cash flow hedges	(108.90)	-
Balance at the end of the year	(308.66)	(181.46)
Total Other Equity	39,008.20	29,015.31

a) Dividend distributions made and proposed

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend on equity shares declared and paid:		
Final dividend for March 31, 2022 : ₹ 1.25 per share (March 31, 2021 ₹ Nil)	89.85	-
Proposed Dividend on equity shares:		
Final dividend for March 31, 2023 : ₹ 1.50 per share (March 31, 2022 ₹ 1.25)	107.82	89.85

Proposed dividend on equity shares are subject to approval of members of Holding Company at the ensuing Annual General Meeting and are not recognised as a liability as at March 31.

b) 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 and 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.

NOTE-20 BORROWING

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Secured-at amortised Cost		
Term Loans from Banks	6,279.39	5,499.70
Less: Current maturity of long term loans (Refer Note-25)	1,593.65	1,377.68
	4,685.74	4,122.02
Vehicle Loans from Bank	87.23	113.56
Less: Current maturity of long term vehicle loans (Refer Note-25)	49.18	51.75
	38.05	61.81
Term Loans from Non Banking Financial Company	-	1,000.00
Less: Current maturity of long term loans (Refer Note-25)	-	-
	-	1,000.00
	4,723.79	5,183.83
Unsecured-at amortised Cost		
Public Fixed Deposits	2,580.95	3,365.85
Less: Current maturity of long term public fixed deposits (Refer Note-25)	1,336.85	819.15
	1,244.10	2,546.70
Total	5,967.89	7,730.53

Note

- 1 Refer Note-43 for information about Liquidity Risk.
- 2 Amount stated in current maturities is disclosed under the head of " Current Borrowings " (Note-25).

Repayment Schedule of Loans

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022	Effective Interest Rate	Terms of repayment
Term Loans				
From Banks				
Bank of Baroda (COVID 19)	-	32.02	8.15%	6 monthly instalments of ₹ 5.65 lacs starting from December, 2020 and 12 monthly instalment of ₹ 16.01 lacs starting from June, 2021
State Bank of India (COVID 19)	-	20.00	7.40%	18 monthly instalments of ₹ 10.00 lacs starting from December, 2020
IndusInd Bank (partially disbursed)	1,166.89	2,573.84	11.19%	72 monthly instalments of ₹ 61.11 lacs starting from February, 2019
IndusInd Bank (partially disbursed)	2,238.75	-	10.21%	60 monthly instalments of ₹ 37.48 lacs starting from January, 2024
IndusInd Bank (GECL)	677.17	916.16	9.25%	48 monthly instalments of ₹ 14.94 lacs starting from February, 2022
IDBI Bank (GECL)	16.29	22.04	7.80%	48 monthly instalments of ₹ 0.48 lacs starting from February, 2022
State Bank of India (GECL)	573.97	782.77	10.25%	47 monthly instalments of ₹ 17.40 lacs starting from January, 2022 and 1 instalment of ₹ 17.20 lacs on December, 2025
State Bank of India (GECL Extension)	559.00	559.00	10.25%	48 monthly instalments of ₹ 11.65 lacs starting from January, 2024
Bank of Baroda (GECL)	303.75	405.00	8.40%	48 monthly instalments of ₹ 8.44 lacs starting from April, 2022
Bank of America	33.86	67.42	4.70%	48 monthly instalments* of \$ 4240.88 starting from Feb, 2020
US Small Business Administration	131.74	121.45	3.75%	329 monthly instalments* of \$ 731.00, still not started
Bank of America	577.97	-	4.25%	60 monthly instalment of \$14,549.64, starting from Sep 2022

Particulars	As at March 31, 2023	As at March 31, 2022	Effective Interest Rate	Terms of repayment
From Non Banking Financial Company				
Samunnati Financial Intermediation & Services Private Limited	-	1,000.00	15.00%	5 monthly instalments of ₹ 200 lacs starting from April, 2023
Vehicle Loans from Bank				
HDFC Bank Limited	87.23	113.56	8.30% to 12.76%	From 5 to 55 monthly Instalments * of ₹ 0.15 lacs to ₹ 0.92 lacs
Total Loan (a)	6,366.62	6,613.26		
Fixed deposits (b)	2,580.95	3,365.85	8.00% to 9.00% based on period of deposit	12 months to 36 months
Grand Total (a)+(b)	8,947.57	9,979.11		

***Includes Interest portion**

- A Term Loans from Indusind Bank ₹ 1,166.89 Lacs (As at March 31, 2022 ₹ 2,573.84 Lacs), Indusind Bank Long Term Loan ₹ 2,238.75 Lacs (As at March 31, 2022 ₹ NIL), Guaranteed Emergency Credit Line of Indusind Bank ₹ 677.17 Lacs (As at March 31, 2022 ₹ 916.16 Lacs), Guaranteed Emergency Credit Line of State Bank of India for ₹ 573.97 Lacs (As at March 31, 2022 ₹ 782.77 Lacs), Guaranteed Emergency Credit Line Extension of State Bank of India for ₹ 559.00 Lacs (As at March 31, 2022 ₹ 559.00 Lacs), Guaranteed Emergency Credit Line of Bank of Baroda for ₹ 303.75 Lacs (As at March 31, 2022 ₹ 405.00 Lacs) and Guaranteed Emergency Credit Line of IDBI Bank for ₹ 16.29 lacs (As at March 31, 2022 ₹ 22.04 Lacs) are secured by way of Mortgage on immovable properties and hypothecation on movable properties of the Holding Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-
- 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 to term lenders and 2nd charge to GECL lenders)
 - Land and Building together with all plant and machineries situated at Village Dharampur, forming part of New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (Survey No. 970 (Paiki)) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (1st charge to term lenders and 2nd charge to GECL lenders)
 - Land and Building together with all plant and machineries situated at New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 to term lenders and 2nd charge to GECL lenders)
 - Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge to term lenders and 2nd charge to GECL lenders)
 - Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 & F-12 Parsakhera Industrial Estate, Bareilly, U.P. (Leased property) (Ice-cream Plant) (1st charge to term lenders and 2nd charge to GECL lenders)
 - 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. (Leased property) (Ice-cream Plant) (1st charge to term lenders and 2nd charge to GECL lenders)
 - Land and Building together with all plant and machineries situated at New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (1st charge to term lenders and 2nd charge to GECL lenders)
 - Land and Building together with all plant and machineries situated at New Survey No. 3647 i.e. Old Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit) (2nd charge on term lenders and GECL lenders)
 - Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge on term lenders and GECL lenders)
 - 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats) (2nd charge on term lenders and GECL lenders)
- B The above Term Loans and GECL loans are also secured by way of Hypothecation on entire current assets of the Holding Company on 2nd pari-passu charge basis.
- C Vehicle loans are secured by hypothecation of vehicles with HDFC Bank Limited.
- D The Term Loans of Holding Company are secured by Corporate Guarantee by Vadilal Cold Storage, Padm Complex Ltd. and Volute Constructions Ltd. The Credit Facilities of IndusInd Bank are additionally secured by Corporate Guarantee of Vadilal Enterprises Ltd.
- E Fixed Deposit lien with Indusind Bank ₹ 500.80 lacs
- F The Holding company does not have any charges or satisfaction which is yet to be registered with ROC beyond statutory period.

