




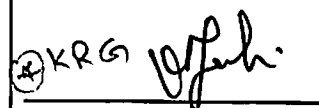
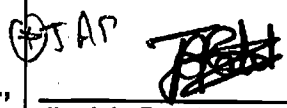
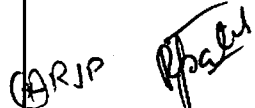
# VADILAL INDUSTRIES LTD.

REGD. OFFICE : "VADILAL HOUSE"  
53, SHRIMALI SOCIETY, NR. NAVRANGPURA RLY. CROSSING, NAVRANGPURA, AHMEDABAD - 380009.  
TELE. NO. : (91) (79) 26564019-24 FAX : (91) (79) 26564027  
CIN No: L91110GJ1982PLC005169

VISIT US ON : <http://www.vadilalgroup.com>

## FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	VADILAL INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	N.A.
5.	To be signed by-	
	1. Chairman and Managing Director	 (Rajesh R. Gandhi. DIN 00009879)
	2. Chief Financial Officer	 Kalpit R. Gandhi
	3. M/s Kantilal Patel & Co., Auditor of the company	 Jinal A. Patel, Partner
	4. Chairman of Audit Committee	 Rohit J. Patel (DIN: 00012367)
	Date : 1 <sup>st</sup> September, 2015. Place : Ahmedabad.	

# Annual Report

2014-2015



VADILAL INDUSTRIES LTD.

# LET'S HANGOUT



# Vadilal

H A N G O U T

**Vadilal Hangout open at:**

**Jaipur:** Maharani Farms, Durgapura

**Ahmedabad:** Ganesh Chambers, Nr. Darpan Six Roads and Sabarmati Riverfront  
and many more locations.

For franchisee inquiries, call on 9909909414/ 9909909688(Abhijit Chaudhuri/ Pragnesh Dave)



[www.vadilalicecreams.com](http://www.vadilalicecreams.com)



# Contents

<b>CHAIRMAN EMERITUS :</b>	Ramchandra R. Gandhi (upto 18-8-2014)
<b>BOARD OF DIRECTORS :</b>	
<b>Executive Directors</b>	
Rajesh R. Gandhi	Chairman & Managing Director
Devanshu L. Gandhi	Managing Director
<b>Non-Executive &amp; Non-Independent Directors</b>	
Deval D. Gandhi	(from 31-3-2015)
Kalpiti R. Gandhi (CFO)	(from 31-3-2015)
<b>Independent Directors</b>	
C. M. Maniar	(upto 28-6-2014)
Kshitish M. Shah	
Rohit J. Patel	
Rajesh K. Pandya	(upto 31-3-2015)
Malay R. Mahadevia	(from 31-3-2015)
Chetan M. Tamboli	(from 31-3-2015)
<b>COMPANY SECRETARY :</b>	Nikhil Patel
<b>AUDITORS :</b>	M/s. Kantilal Patel & Co. Chartered Accountants, Ahmedabad (A member Firm of Polaris International, USA)
<b>BANKERS :</b>	Bank of Baroda State Bank of India State Bank of Travancore Export-Import Bank of India (Exim Bank) IDBI Bank Ltd.
<b>REGISTERED OFFICE :</b>	Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009. CIN: L91110GJ1982PLC005169 Phone : 079 - 26564019 to 24, 30153347 Fax : 079 - 26564027 Web : www.vadilalgroup.com
<b>SHARE DEPARTMENT :</b>	B/404, 4th Floor, "Time Square" Building, C. G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad - 380 009. Phone : 079-30153189 Fax : 079-30153102
<b>REGISTRAR &amp; SHARE TRANSFER AGENT :</b> (For Physical & Demat)	MCS Share Transfer Agent Ltd., 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. Phone : 079 - 26582878 / 26584027 / 9327055153 Fax : 079 - 26581296
<b>FACTORIES :</b>	<b>Ice-cream Division :</b> 1. Village Pundhra, Tal. Mansa, Dist. Gandhinagar (Gujarat)  2. Parsakhara Industrial Area, Bareilly (Uttar Pradesh)  <b>Processed Foods Division</b> Dharampur, Dist. Valsad (Gujarat)  <b>Forex Division</b> (Money Changing Business) Vadilal House, Navrangpura, Ahmedabad. Ph.: 079-26564025, 26421193 Web : www.vadilalmarkets.com

## 31st ANNUAL GENERAL MEETING

**Day** - Monday

**Date** - 28th September, 2015

**Time** - 2.00 p.m.

**Venue** - GICEA, Gajjar Hall, Nirman Bhavan,  
Opp. Law Garden, Ellisbridge,  
Ahmedabad - 380 006

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## E-Voting Instructions (Separate Sheet enclosed)

**Email for Investor Grievances :**  
[shareslogs@vadilalgroup.com](mailto:shareslogs@vadilalgroup.com)





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to delicious  
softness**



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& 1kg  
packs**



**Shortcut to  
Happiness**

## NOTICE

**NOTICE** is hereby given that the 31<sup>st</sup> **ANNUAL GENERAL MEETING** of the members of **VADILAL INDUSTRIES LIMITED** will be held on Monday, the 28th day of September, 2015, at 2.00 p.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006, to transact the following business :

### **ORDINARY BUSINESS :**

- 1) To consider and adopt:
  - (a) the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2015.
- 2) To declare dividend on Equity Shares for the financial year ended on March 31, 2015.
- 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. If re-appointed, the same shall not be termed as discontinuation of his office as Managing Director of the Company.
- 4) To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with rules under the Companies (Audit and Auditors) Rules, 2014, M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (Registration No. 104744W), the retiring Auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration, apart from re-imbursement of out-of-pocket expenses and applicable taxes."