- G** Term loan in subsidiary company from Bank of America USD 41,128 equivalent to ₹ 33.86 lacs (As at March 31, 2022 USD 88,812.08 equivalent to ₹ 67.42 lacs) is secured against inventories.
Term loan in subsidiary company from Bank of America USD 7,01,951.27 equivalent to ₹ 577.97 lacs (As at March 31, 2022 equivalent to ₹ NIL) is secured against equipments.
Term loan in subsidiary company from US Small Business Administration USD 1,60,000 equivalent to ₹ 131.74 lacs (As at March 31, 2022 USD 1,60,000 equivalent to ₹ 121.45 lacs) is secured against tangible and intangible assets of the subsidiary company.
- H** Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.
- I** Collateral / Additional Securities :-
Term loan and GECL loan from Consortium Banks, namely, BOB, SBI, IDBI and IndusInd bank are also secured by way of Mortgage on immovable properties of :-
- Padm Complex Ltd. & Volute Constructions Ltd. by way of 2nd charge on pari-passu basis (Ground Floor, Office No. 2B, "Mahalaya" Opp. President Hotel, Swastik Char Rasta, Ahmedabad. (Owned Property))
 - Vadilal Cold Storage by way of 2nd charge on pari-passu basis Gomtipur, Ahmedabad (Leased Property)

NOTE-21 LEASE LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Lease Liabilities	7,801.12	960.32
Total	7,801.12	960.32

NOTE-22 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Provision for Employee Benefits		
Gratuity (Refer Note-46)	476.62	392.41
Total	476.62	392.41

NOTE-23 DEFERRED TAX LIABILITY (NET)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities	3,183.38	2,707.48
Deferred Tax Assets	(1,415.74)	(1,540.34)
Total	1,767.64	1,167.14

Movement in Deferred Tax Liabilities and Assets

(₹ in Lacs)

Movement during the year ended March 31, 2023	As at April 1, 2022	Charge/(Credit) in statement of Profit and Loss	Charge/(Credit) in Other Comprehensive Income	As at March 31, 2023
Deferred Tax Liabilities / (Assets)				
Property, plant and equipment	2,083.28	449.64		2,532.92
Intangible Assets	-	41.95		41.95
Expenditure allowed in the year of payment	(233.52)	(41.41)		(274.93)
Provision for doubtful debts & advances	(23.13)	10.29		(12.84)
Government Grant under EPCG	(138.03)	12.06		(125.97)
Discounting of security deposit to present value and corresponding impact on other expenses	4.81	(0.90)		3.91
Discounting of security deposit to present value and corresponding impact on interest income	(5.38)	0.88		(4.50)
Increase in borrowing cost pursuant to application of EIR	12.22	(1.57)		10.65
Effect of measuring corporate guarantee liability	(0.41)	0.41		-
Leased Assets under Ind AS 116	120.49	2,296.46		2,416.95
Leased Liability under Ind AS 116	(147.91)	(2,394.08)		(2,541.99)
Unabsorbed Loss	(512.78)	512.78		-
Impact on Unrealised Profit of Inventory	(81.70)	(169.08)		(250.78)
Impact of USA Tax	81.34	(81.34)		-
Others	7.86	7.19	(42.78)	(27.73)
Total	1,167.14	643.28	(42.78)	1,767.64

(₹ in Lacs)

Movement during the year ended March 31, 2022	As at April 1, 2021	Charge/(Credit) in statement of Profit and Loss	Charge/(Credit) in Other Comprehensive Income	As at March 31, 2022
Deferred Tax Liabilities / (Assets)				
Property, plant and equipment	2,047.85	35.43		2,083.28
Expenditure allowed in the year of payment	(198.11)	(35.41)		(233.52)
Provision for doubtful debts & advances	(17.28)	(5.85)		(23.13)
Government Grant under EPCG	(150.90)	12.87		(138.03)
Discounting of security deposit to present value and corresponding impact on other expenses	5.94	(1.13)		4.81
Discounting of security deposit to present value and corresponding impact on interest income	(6.41)	1.03		(5.38)
Increase in borrowing cost pursuant to application of EIR	25.95	(13.73)		12.22
Effect of measuring corporate guarantee liability	(6.68)	6.27		(0.41)
Leased Assets under Ind AS 116	152.15	(31.66)		120.49
Leased Liability under Ind AS 116	(175.71)	27.80		(147.91)
Unabsorbed Loss	(865.84)	353.06		(512.78)
Impact on Unrealised Profit of Inventory	(73.20)	(8.50)		(81.70)
Impact of USA Tax	64.40	16.94		81.34
Others	4.41	26.76	(23.31)	7.86
Total	806.57	383.88	(23.31)	1,167.14

NOTE-24 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Deferred Govt. Grant	479.18	529.02
Total	479.18	529.02

NOTE-25 BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Secured-at amortised Cost		
Working Capital Loans from Banks	7,355.15	2,579.32
Current Maturities of long term borrowings From Banks	1,593.65	1,377.68
Current Maturities of long term borrowings For Vehicle Loan	49.18	51.75
Total	8,997.98	4,008.75
Unsecured-at amortised Cost		
Public Fixed Deposits	143.25	1,208.90
Inter Corporate Deposits from others	3,945.00	3,438.50
Book Overdraft in current account with Banks	60.76	22.68
Current Maturities of long term borrowings of Public Fixed Deposits	1,336.85	819.15
Total	5,485.86	5,489.23
Total	14,483.84	9,497.98

- A** Working Capital facility from Consortium Banks, namely, BOB, SBI, IDBI and IndusInd Bank aggregating to ₹ 64.25 crores 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:-
- 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 to Working Capital lenders)
 - Land and Building together with all plant and machineries situated at Village Dharampur, forming part of New Survey Nos. 3645 i.e. Old Survey Nos. 970/1 (Survey No. 970 (Paiki)) Mouje Dharampur of Dharampur Taluka, Dist. Valsad (Canning Unit) (2nd charge to Working Capital lenders)

- (iii) Land and Building together with all plant and machineries situated at New Survey No.1663 i.e. Amalgamated Survey No.637/13/1 (Old 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 to Working Capital lenders)
 - (iv) Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge to Working Capital lenders)
 - (v) Land and Building together with all plant and machineries being Unit – I, situated at Plot No. D-24 & F-12 Parsakhera Industrial Estate, Bareilly, U.P. (Leased Property) (Ice-cream Plant) (2nd charge to Working Capital lenders)
 - (vi) 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. (Leased Property) (Ice-cream Plant) (2nd charge to Working Capital lenders)
 - (vii) Land and Building together with all plant and machineries situated at New Survey Nos. 3642, 3643, 3644 and 3646 i.e. Old Survey Nos. 962/1, 966, 969 and 970/2 at Mouje Dharampur, Dist.: Valsad (New land). (2nd charge to Working Capital lenders)
 - (viii) Land and Building together with all plant and machineries situated at New Survey No. 3647 i.e. Old Survey No. 970 (Paiki) Mouje Dharampur, Dist.: Valsad (IQF unit) (1st charge to working capital lenders)
 - (ix) Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge to working capital lenders)
 - (x) 4 Flats No. 801 to 804, situated at Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Residential Flats) (1st charge to working capital lenders)
- B** The above Working Capital facilities are also secured by way of Hypothecation on entire current assets of the Holding Company on 1st pari-passu charge basis.
- C** The above Working Capital facilities are also secured by Personal Guarantee of Mr. Rajesh R. Gandhi, 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 Vadilal Cold Storage, Padm Complex Ltd. and Volute Constructions Ltd.
- D** Cash Credit facility from Kalupur Commercial Co-operative Bank of ₹ 3,500.00 Lacs is secured by pledge stocks of Holding Company and Personal Guarantee of Mr. Rajesh R. Gandhi, Managing Director and Mr. Devanshu L. Gandhi, Managing Director of the Company.
- E** Secured Borrowing i.e. Working Capital facility & Term Loan Facility availed from Banks / FIs carries interest @ 9.35 % to 11.20 %.
- F** Secured Borrowing i.e. GECL facility availed from Banks carries interest @ 8.40 % to 9.25 %
- G** Inter corporate deposits are repayable between 90 days to 365 days and carry Interest @ 10.50 % to 14.50 %
- H** Fixed deposits are repayable for 12 months to 36 months and carry interest @ 8.00 % to 9.00 %.
- I** The Holding company does not have any charges or satisfaction which is yet to be registered with ROC beyond statutory period.
- J** Company has used the borrowings from banks and financial institutions for the purpose for which it was taken.
- K Collateral / Additional Securities :-**
Working Capital facility from Consortium Banks, namely, BOB, SBI, IDBI and IndusInd bank are also secured by way of Mortgage on immovable properties of: -
- (i) Padm Complex Ltd. & Volute Constructions Ltd. by way of 1st charge on pari-passu basis (Ground Floor, Office No. 2B, "Mahalaya" Opp. President Hotel, Swastik Char Rasta, Ahmedabad. (Owned Property))
 - (ii) Vadilal Cold Storage by way of 1st charge on pari-passu basis Gomtipur, Ahmedabad (Leased Property)

NOTE-26 LEASE LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Lease Liabilities	834.20	382.43
Total	834.20	382.43

NOTE-27 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Due to Micro and Small Enterprises-Refer Note (A)	679.50	879.42
Due to Others	8,291.30	7,374.75
Total	8,970.80	8,254.17

Note

- A) The amount outstanding to micro and small enterprise is based on the information received and available with Group.**

B) Trade Payables ageing schedule as on March 31, 2023

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	638.41	40.59	-	-	-	679.00
(ii) Others	2,768.12	3,440.55	27.19	0.20	13.73	6,249.79
(iii) Disputed dues – MSME	-	-	0.18	0.14	0.18	0.50
(iv) Disputed dues - Others	-	-	26.37	8.93	84.77	120.07
TOTAL	3,406.53	3,481.14	53.74	9.27	98.68	7,049.36
Accrued Expense	1,737.55	70.13	37.18	71.32	5.26	1,921.44
GRAND TOTAL	5,144.08	3,551.27	90.92	80.59	103.94	8,970.80

Trade Payables ageing schedule as on March 31, 2022

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	850.37	28.83	-	-	-	879.20
(ii) Others	3,983.97	2,142.18	-	-	0.66	6,126.81
(iii) Disputed dues – MSME	-	-	0.14	0.08	-	0.22
(iv) Disputed dues - Others	-	-	13.82	10.98	75.17	99.97
TOTAL	4,834.34	2,171.01	13.96	11.06	75.83	7,106.20
Accrued Expense	495.98	485.98	52.49	96.35	17.17	1,147.97
GRAND TOTAL	5,330.32	2,656.99	66.45	107.41	93.00	8,254.17

NOTE-28 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Interest Accrued	245.65	263.03
Unclaimed Dividends*	15.07	16.05
Unclaimed Deposits and Interest accrued thereon*	19.11	16.15
Financial Guarantee Liabilities (Refer Note-45)	-	1.64
Payable for Capital Goods (Includes MSME Payable ₹ 10.06 lacs, (P.Y. ₹ 7.19 lacs))	1,200.15	343.79
Security Deposits from Customers	137.79	136.81
Fair Value of Derivative Liabilities	145.52	-
Others	9.68	9.68
Total	1,772.97	787.15