### **SPECIAL BUSINESS :**

- 5) To appoint Mrs. Deval D. Gandhi (DIN: 00988905) as a Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149(1), 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Deval D. Gandhi (DIN : 00988905), who was appointed as an Additional Director of the Company pursuant to Section 149(1) and 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 31<sup>st</sup> March, 2015 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mrs. Deval D. Gandhi for the office of Director, be and is hereby appointed as a Director of the Company, to be considered as "Non-executive and Non-independent Director" and her office as a Director shall be liable to retire by rotation as per the provisions of the Companies Act, 2013 and Articles of Association of the Company."
- 6) To appoint Mr. Kalpit R. Gandhi (DIN: 02843308) as a Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Kalpit R. Gandhi (DIN : 02843308), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 31<sup>st</sup> March, 2015 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Kalpit R. Gandhi for the office of Director, be and is hereby appointed as a Director of the Company, to be considered as "Non-executive and Non-independent Director" and his office as a Director shall be liable to retire by rotation as per the provisions of the Companies Act, 2013 and Articles of Association of the Company."
- 7) To appoint Mr. Malay R. Mahadevia (DIN: 00064110) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014



(including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Malay R. Mahadevia (DIN : 00064110), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 31<sup>st</sup> March, 2015 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Malay R. Mahadevia for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years upto the conclusion of the 36th Annual General Meeting of the Company in the calendar year 2020."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Chetan M. Tamboli (DIN: 00028421), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 31<sup>st</sup> March, 2015 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Chetan M. Tamboli for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years upto the conclusion of the 36th Annual General Meeting of the Company in the calendar year 2020."

- 9) To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- 10) To approve the Related Party Transactions under Section 188 of the Companies Act, 2013 and Rules made thereunder and Clause – 49 of the Listing Agreement and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause – 49 (VII) of the Listing Agreement with Stock Exchanges, the consent of the Members of the Company be and is hereby accorded to continue to enter into related party transactions/arrangements by the Company with Vadilal Enterprises Limited, the details of which are more particularly mentioned in the explanatory statement annexed to the Notice.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

**For VADILAL INDUSTRIES LIMITED**

**RAJESH R. GANDHI**  
Chairman & Managing Director

**Registered Office :**

Vadilal House, Shrimali Society,  
Nr. Navrangpura Rly. Crossing,  
Navrangpura, Ahmedabad - 380 009.  
CIN : L91110GJ1982PLC005169  
Email : shareslogs@vadilalgroup.com  
Website : www.vadilalgroup.com  
Phone : 079 30153189  
Dated : 13<sup>th</sup> August, 2015.



## NOTES :

- 1) **A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office/ Share Department of the Company not less than forty-eight hours before the commencement of the Meeting.**  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
- 2) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 3) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 4) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 5) (a) The Company has notified closure of Register of Members and Share Transfer Books from 18<sup>th</sup> September, 2015 to 28<sup>th</sup> September, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.  
(b) Dividend of Re.1.00/- per share (@ 10.00%) on Equity Shares for the year ended on 31st March, 2015 as recommended by the Board, if declared at the meeting, will be paid without deduction of tax at source :  
# to those members, whose names appear on the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company/Share Transfer Agent on or before 17<sup>th</sup> September, 2015, 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 17<sup>th</sup> September, 2015.
- 6) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
- 7) **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
- 8) The amount of dividend for the financial year ended on 31st March, 2008, 31st March, 2009, 31st March, 2010, 31<sup>st</sup> March, 2011, 31<sup>st</sup> March, 2012, 31<sup>st</sup> March, 2013 and 31<sup>st</sup> March, 2014 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 3rd November, 2015, 31st October, 2016, 4<sup>th</sup> November, 2017, 1<sup>st</sup> November, 2018, 3rd November, 2019, 26<sup>th</sup> October, 2020 and 29<sup>th</sup> October, 2021 respectively.  
Members, who have so far not encashed their dividend warrants for the said financial years, are requested to approach the Company for revalidation or duplicate dividend warrants. Thereafter, no claims shall lie against the said Fund or the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims.
- 9) Members, who hold shares in dematerialised form, are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- 10) Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.
- 11) Relevant documents referred to in the accompanying Notice and the explanatory statement are open for inspection for the members at the Share Department of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.





- 12) Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.
- 13) Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its **Share Department**, at least 10 days before the date of the meeting.
- 14) Mr. Devanshu L. Gandhi, Managing Director of the Company, shall retire by rotation and being eligible, offer himself for re-appointment.

At this Annual General Meeting, Mrs. Deval D. Gandhi and Mr. Kalpit R. Gandhi are required to be appointed as Directors of the Company liable to retire by rotation.