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

NOTE-29 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Provision for Employee Benefits		
Gratuity (Refer Note-46)	134.98	118.26
Compensated Absences	329.66	255.41
Total	464.64	373.67

NOTE-30 TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Income Tax Payable (Net of Advance Tax)	264.50	1,516.32
Total	264.50	1,516.32

NOTE-31 OTHER LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Statutory Remittances	328.08	507.25
Advances Received from Customers	151.33	209.92
Other Liabilities	219.96	210.60
Deferred Govt. Grant	49.35	49.35
Total	748.72	977.12

NOTE-32 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale of Products		
Finished goods (Refer Note-45)	1,05,454.26	69,386.86
Currency	22.35	158.70
Sale of Services		
Income from Money Changing Business	-	3.32
Other Operating Revenues		
Scrap Sales	278.32	187.95
Cold Storage Rent Income	31.06	34.98
Total	1,05,785.99	69,771.81
Reconciliation of revenue from operation with contract price		
Revenue from contract with customers as per the contract price	1,06,726.98	70,489.58
Adjustment made to contract price on account of:		
Discounts and Rebates	(940.99)	(717.77)
Revenue from Operations	1,05,785.99	69,771.81

NOTE-33 OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Income	46.74	48.43
Export Licenses Income	100.87	156.61
Other Export Incentive Income	589.01	193.37
Financial Guarantee Commission Income	1.64	24.90
Gain on Fair Value of Current Investment	-	8.03
Gain on Fair Value of Non Current Investment	5.24	5.65
Grant Income	49.84	53.02
Dividend income on long term Investment	0.33	0.31
Net gain on Foreign Currency translations and transactions	130.82	2.80
Profit on sale of current investment	31.36	5.66
Gain/(Loss) on Derecognition of Lease	106.81	-
Excess Provision written back	276.09	188.14
Provision for Doubtful Debt written back	7.96	-
Provision for Doubtful Advance written back	-	1.18
Miscellaneous Income	30.25	143.01
Total	1,376.96	831.11

NOTE-34 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Inventory at the beginning of the year	9,043.17	8,384.16
Add : Purchases	59,978.51	33,995.91
Less: Inventory at the end of the year	16,116.03	9,043.17
Total	52,905.65	33,336.90

NOTE-35 PURCHASE OF TRADED GOODS

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Processed Food	1,007.35	531.32
Dairy Products	623.96	302.06
Bakery	389.28	127.36
Distribution Brand	1,506.38	1,663.43
Other	1,344.49	992.99
Currency	22.20	157.10
Total	4,893.66	3,774.26

NOTE-36 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Inventories at beginning of the year		
Finished Goods	6,629.30	5,086.03
	6,629.30	5,086.03
Inventories at end of the year		
Finished Goods	8,377.81	6,629.30
	8,377.81	6,629.30
Total	(1,748.51)	(1,543.27)

NOTE-37 EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salary, Wages, Allowances and Bonus etc. (Refer Note-45)	8,790.30	6,369.33
Contribution to Provident and Other funds (Refer Note-46)	359.93	301.52
Staff Welfare Expenses	253.47	210.82
Total	9,403.70	6,881.67

NOTE-38 FINANCE COSTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Expense	1,484.94	1,778.72
Other Borrowing Costs	100.49	159.71
Total	1,585.43	1,938.43

NOTE-39 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Job Charges	4,853.59	3,551.42
Power & Fuel	4,566.23	3,363.88
Stores and Spares Consumption	1,122.73	844.70
Repairs & Maintenance	1,051.04	880.38
Rent	917.12	686.63
Freight and forwarding charges	5,750.24	4,379.37
Sales Promotion Expense (Refer Note-45)	1,183.81	475.20
Corporate Social Responsibility Expense	48.52	39.85
Payment to Auditors	31.62	30.83
Provision for Doubtful Debts	193.19	235.08
Less : Reversal of provision due to recovery	201.15	9.83
Less : transferred to income side	7.96	-
Provision for Doubtful Debts	-	225.25
Bad Debt written off	201.73	7.82
Less : Provided in earlier years	132.26	-
	69.47	7.82
Provision for Doubtful Advances	1.63	-
Foreign Exchange Loss (Net)	12.62	-
Loss on Sale of Property, Plant & Equipment (Net)	364.92	12.51
Loss on fair value of Current Investment	1.14	-
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery etc.)	4,104.16	2,936.56
Total	24,078.84	17,434.40
Payment to Auditors As Auditor		
Audit Fees	22.50	22.50
Limited Review	7.50	6.00
In Other Capacity		
Certification Fees	0.92	1.75
Reimbursement of expenses	0.70	0.58
Total	31.62	30.83

NOTE-40 TAX EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
A. Income tax recognised in Statement of Profit and Loss:		
Current Tax:		
In respect of the current year	2,832.84	1,526.14
In respect of the prior years	-	5.07
Total	2,832.84	1,531.21
Deferred Tax:		
In respect of the current year	593.56	381.76
Total	593.56	381.76
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 before tax	13,055.94	6,383.06
Income Tax Expense@ 25.168% (Previous Year @ 25.168%)	3,285.92	1,606.49
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	19.97	18.30
Others	17.68	42.76
Effect of different tax rate in India & foreign jurisdictions	102.83	240.35
	3,426.40	1,907.90
Adjustments in respect of current income tax of previous year	-	5.07
Total	3,426.40	1,912.97
Tax effect on Items in Other Comprehensive Income	(42.78)	(23.31)
Tax expense as per Statement of Profit and Loss	3,383.62	1,889.66

Group's weighted average tax rates for the year ended March 31, 2023 and March 31, 2022 are 26.24 % and 29.97 % respectively.