At this Annual General Meeting, Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli are required to be appointed as Independent Directors of the Company, not liable to retire by rotation.

As required under Clause 49 of Listing Agreement with the Stock Exchanges, given below are the details of the above Directors to be re-appointed/appointed as Directors/Managing Directors of the Company :-

#### **Mr. Devanshu L. Gandhi**

Mr. Devanshu L. Gandhi 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 Stakeholders' Relationship Committee of the Company. He is also a Member of the following committees of other Companies. Mr. Devanshu L. Gandhi holds 3,40,450 shares in Vadilal Industries Limited in his individual capacity.

<b>Directorship:</b> <ul style="list-style-type: none"> <li>➤ Vadilal Enterprises Limited</li> <li>➤ Vadilal International Private Limited</li> <li>➤ Vadilal Chemicals Limited</li> <li>➤ Vadilal Gases Limited</li> <li>➤ Vale Properties Private Limited.</li> <li>➤ Byad Packaging Industries Private Limited</li> <li>➤ Esveegee Wires and Metals Private Limited</li> <li>➤ Numen Technologies Private Limited</li> </ul>	<b>Member of the Board Committees:</b> <b>Audit Committee :</b> <ul style="list-style-type: none"> <li>➤ Vadilal Enterprises Limited</li> <li>➤ Vadilal Chemicals Limited</li> </ul> <b>Stakeholders' Relationship Committee:</b> <ul style="list-style-type: none"> <li>➤ Vadilal Enterprises Limited</li> <li>➤ Vadilal Chemicals Limited</li> </ul>
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#### **Mrs. Deval D. Gandhi**

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

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

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

<b>Directorship:</b> <ul style="list-style-type: none"> <li>➤ Vadilal Chemicals Limited</li> <li>➤ Vadilal International Private Limited</li> <li>➤ Byad Packaging Industries Private Limited</li> <li>➤ Esveegee Wires and Metals Private Limited</li> </ul>
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#### **Mr. Kalpit R. Gandhi**

Mr. Kalpit Gandhi's highest degree is Master 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 University of Southern California with BSC in 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. He is also functioning as a Chief Financial Officer (CFO) of the Company.

Mr. Kalpit R. Gandhi is looking after functioning of Accounts, Finance, Secretarial, Taxation, H.R., M.I.S. and Costing and System Departments of the Company.

Mr. Kalpit R. Gandhi is a Member of Audit Committee of the Company. He is not a Member of any Committee of other Companies. Mr. Kalpit R. Gandhi does not hold any shares in Vadilal Industries Limited in his individual capacity. Mr. Kalpit R. Gandhi is Director in the following other companies :

**Directorship:**

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

**Mr. Malay R. Mahadevia**

Dr. Malay Mahadevia is a Whole Time Director (WTD) of Adani Ports & Special Economic Zone Ltd, Adani Group. He is conferred with Phd in Coastal Ecology by the Gujarat University in 2008.

Dr. Malay Mahadevia has been working with the Adani Group since 1992. He is involved in Ports & Logistics, Railways, Healthcare & Medical Education, Adani Institute of Infrastructure Management and Corporate Social Responsibility initiatives of the group.

Mr. Malay R. Mahadevia is a Member of Audit Committee and Nomination & Remuneration Committee of the Company. He is a Member of the following Committee of the other Companies. Mr. Malay R. Mahadevia does not hold any shares in Vadilal Industries Limited in his individual capacity. Mr. Malay R. Mahadevia is Director in the following other companies :

**Directorship:**

- Adani Ports and Special Economic Zone Ltd.
- Adani Hazire Port Pvt. Ltd.
- GSPC LNG Ltd.
- Mahadevia Dental Hospital Pvt. Ltd.
- Adani Institute for Education and Research (Section 8 Company)

**Member of the Board Committees:**

**Audit Committee :**

- GSPC LNG Limited

**Mr. Chetan M. Tamboli**

Mr. Tamboli holds MBA degree from USA. He has more than 27 years of experience in steel casting. He is also Director of many reputed companies. His areas of expertise comprise Strategic Management & Finance, General Management, Production and Corporate Laws. Presently, he is a Chairman of CII Western Region.

Mr. Chetan M. Tamboli is a Member of Nomination & Remuneration Committee of the Company. He is a Member of the following Committee of the other Companies. Mr. Chetan M. Tamboli does not hold any shares in Vadilal Industries Limited in his individual capacity. Mr. Chetan M. Tamboli is Director in the following other companies :

**Directorship:**

- Steelcast Limited
- Rushi Industries Limited
- Rushi Enterprise Limited
- Rushi Infrastructure Private Limited
- Tamboli Investment Private Limited
- Dynamic Ship Recyclers Private Limited

**Member of the Board Committees:**

**Stakeholders' Relationship Committee :**

- Steelcast Limited

**Relationship between the Directors :-**

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

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

**15) Remote E-Voting through electronic means:**

The Company is pleased to offer remote e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote through remote e-voting services provided by CDSL and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

**The process and manner of remote e-voting is being sent to all the members whose e-mail ids are registered with the Company/Depository Participant /Share Transfer Agent for communication purpose through electronic mode. For members who have not registered their e-mail ids as above, the process and manner of remote e-voting is provided in a separate sheet as enclosed alongwith this Annual Report / e-mail separately.**



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

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### **Item No. 5**

Pursuant to the provisions of Section 149(1) of the Companies Act, 2013 and Rules made thereunder and Clause – 49 of the Listing Agreement with Stock Exchanges, the Company should have atleast one woman director.