NOTE - 41 CONTINGENT LIABILITIES NOT PROVIDED FOR AND COMMITMENTS :

(₹ in Lacs)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
	Contingent Liabilities		
(a)	Guarantees given by the company against Borrowing given to companies in which Directors are interested is ₹ 2,150 Lacs (March 31, 2022 ₹ 3,001 Lacs)		
	Outstanding against this as at March 31	121.93	567.37
(b)	For Excise-related matter decided in favour of the company, against which Excise Dept. has preferred an appeal	43.00	43.00
(c)	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
(d)	For Indirect Tax-Disputed by the company and against which company has preferred appeals	197.28	271.72
(e)	For Other Matters-cases against company by the Vendor and Authorities	243.82	243.82
(f)	Differential amount of custom / excise duty in respect of machinery purchased under EPCG Scheme	25.83	-
(g)	Differential amount of custom duty in respect of Advance Licence	175.49	140.94
(h)	Outstanding letter of credits and bank guarantees issued by banks	444.57	548.59
	Total Contingent Liabilities	1,253.85	1,817.37
	Commitments*		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	702.77	224.36

*Shareholders of the Holding Company have through e-voting ended on January 14, 2023 approved resolution for purchase of "VADILAL" brand for consideration not exceeding ₹ 67,600 lacs plus taxes from Vadilal International Private Ltd., a promoter of the Holding Company. However, as complete plan to purchase has not been initiated by the management and it is likely that changes of the plan may be made, the purchase is not considered to be highly probable. Hence, this is not included in Capital Commitments.

NOTE - 42

In FY 2017-18, a petition was filed against the Holding Company and some of its promoters, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013, pertaining to the prevention of oppression and mismanagement of the Holding Company. The NCLT has fixed next hearing in the matter on June 08, 2023.

NOTE - 43 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.

Gearing Ratio

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Debt *	20,451.73	17,228.51
Less: Cash and cash Equivalents	3,177.45	4,516.40
Net Debt	17,274.28	12,712.11
Total Equity excluding Revaluation Reserve	32,202.81	22,209.92
Net Debt to equity ratio	53.64%	57.24%

* 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, 2023

(₹ in Lacs)

Particulars	Fair value Through profit and loss	Fair value Through OCI	Amortised Cost	Total
Financial Assets				
Investments	29.64	472.76	45.90	548.30
Loans	-	-	38.17	38.17
Trade receivables	-	-	7,745.45	7,745.45
Cash and Cash Equivalents	-	-	3,177.45	3,177.45
Bank balances other than cash and cash Equivalents	-	-	568.57	568.57
Other Financial Assets	-	-	604.14	604.14
Total	29.64	472.76	12,179.68	12,682.08
Financial Liabilities				
Borrowings	-	-	20,451.73	20,451.73
Lease Liabilities	-	-	8,635.32	8,635.32
Trade Payable	-	-	8,970.80	8,970.80
Other Financial Liabilities	-	145.52	1,627.45	1,772.97
Total	-	145.52	39,685.30	39,830.82

Financial Assets & Financial Liabilities as at March 31, 2022

(₹ in Lacs)

Particulars	Fair value Through Profit and loss	Amortised Cost	Total
Financial Assets			
Investments	25.52	45.90	71.42
Loans	-	19.44	19.44
Trade receivables	-	6,543.77	6,543.77
Cash and Cash Equivalents	-	4,516.40	4,516.40
Bank balances other than cash and cash Equivalents	-	644.29	644.29
Other Financial Assets	-	379.51	379.51
Total	25.52	12149.31	12,174.83
Financial Liabilities			
Borrowings	-	17,228.51	17,228.51
Lease Liabilities	-	1,342.75	1,342.75
Trade Payable	-	8,254.17	8,254.17
Other Financial Liabilities	-	787.15	787.15
Total	-	27612.58	27,612.58

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

(₹ in Lacs)

Particular	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, 2023				
Investments at fair value through profit and loss	29.64	8.18	-	21.46
Investments at fair value through Other Comprehensive Income	472.76	-	-	472.76
Derivative Liabilities at fair value through Other Comprehensive Income	145.52	-	145.52	-
As at March 31, 2022				
Investments at fair value through profit and loss	25.52	9.31	-	16.21

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.

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 denominated 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, 2023	As at March 31, 2022
Forward contract to sell USD		
No. of contracts	-	4
In USD	-	25,80,000
In INR (in Lacs)	-	1,998.95

(b) Particular of foreign currency exposures as at the reporting date.

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities (Foreign currency)		
In US Dollars (USD)	6,22,718.99	1,98,436.02
In Euro (EUR)	295.00	295.00
In Australian Dollars (AUD)	1,300.00	1,300.00
Assets (Foreign currency)		
In US Dollars (USD)	2,61,865.35	3,96,984.03
In Great Britain Pound (GBP)	-	32,938.95
In Australian Dollars (AUD)	-	18,542.55

(₹ in lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities (INR)		
In US Dollars (USD)	512.73	150.63
In Euro (EUR)	0.26	0.25
In Australian Dollars (AUD)	0.71	0.74
Assets (INR)		
In US Dollars (USD)	215.62	301.35
In Great Britain Pound (GBP)	-	32.88
In Australian Dollars (AUD)	-	10.57

Foreign currency sensitivity analysis

The following table details, Group'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, 2023		For the year ended March 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
USD	(2.97)	2.97	1.51	(1.51)
CAD	-	-	-	-
GBP	-	-	0.33	(0.33)
AUD	(0.01)	0.01	0.10	(0.10)
Increase / (decrease) in profit & loss	(2.98)	2.98	1.94	(1.94)

(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, 2023	For the Year Ended March 31, 2022
BSE Index 100 - Increase by 5%	0.41	0.47
BSE Index 100 - Decrease by 5%	(0.41)	(0.47)

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 Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury or management 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, 2023	100 bps	49.65
As at March 31, 2022	100 bps	47.22

Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the cash flow exposures on the variable rate loan. The following tables detail the principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period. Interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Company's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

Designated as cash flow hedges
Outstanding Contracts (Floating to Fixed)

₹ in Lacs

Particulars	Principal Borrowing Amount		Fair Value of Liabilities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Less than 1 year	-	-	-	-
1 year to 2 years	-	-	-	-
2 years to 5 years	2,248.87	-	145.52	-
Total	2,248.87	-	145.52	-

The line items in the balance sheet that include the above hedging instruments are other financial liabilities. Debit Balance in cash flow hedge reserve of ₹ 145.52 Lacs as at March 31, 2023 (balance of ₹ NIL as at March 31, 2022) on interest rate swap derivative contracts has been recognised in other comprehensive income.