In view of the said requirements and on the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mrs. Deval D. Gandhi as an Additional Director of the Company with effect from 31st March, 2015.

In terms of the provisions of Section 161(1) of the Act, Mrs. Deval D. Gandhi would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mrs. Deval D. Gandhi for the office of Director of the Company.

Mrs. Deval D. Gandhi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She holds 59266 equity shares in the Company in her individual capacity. She will be considered as Non-executive and Non-Independent Director and will liable to retire by rotation.

Brief resume of Mrs. Deval D. Gandhi and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the notes to the notice of this meeting accompanying with this statement forming part of the Annual Report.

Mrs. Deval D. Gandhi is interested in the resolution set out at Item No. 5 of the Notice, financially or otherwise, to the extent of her aforesaid shareholding interest in the Company.

Mr. Devanshu L. Gandhi and other relatives of Mrs. Deval D. Gandhi may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

### **Item No. 6**

On the basis of the recommendation of the Nomination and Remuneration Committee The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Kalpit R. Gandhi as an Additional Director of the Company with effect from 31st March, 2015.

In terms of the provisions of Section 161(1) of the Act, Mr. Kalpit R. Gandhi would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Kalpit R. Gandhi for the office of Director of the Company.

Mr. Kalpit R. Gandhi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He does not hold any equity shares in the Company. He will be considered as Non-executive and Non-Independent Director and will liable to retire by rotation.

Brief resume of Mr. Kalpit R. Gandhi, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the notes to the notice of this meeting accompanying with this statement forming part of the Annual Report.

Mr. Kalpit R. Gandhi is also a Chief Financial Officer (CFO) of the Company w.e.f. 1st June, 2014, a Key Managerial Personnel as per Section 203 of the Companies Act, 2013 and Rules made thereunder.

Mr. Rajesh R. Gandhi and Mr. Kalpit R. Gandhi are interested in the resolution set out at Item No. 6 of the Notice.

The relatives of Mr. Kalpit R. Gandhi may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

#### **Item No. 7 & 8**

On the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli as Additional Directors of the Company with effect from 31st March, 2015.

In terms of the provisions of Section 161(1) of the Act, Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli would hold office up to the date of the ensuing Annual General Meeting.

It is proposed to appoint Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a term of 5 (Five) consecutive years upto the conclusion of the 36th Annual General Meeting of the Company in the calendar year 2020.

The Company has received notice in writing from members, alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli for the office of Independent Directors of the Company.

In the opinion of the Board, Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli are independent of the management.

Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director. They do not hold any equity shares in the Company in their individual capacity.

The Company has also received declarations from Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement

Brief resume of Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the notes to the notice of this meeting accompanying with this statement forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli as Independent Directors setting out the terms and conditions are available for inspection by members at the Share Department of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli are interested in the resolutions set out respectively at Item Nos. 7 and 8 of the Notice with regard to their respective appointments.

The relatives of Mr. Malay R. Mahadevia and Mr. Chetan M. Tamboli may be deemed to be interested in the resolution set out at Item No. 7 and 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary Resolution set out at Item No. 7 and 8 of the Notice for approval by the shareholders.

#### **Item No. 9**

The existing Articles of Association (hereinafter referred to as "AOA") are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.





With the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AOA of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) provisions of the existing AOA which are already part of statute in the Act have not been reproduced in the new draft AOA as they would only lead to duplication – their non-inclusion makes the new AOA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AOA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

#### **Item No. 10**

The Company in its ordinary course of business and/or on arm's length basis sells its Ice-cream, Frozen Desert and other milk and dairy products to Vadilal Enterprises Limited (hereinafter referred to as "VEL") on regular basis in India on principal to principal basis. The Company has already entered into an Agreement with Vadilal Enterprises Limited on 28th July, 2007 for a period of 10 years w.e.f. 1st October, 2007 regarding sale of Ice-cream, Frozen Desert and other milk and dairy products of the Company, setting out the terms and conditions for sale.

The Company also enters into various other transactions with Vadilal Enterprises Limited for the purpose of its business requirements, which can be considered as transfer of resources, services or obligation between the Company and Vadilal Enterprises Limited.

Vadilal Enterprises Limited falls under the category of a related party of the Company in terms of the provisions of Section 188 of the Companies Act, 2013 and Rules made thereunder and the revised Clause 49 of the Listing Agreement ("Listing Agreement").

The provisions of the Listing Agreement consider a transaction with a related party material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. Further, the Listing Agreement requires all material related party transactions to be approved by the shareholders through a special resolution and the related parties shall abstain from voting on such resolutions.