A change of 100 basis points in interest rate with all other variables held constant would result in increase / (decrease) in equity by ₹ 39.23 Lacs (P.Y. : ₹ NIL) (net of tax).

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.

Concentrations of Credit risk form part of Credit risk

Considering that the Group sells majority of its goods to Vadilal Enterprises Ltd., the Group is significantly dependent this customer. Out of total income, the Group earns 67.63 % revenue (previous year 57.33 %) from this customer, and with this customer, the Group has long term contract. As at March 31, 2023, receivables from this customer constitute 43.32 % (previous year 43.81 %) of total trade receivables. A loss of this customer could adversely affect the operating result or cash flow of the Group.

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, 2023 (₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings*	15,274.04	6,332.97	521.40	22,128.41
Lease Liabilities	834.20	3,051.83	4,749.29	8,635.32
Trade Payable	8,970.80	-	-	8,970.80
Other Financial Liabilities	1,772.97	-	-	1,772.97
Total Financial Liabilities	26,852.01	9,384.80	5,270.69	41,507.50

Exposure as at March 31, 2022 (₹ in Lacs)

Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings*	10,281.22	8,499.38	135.41	18,916.01
Lease Liabilities	382.43	960.32	-	1,342.75
Trade Payable	8,254.17	-	-	8,254.17
Other Financial Liabilities	787.15	-	-	787.15
Total Financial Liabilities	19,704.97	9,459.70	135.41	29,300.08

* Maturity amount of borrowings includes the interest that will be paid on these borrowings.

Financial Arrangements

Group has access to the following undrawn borrowing facilities at the end of the reporting period. (₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Expiring within one year (Cash Credit and other facilities)	6,015.36	3,962.94
Expiring beyond one year (Bank loans)	2,251.13	-

NOTE - 44 EARNINGS PER SHARE (EPS) AS PER INDIAN ACCOUNTING STANDARD 33:

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit for the year attributable to owners of Group (₹ in Lacs)	9,629.61	4,470.16
Weighted average number of Equity Shares (in Lacs)	71.88	71.88
Earning per Equity Share (Basic & Diluted)	133.97	62.19

NOTE - 45 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

No.	Name	Description of Relationship
1	Rajesh R. Gandhi	Key Managerial Personnel
2	Devanshu L. Gandhi	Key Managerial Personnel
3	Kalpiti R. Gandhi	Key Managerial Personnel
4	Rashmi Bhatt	Key Managerial Personnel
5	Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
6	Vadilal International Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
7	Veronica Construction Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
8	Majestic Farm House Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
9	Byad Packaging Industries Pvt. Ltd.	Enterprise over which Key Managerial Personnel are able to exercise significant influence
10	Vadilal Marketing Pvt. Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
11	Vadilal Chemicals Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
12	Vadilal Gases Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence
13	Mamta R. Gandhi	Relative of Key Managerial Personnel
14	Deval 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
(a) Sales				
Vadilal Enterprises Ltd.	71,544.85			71,544.85
	P.Y. (40,002.50)			(40,002.50)
(b) Sale of Fixed Assets				
Vadilal Enterprises Ltd.	9.76			9.76
	P.Y. (51.38)			(51.38)
(c) Sale of Export Licences				
Vadilal Gases Ltd.	29.24			29.24
	P.Y. -			-
(d) Purchases				
Vadilal Chemicals Ltd.	28.44			28.44
	P.Y. (19.90)			(19.90)
(e) Rent Expense				
Vadilal Enterprises Ltd.	8.37			8.37
	P.Y. (4.44)			(4.44)
(f) i) Managerial Remuneration				
Rajesh R. Gandhi	532.80	532.80		
	P.Y. (96.11)	(96.11)		
Devanshu L. Gandhi	532.80	532.80		
	P.Y. (96.11)	(96.11)		
ii) Remuneration				
Kalpiti R. Gandhi	41.12	41.12		
	P.Y. (41.75)	(41.75)		
Rashmi Bhatt	20.57	20.57		
	P.Y. (18.06)	(18.06)		
Deval D. Gandhi	8.32		8.32	
	P.Y. (8.32)		(8.32)	
Mamta R. Gandhi	8.32		8.32	
	P.Y. (8.32)		(8.32)	
(g) Royalty Expense				
Vadilal International Pvt. Ltd.	57.40			57.40
	P.Y. (47.30)			(47.30)
(h) Rent deposit given				
Vadilal Enterprises Ltd.	-			-
	P.Y. (0.61)			(0.61)
Balance outstanding at year end :				
Investments				
Majestic Farm House Ltd.	3.79			3.79
	P.Y. (3.88)			(3.88)
Trade Receivable				
Vadilal Enterprises Ltd.	3,355.15			3,355.15
	P.Y. (2,866.74)			(2,866.74)
Loans & Advances Given				
Majestic Farm House Ltd.	5.52			5.52
	P.Y. (5.38)			(5.38)
Vadilal Enterprises Ltd.	0.61			0.61
	P.Y. (0.61)			(0.61)
Trade Payable				
Vadilal International Pvt. Ltd.	12.81			12.81
	P.Y. (10.24)			(10.24)
Vadilal Chemicals Ltd.	2.19			2.19
	P.Y. (4.32)			(4.32)

(₹ 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
Corporate Guarantee Given				
Vadilal Enterprises Ltd.	2,544.00			2,544.00
	P.Y. (3,001.00)			(3,001.00)
Corporate Guarantee Taken				
Majestic Farm House Ltd.	14,035.00			14,035.00
	P.Y. (14,441.00)			(14,441.00)
Vadilal Enterprises Ltd.	250.00			250.00
	P.Y. (270.00)			(270.00)
Personal Guarantee Taken				
Rajesh R Gandhi and Devanshu L Gandhi (Jointly)	9,702.00	9,702.00		
	P.Y. (9,635.00)	(9,635.00)		