The transaction entered into with Vadilal Enterprises Limited whether individually and/or in aggregate exceeds the stipulated threshold of ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The Company therefore requires approval of the shareholders through a special resolution for entering into transaction(s) of sale of Ice-cream, Frozen Desert and other milk and dairy products and to enter into other transactions with Vadilal Enterprises Limited upto a maximum amount as mentioned in the respective transactions from the financial year 2014-2015 and onward.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 and the rules framed thereunder for the specified transactions with Vadilal Enterprises Limited, the same is being sought as a compliance of revised Clause – 49 of the Listing Agreement with Stock Exchanges.

All related parties shall abstain from voting on this resolution.

The relevant information related to related party transaction is as under :

1.	Name of the party	Vadilal Enterprises Limited (VEL)		
2.	Nature of relation	A Public Company in which Directors of the Company are Directors and holding more than 2% shares alongwith their relatives		
3.	Name of the Interested Directors	Mr. Rajesh R. Gandhi Mr. Devanshu L. Gandhi		
Nature, duration and particulars of contract or arrangement or transaction		material terms of the contract or arrangement, or transaction including value, if any	any advance paid or received for the contract or arrangement or transaction, if any	the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract
4.		5.	6.	7.
Agreement between the Company and VEL to sell Ice-cream, Frozen Desserts, Flavoured Milk and other Milk and Dairy products by VIL to VEL. Agreement executed on 28-7-2007, which is valid for a period of 10 years w.e.f. 1st October, 2007.		- Sale of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products by the Company to VEL on Principal to Principal basis and on credit basis, in India. 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.	No advance paid or received.	Price is determined by the Company and included as part of the agreement.
Sale of Processed Food Products by the Company to VEL, for amount not exceeding Rs. 100.00 Crores in each financial year for a period of 5 Financial years from 2014-2015.		- Sale of Processed Food Products by the Company to VEL on Principal to Principal basis and on credit basis, in India. All matters related to marketing including marketing expenses will be decided and born by VEL. - Payment shall be made by VEL on credit basis, as and when demanded.	No advance paid or received.	Price is determined by the Company.
Rent paid by VEL to VIL for using office space by VEL situated at Ice-cream Division at Pundhra, Dist. Mansa, Gandhinagar & Bareilly, Uttar Pradesh and premises at Dudheshwar, Ahmedabad		Use of Office premises of VIL situated at Ice-cream Division at Pundhra, Dist. Mansa, Gandhinagar; Bareilly, Uttar Pradesh; and premises at Dudheshwar, Ahmedabad used by VEL for official purpose. VEL in turn will pay Rent for a maximum amount of ₹ 10000/- p.m. for Pundhra Factory, ₹ 10000/- p.m. for Bareilly Factory and Rs. 5000/- for Dudheshwar Factory for a period of 5 years from 2014-15.	No	Rent is determined on general market rate.



Expenses on vehicle hire charges paid by VIL to VEL for a amount not exceeding ₹ 25.00 lakhs for each financial year for a period of 5 Financial years from 2014-2015.	VIL is using Refrigerated and other vehicles of VEL and in turn VIL is paying expenses of vehicle hire charges to VEL.	No. Expenses are paid on actual basis.	No such criteria.
Security Deposit of ₹ 6.50 Crores received/to be received from VEL repayable and renewal on demand for the period of 5 years from 2014-2015.	Vil has received Security Deposit of Rs. 6.50 Crores from VEL as a security for purchase of skimmed milk powder and other raw materials in anticipation of severe price rise.	No.	No such criteria.
Corporate Guarantee given by VIL in favour of various Banks for availing credit facilities by VEL.	VEL has availed/to be availed various credit facilities aggregating to sanctioned amount not exceeding ₹ 30.00 Crores from various Banks/ Financial Institutions/Other persons and VIL has given Corporate Guarantee to secure the said Credit Facilities availed / to be availed by VEL.	No.	No such criteria.
Corporate Guarantee given by VEL in favour of IDBI Bank Ltd. for securing term loan facilities of ₹ 8.00 Crores by VIL.	VIL has availed/ to be availed Term Loan Facilities for sanctioned amount aggregating to ₹ 20.00 Crores from various Banks/Financial Institutions/Other persons and for the purpose of securing repayment of said Term Loan, VEL has provided Corporate Guarantee in favour of IDBI Bank Ltd.	No.	No such criteria.
Sale of dry fruit and other products by VIL to VEL for amount not exceeding ₹10lacs upto 5 years from 2014-2015.	No formal contract or agreement	No.	No such criteria.

The Audit Committee and the Board of the Directors of the Company have at their meetings held on 19th February, 2015 approved the aforesaid transactions with Vadilal Enterprises Limited.

The approval of the Members by way of a Special Resolution is sought pursuant to Section 188 of the Companies Act 2013 read with the Companies ( Meeting of Board and its Powers) Rules , 2014 and Clause 49 of the Listing Agreement amended vide Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and amended further vide Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014.

Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi and their relatives are interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

**For VADILAL INDUSTRIES LIMITED.**

**RAJESH R. GANDHI**  
Chairman & Managing Director

**Registered Office :**

Vadilal House, Shrimali Society,  
Nr. Navrangpura Rly. Crossing,  
Navrangpura, Ahmedabad - 380 009.  
CIN : L91110GJ1982PLC005169  
Email : shareslogs@vadilalgroup.com  
Website : www.vadilalgroup.com  
Phone : 079 30153189  
Dated : 13th August, 2015.