Notes

- Transaction of Sales / Purchases (where input tax credit is not available to the group) and outstanding of Trade Payables / Receivable are inclusive of Taxes.
- Previous Year figures are shown in bracket.
- The Holding Company has entered into a "Trade Mark License Agreement with Vadilal International Private Limited ("VIPL") (which is the Proprietor and the beneficial owner of the Trade Mark "Vadilal") for the usage of the Trade Mark "Vadilal". The Holding Company has also entered into an agreement with Vadilal Enterprises Limited, a related party, for sale of its products on a principal to principal basis. The Holding Company has obtained a legal opinion, as per which, the sales / supplies of goods by the Holding Company to VEL, do not fall with the scope of "Trade Mark License Agreement" between the Holding Company and VIPL and accordingly, the Holding Company is not contractually obliged to pay any royalty on sales made by it to VEL. Accordingly, the Holding Company has made provision for royalty only on sales made to parties other than VEL which is consistent with the practice followed in the earlier years.
- Pursuant to the agreement signed with Vadilal Enterprises Ltd. (VEL) and approved by the shareholders of Holding Company, the pricing of the products to be sold to VEL shall be determined by the Holding Company.
During the financial year 2022-23, the Holding Company has debited to VEL for ₹ 270.27 lacs in March'23 (During the previous year ₹ 1,372.15 lacs in March'22) on account of higher material and other costs.
- Managing directors of the Holding Company are appointed for 5 years w.e.f. March 25, 2020 and their remunerations was approved for 3 years w.e.f. March 24, 2020 in the Annual General Meeting (AGM) of the Holding Company held on September 30, 2020. Provisions for their commission for financial year 2022-23 amounting to ₹ 860.00 lacs is made in the financial statements, is subject to approval of shareholders of Holding Company in the ensuing AGM.

Compensation to Key Managerial Personnel of Group:

(₹ in Lacs)

Nature of Benefits	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Short Term Employee Benefits	293.14	291.11
Post Employment Gratuity Benefits*	43.76	42.56
Total	336.90	333.67

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 (f) above.

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	Purpose	As at March 31, 2023	As at March 31, 2022
Gurantee Given				
Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence	To avail credit facility and corporate loan	2,150.00	3,001.00

Maximum outstanding during the year: (₹ in Lacs)

Name of Party	Relationship	Purpose	As at March 31, 2023	As at March 31, 2022
Gurantee Given				
Vadilal Enterprises Ltd.	Enterprise over which Key Managerial Personnel is able to exercise significant influence	To avail credit facility and corporate loan	3,001.00	3,001.00

NOTE - 46 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 37 ₹ 204.96 Lacs (Previous Year: ₹ 190.60 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 group 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, 2023	As at March 31, 2022
Obligations at the beginning of the year	819.58	663.15
Current service cost	50.44	39.92
Past service cost	-	-
Interest cost	59.12	45.43
Actuarial (gain) / loss-due to changes in Demographic Assumptions	-	(0.06)
Actuarial (gain) / loss-due to changes in Financial Assumptions	(17.86)	32.38
Actuarial (gain) / loss-due to Experience Adjustments	38.13	57.10
Benefits paid	(21.87)	(18.34)
Present value of benefit obligation at the end of the year	927.54	819.58

b) **Movement in the fair value of defined plan assets are as follows :** (₹ in Lacs)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Plan assets at the beginning of the year at fair value	308.91	302.37
Interest Income	22.19	20.71
Return on plan assets excluding interest income	(4.19)	(3.20)
Contributions from the employer	10.89	7.37
Benefits paid	(21.87)	(18.34)
Plan assets at the end of the year at fair value	315.93	308.91

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

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Gratuity		
Present value of benefit obligation at the end of the period	927.54	819.58
Fair value of plan assets at the end of the period	(315.94)	(308.92)
Net liability / (assets) arising from defined benefit obligation	611.60	510.67

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

Gratuity	(₹ in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	50.44	39.92
Net Interest Cost	36.92	24.71
Past Service Cost	-	-
Net impact on the Profit / (Loss) before tax	87.36	64.63
Gain / (Expense) recognised in Other Comprehensive Income		
Return on plan assets excluding actuarial return on plan assets	4.19	3.20
Actuarial (gains) / losses arising from changes in Demographic Assumptions	-	(0.06)
Actuarial (gains) / losses arising from changes in Financial Assumption	(17.86)	32.38
Experience (gains) / losses arising on Experience Adjustments	38.13	57.10
Net expense recognised in the Other Comprehensive Income before tax	24.46	92.62

e) **The defined benefit obligations shall mature after year end March 31, 2023 as follows:** (₹ in Lacs)

Gratuity	As at March 31, 2023
1st Following Year	180.32
2nd Following Year	25.85
3rd Following Year	96.11
4th Following Year	63.73
5th Following Year	80.10
Sum of Years 6 to 10	352.30
Sum of Years 11 and above	1,042.82

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, 2023	As at March 31, 2022
Projected Benefit Obligation on Current Assumptions	927.54	819.58
Delta Effect of +1% Change in Rate of Discounting	(60.69)	(56.31)
Delta Effect of -1% Change in Rate of Discounting	69.68	64.94
Delta Effect of +1% Change in Rate of Salary Increase	63.59	59.37
Delta Effect of -1% Change in Rate of Salary Increase	(56.68)	(53.17)
Delta Effect of +1% Change in Rate of Employee Turnover	(1.32)	(2.47)
Delta Effect of -1% Change in Rate of Employee Turnover	1.46	2.73

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:

Gratuity	As at March 31, 2023	As at March 31, 2022
Financial Assumptions		
Discount rate	7.50%	7.23%
Salary Escalation Rate	8.00%	8.00%
Attrition Rate		
For Service (4 years & below)	15.00%	15.00%
For Service (5 years & above)	2.0%	2.0%
Mortality Tables	Indian Assured Lives Mortality (2012-14) (Urban)	

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, 2023 based on actuarial valuation carried out by using Projected Unit Credit Method is ₹ 329.66 Lacs . (As at March 31, 2022 : ₹ 255.41 Lacs)