## DIRECTORS' REPORT

To,  
The Members,  
VADILAL INDUSTRIES LIMITED  
Ahmedabad.

Your Directors have pleasure in presenting herewith the 31<sup>st</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2015.

### FINANCIAL HIGHLIGHTS:

(₹ in lacs)

Particulars	Year ended 31-3-2015	Previous year ended 31-3-2014
(a) Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	4400.33	4202.55
(b) Finance Cost	2573.24	2524.13
(c) Depreciation and amortization expenses	1308.23	1362.12
Less : Recoupment from Revaluation Reserve / Deferred Government Grant	<u>3.42</u> <u>1304.81</u>	<u>81.36</u> <u>1280.76</u>
(d) Profit before Exceptional and Extraordinary Items and Tax	522.28	397.66
(e) Exceptional Items Long term loans & Advances written off (P.Y. Provision for diminution in the value of Long Term Investments)	<u>196.93</u>	<u>135.05</u>
(f) Profit before Extraordinary Items and Tax	325.35	262.61
(g) Extraordinary Items	<u>0.00</u>	<u>0.00</u>
(h) Profit before Tax	325.35	262.61
(i) Tax Expenses		
(a) Current Tax	58.50	94.09
Less : MAT Credit entitlement	<u>(58.50)</u> 0.00	<u>(89.94)</u> 4.15
(b) Deferred Tax charge / (release)	137.16	128.98
(c) Short/(Excess) Provision of Tax of earlier years	<u>(4.71)</u> <u>132.45</u>	<u>(13.07)</u> <u>120.06</u>
(j) Profit for the year	<u>192.90</u>	<u>142.55</u>
(k) <b>Surplus in the Statement of Profit and Loss:</b>		
Balance as per last Financial Statements	453.25	494.79
Profit for the year	192.90	142.55
Less : Appropriations:		
(a) Proposed final equity dividend (amount per share ₹ 1.00/- P. Y. amount per share ₹ 1.00/-)	71.88	71.88
(b) Tax on proposed equity dividend	14.63	12.21
(c) Transferred to General Reserve	<u>161.78</u>	<u>100.00</u>
Total Appropriations	<u>248.29</u>	<u>184.09</u>
Net Surplus in the statement of Profit and Loss	<u>397.86</u>	<u>453.25</u>

### STATE OF COMPANY'S AFFAIRS:

The Company has earned revenue from operations (gross) of ₹ 41288.57 lakhs during the year ended on 31st March, 2015 as against ₹ 37170.32 lakhs earned during the previous year ended on 31st March, 2014, giving a rise of 11.08% as compared to previous year. Out of the revenue from operations of ₹ 41288.57 lakhs earned by the Company during the year under review, ₹ 35186.91 lakhs represents sales turnover of Ice-cream & Frozen Desserts, ₹ 5866.16 lakhs represents sales turnover of Processed Food products, ₹ 6.35 lakhs represents the income from Money Changing business and ₹ 229.15 lakhs represents other operating revenues. The Company has also earned other income of ₹ 307.86 lakhs during the year under review as against ₹ 156.40 lakhs earned during the previous year.

The Company has earned the Profit before Tax of ₹ 325.35 lakhs during the year ended on 31st March, 2015 as compared to ₹ 262.61 lakhs earned during the previous year ended on 31st March, 2014, showing a rise of 23.89%.





The Company has earned net Profit of ₹ 192.90 lakhs for the year ended on 31st March, 2015 after providing Finance Cost and Depreciation and Amortisation expenses and after making Provision for Deferred Tax Charge of ₹ 137.16 lakhs and other adjustments, as compared to Profit of ₹ 142.55 lakhs earned by the Company during the previous year ended on 31st March, 2014.

After adding the Surplus in the Statement of Profit & Loss of ₹ 453.25 lakhs brought forward from the previous year to the profit of ₹ 192.90 lakhs earned by the Company during the year under review, the total amount of ₹ 646.15 lakhs is available for appropriation.

#### **DIVIDEND :**

The Directors have recommended dividend of Rs.1.00 per share (@10.00%) on 71,87,830 Equity Shares of ₹10/- each of the Company for the Financial Year ended on 31<sup>st</sup> March, 2015, as compared to Dividend of ₹1.00 per share (@10.00%) declared for the previous Financial Year ended on 31<sup>st</sup> March, 2014. This will absorb ₹ 71.88 lakhs as against ₹ 71.88 lakhs absorbed in the previous year. The corporate dividend tax payable by the Company on the said dividend will be ₹ 14.63 lakhs as against ₹ 12.21 lakhs in the previous year. If approved, the dividend will be paid without deduction of tax at source to the shareholders.

#### **TRANSFER TO RESERVE :**

After making appropriation for Dividend and Dividend Tax, the Company proposes to transfer ₹ 161.78 lakhs to General Reserve and amount of ₹ 397.86 lakhs is proposed to be retained as the Surplus in the Statement of Profit and Loss.

#### **EXTRACT OF ANNUAL RETURN:**

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

#### **MANAGEMENT DISCUSSION AND ANALYSIS:**

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

#### **ADDITIONAL DISCLOSURES:**

In line with the requirements of the Listing Agreement with the Stock Exchanges and the Accounting Standards of the Institute of Chartered Accountants of India, your Company has made additional disclosures in the Notes on Accounts for the year under review in respect of Related Party Transactions, Employees Benefits, Taxes on Income, Derivative Instruments, Segmental Reporting (in Notes on Consolidated Accounts), Calculation of EPS, Foreign Currency Transactions etc.

#### **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 The Brand Trust Report - 2013. The Economic Times Survey ranked us among the "Top 20 Food and Beverages" brands in India.

##### **ISO 22000:2005 AND ISO 9001:2008 CERTIFICATES**

The Company has always made continuous efforts to improve the "OVERALL PRODUCT QUALITY" by following the stringent **GMP norms** and continuous process innovation. This is 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.

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 **ISO-22000:2005**, **ISO 9001:2008** and **BRC : Issue 6** for Food Safety Management System is another feather in the cap of the Company.

##### **FINANCE:**

During the year under review, the Company has availed Secured / unsecured loans / Vendor Finance / Bill Discounting, etc. from various Banks, FIs, Various Parties and other companies. During the year company has made regular repayment of Loan & interest and there is no any overdue payment to Banks and FIs. External

Rating Agency CRISIL has reviewed the External Rating of the company i.e. BBB (Negative).

In terms of the provisions of Investor Education and Protection Fund Rules, 2001 (IEPF), during the year under review, the Company has transferred the amount of unpaid and unclaimed Dividend of Rs.165276/- for the year 2005-2006 and Rs.184887/- for the year 2006-2007, to IEPF established by the Central Government under Section 205C(1) of the Companies Act, 1956.

In terms of the provisions of Investor Education and Protection Fund Rules, 2001 (IEPF), during the year under review, the Company has transferred the amount of unclaimed interest on fixed deposit of Rs.39182/- upto 31-3-2008, to IEPF established by the Central Government under Section 205C(1) of the Companies Act, 1956.

#### DETAILS OF DEPOSITS:

(a) During the year under review, the Company has accepted Deposits of Rs.495.81 lakhs 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.

(b) The details of deposits that remained unpaid or unclaimed by the Company as on 31<sup>st</sup> March, 2015 are as under :

	₹ in lakhs
➤ Deposits from Members/Shareholders	751.16
➤ Deposits from Public accepted before 1-4-2014	536.54
<b>Total</b>	<b>1287.70</b>

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

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

#### SUBSIDIARY COMPANY:

The Company is having a wholly-owned subsidiary company namely Vadilal Industries (USA) Inc., USA. Except the same, during the year under review, no Company has become or ceased to become subsidiary, joint venture or associate Company. A report on the financial position of the subsidiary and associate as per first proviso to sub-section(3) of Section 129 of the Companies Act, 2013 and Rules made thereunder in the prescribed Form – AOC-1 is provided as **Annexure – C** to the consolidated financial statement and hence not repeated here for the sake of brevity. The Policy for determining material subsidiaries may be accessed on the Company's website viz [www.vadilalgroup.com](http://www.vadilalgroup.com).

Pursuant to the provisions of Section 136 of the Act, separate Audited Accounts in respect of subsidiary company are available at the web-site of the Company viz. [www.vadilalgroup.com](http://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, revised Clause 32 of Listing Agreement with the Stock Exchanges and applicable Accounting Standards, the Consolidated Financial Statements of the Company, its wholly-owned Subsidiary Company namely, Vadilal Industries (USA) Inc., Vadilal Cold Storage, a Partnership Firm and Vadilal Forex and Consultancy Services Ltd., an Associate Company, for the year ended on 31<sup>st</sup> March, 2015 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 Listing Agreement with the Stock Exchanges as amended from time to time including Clause 49 regarding Corporate Governance. A separate report on Corporate Governance for the year ended on 31<sup>st</sup> March, 2015 is attached herewith as a part of this Annual Report viz **Annexure - D**. A certificate from Statutory Auditors of the Company regarding compliance of Corporate Governance as stipulated under Clause-49 of Listing Agreement is obtained by the Company and annexed to the Corporate Governance Report.

#### DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in



accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (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 are not provided, as during the year under review, the Company has not given any loan, nor made any investment, not given any guarantee and not provided any security to any person.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

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

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

Your Directors draw attention of the members to Note 28.3 to the financial statement which sets out related party disclosures.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the period of this report, Mr. C.M. Maniar ceased to be the Director of the Company with effect from 29<sup>th</sup> June, 2014 due to his sad demise. He was an Independent Director of the Company. Mr. C. M. Maniar was one of the senior members on the Board of the Company. He was also a member of the erstwhile Remuneration Committee of the Directors of the Company. The Directors placed on record the valuable services and guidance provided by Mr. C. M. Maniar during his tenure as a Director of the Company and also as a member of the erstwhile Remuneration Committee of the Directors of the Company.