Compensated Absences	As at March 31, 2023	As at March 31, 2022
Financial Assumptions		
Discount rate	7.50%	7.23%
Salary Escalation Rate	8.00%	8.00%
Attrition Rate		
For Service (4 years & below)	15.00%	15.00%
For Service (5 years & above)	2.0%	2.0%
Mortality Tables	Indian Assured Lives Mortality (2012-14) (Urban)	

NOTE - 47 SCHEDULE OF GOVERNMENT GRANT: (REFER NOTE 24 & 31)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance of Grant	578.37	608.77
Grant Received during the Year	-	22.62
Amortised to the statement of Profit & Loss	(49.84)	(53.02)
Closing balance of Grant	528.53	578.37
Current	49.35	49.35
Non Current	479.18	529.02
Total	528.53	578.37

NOTE - 48 DISCLOSURE AS PER IND AS 116

The changes in the carrying value of ROU assets for the year ended March 31, 2023 are as follows :

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,133.72	1,250.48
Additions	9,562.28	378.66
Translation Difference	52.67	48.93
Changes on account of lease modification	(464.43)	-
Depreciation	(1,173.41)	(544.35)
Closing Balance	9,110.83	1,133.72

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2023 is as follows :

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease Liabilities	834.20	382.43
Non-current lease Liabilities	7,801.12	960.32
Total	8,635.32	1,342.75

The movement in lease liabilities during the year ended March 31, 2023 is as follows:

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,342.75	1,437.88
Addition during the year	7,940.65	427.59
Finance cost accrued during the period	275.67	166.35
Changes on account of lease modification	-	-
Payment of lease liabilities	(923.75)	(664.40)
Translation difference		(24.67)
Closing Balance	8,635.32	1,342.75

The details of the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis are as follows :

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	834.20	382.43
One to five years	3,051.83	960.32
More than five years	4,749.29	-
Total	8,635.32	1,342.75

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 917.12 Lacs for the year ended March 31, 2023 and ₹ 686.63 Lacs for the year ended March 31, 2022.

NOTE - 49 OTHER STATUTORY INFORMATION :
A. Statutory Information

- a) The group does not have any transactions with companies struck-off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- b) The group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- c) The group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- d) The group have not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- e) The group have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- f) The group have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- g) The group have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- h) The group do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- i) The group has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.

j) Borrowing based on security of inventory and book debts :

The group has obtained secured short term loan from banks on basis of security of inventories and book debts (Refer Note 25) wherein the quarterly returns as filed with bank is in agreement with the books except below :

(₹ in Lacs)

Financial Year Ended March 31, 2022	Name of Bank	Particulars of securities provided	Amount as per the books of account	Amount as reported in the quarterly return statement	Amount of Difference	Reason for material discrepancies
Quarter ended June 30, 2021	Refer Note (i)	Inventories	11,617.96	11,617.00	0.96	N.A.
Quarter ended June 30, 2021	Refer Note (i)	Trade Receivables	2,083.40	2,083.00	0.40	N.A.
Quarter ended September 30, 2021	Refer Note (i)	Inventories	8,483.40	8,483.00	0.40	N.A.
Quarter ended September 30, 2021	Refer Note (i)	Trade Receivables	1,898.58	1,908.00	-9.42	N.A.

Note:

(i) Group is having consortium arrangement with Bank of Baroda, State Bank of India, IDBI and Indusind Bank, where lead bank is Bank of Baroda.

B. Other Information

During the previous financial year of 2021-22, the business of Holding Company has been impacted during the financial year on account of second wave of COVID-19 and the Holding Company has witnessed lower revenues in domestic ice-cream business in April and May 2021 being the peak period of the ice-cream business. Due to this unforeseen circumstances, operations of group was impacted so financial ratios are not comparable for current and previous financial year.

NOTE - 50

Shareholders of the Holding Company have through e-voting ended on January 14, 2023 approved resolution for sale of certain non-core assets of the Holding Company to entities of the members of Promoter and Promoter group of the Holding Company. However, as complete plan to sell has not been initiated by the management and it is likely that changes of the plan may be made, the sell is considered not to be highly probable. Hence, these Property, Plant and Equipments having written down value of ₹ 5,709.17 lacs, Investment Property of ₹ 18.04 lacs and Non current investments of ₹ 65.08 lacs as at March 31, 2023 are continued to be presented under Property, Plant and Equipment, Investment Property and Non current Investments respectively.

NOTE - 51

Based on the report received from the Independent Law Firm and Chartered Accountant Firm, the board of directors of Holding Company in its meeting held on June 28, 2021 on the recommendation of committee of independent directors have decided to close all matters involving allegations & cross allegations levelled by two promoter directors of Holding Company upon each other except the allegations relating to potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lacs (for financial year 2017-18 and financial year 2018-19), and ₹ 25.00 lacs (for financial year 2014-15 to financial year 2018-19) by two Promoter Directors of Holding Company respectively for which report / findings are yet to be received. The Board of Directors of Holding Company believe that it shall not have any material financial impact on the financial statements of the Group for the year ended March 31, 2023.

NOTE - 52

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

NOTE - 53 Segment Information:

The Group 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".

NOTE - 54

Previous years' figures have been regrouped and rearranged wherever necessary to comply with requirement of Ind AS.

For Arpit Patel & Associates

Chartered Accountants

ICAI Firm registration number: 144032W

Arpit K Patel

Partner

Membership No.: 034032

Place : Ahmedabad

Date: May 29, 2023

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

Managing Director

(DIN: 00009879)

Kalpiti R Gandhi

Director & Chief Financial Officer

(DIN: 02843308)

Place : Ahmedabad

Date: May 29, 2023

Devanshu L Gandhi

Managing Director

(DIN: 00010146)

Rashmi Bhatt

Company Secretary

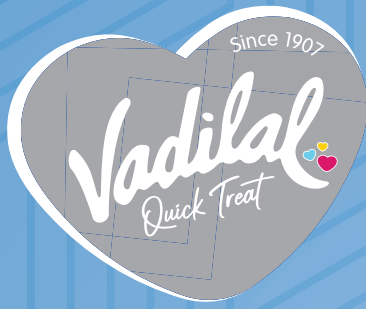
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