During the period of this report, Mr. Rajesh K. Pandya has resigned from the office of the Director of the Company with effect from 1<sup>st</sup> April, 2015. He was an Independent Director of the Company. He was also a member of Audit Committee and the Nomination and Remuneration Committee of the Directors of the Company. The Directors placed on record the valuable services and guidance provided by Mr. Rajesh K. Pandya during his tenure as a Director of the Company and also as a member of the Audit Committee and the Nomination and Remuneration Committee of the Directors of the Company.

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

Pursuant to the provisions of Section 149(1) and 152 1of the Companies Act, 2013 and Rules made thereunder and revised Clause -49 of the Listing Agreement with Stock Exchanges and on the recommendation of the Nomination and Remuneration Committee, the Company proposes to appoint Mrs. Deval D. Gandhi, who was appointed as an Additional Director at the Board Meeting held on 31-03-2015, as a Director of the Company, designated as Non-executive and Non-Independent Director, liable to retire by rotation. The Company has received requisite notice in writing from a Member proposing her candidature for appointment as a Director of the Company.

Pursuant to the provisions of Section 152 1of the Companies Act, 2013 and Rules made thereunder and revised Clause -49 of the Listing Agreement with Stock Exchanges and on the recommendation of the Nomination and Remuneration Committee, the Company proposes to appoint Mr. Kalpit R. Gandhi, who was appointed as an Additional Director at the Board Meeting held on 31-03-2015, as a Director of the Company, designated as Non-executive and Non-Independent Director, liable to retire by rotation. The Company has received requisite notice in writing from a Member proposing his candidature for appointment as a Director of the Company. Mr. Kalpit R. Gandhi has also been appointed as a Chief Financial Officer (CFO) of the Company, to be considered as Key Managerial Personnel under Section 203 of the Companies Act, 2013 w.e.f. 1<sup>st</sup> June, 2014.

Pursuant to the provisions of Section 149 and 152 1of the Companies Act, 2013 and Rules made thereunder and revised Clause-49 of the Listing Agreement with Stock Exchanges and on the recommendation of the Nomination and Remuneration Committee, the Company proposes to appoint Mr. Malay R. Mahadevia and Mr.

Chetan M. Tamboli, who were appointed as Additional Directors at the Board Meeting held on 31-03-2015, as Independent Directors of the Company, not liable to retire by rotation. The Company has received requisite notices in writing from a Member proposing their candidature for appointment as a Director of the Company. The aforesaid Independent Directors, if appointed, shall hold office for a term of 5 (Five) consecutive years up to the conclusion of the 36th Annual General Meeting of the Company in the calendar year 2020.

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

The Company has received declarations from all the Independent Directors of the Company in terms of Section 149 of the Act and Clause – 49 of the Listing Agreement, confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **BOARD EVALUATION :**

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (“SEBI”) under Clause 49 of the Listing Agreements (“Clause 49”).

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

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

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

#### **COMMITTEES OF DIRECTORS :**

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

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

The Nomination and Remuneration Committee has at its meeting held on 29<sup>th</sup> May, 2014 recommended to the Board a policy on appointment and remuneration of Directors of the Company in terms of the provisions of Section 178 of the Companies Act, 2013 and Clause – 49 of the Listing Agreement, which was approved by the Board of Directors, at its meeting held on 29<sup>th</sup> May, 2014. The Policy on appointment and remuneration of Directors is enclosed with the Directors’ report and marked as **Annexure - F**.

#### **NUMBER OF BOARD MEETINGS :**

During the year under review, six 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 – G** attached herewith and forming part of the Directors’ Report.

#### **RISK MANAGEMENT:**

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

In view of the same and in terms of requirements of the Clause-49 of Listing Agreement with Stock Exchanges regarding Corporate Governance, the Board of Directors had, at its meeting held on 31st January, 2006, approved the risk assessment and minimization procedure adopted by the Company in relation to its business.

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

#### **CORPORATE SOCIAL RESPONSIBILITY:**

In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a committee of





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

The Company was required to spend Rs. 16.15 lakhs towards Corporate Social Responsibility. In view of the same, the Corporate Social Responsibility Committee of the Company has recommended the following activities to be undertaken by the Company:

1. Approx. Rs. 6.00 lacs to be spent to recharge water in the bore wells in the Pundhra Village and nearby villages upto 10 kms from Pundhra Village, to improve the water supply in those village and to improve environmental sustainability;
2. Balance Amount to be used towards providing education and vocational training to the farmers in the nearby villages of Dharampur village to enable them to effectively utilize the pesticides and residues in order to improve the quality of crops and to improve realization value of crops.

The Corporate Social Responsibility Policy is available on the Company's web-site viz. [www.vadilalgroup.com](http://www.vadilalgroup.com). However, due to shortage of manpower and resources required in the respective activity, the Company could not spend towards Corporate Social Responsibility measures during the year – 2014-2015. The Directors ensure that the Company will spend sufficient amount towards Corporate Social measures in the next financial year.

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

#### **INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITORS:**

Section 139(2) of the Companies Act, 2013 (effective 1<sup>st</sup> April, 2014), mandates that a listed company or such other prescribed classes of companies shall not appoint or re-appoint an audit firm as Statutory Auditors for more than two terms of five consecutive years each.

Further, the companies as aforesaid, whose Statutory Auditors has held office for a period of ten years or more are required to comply with these provisions, within three years from the date of commencement of these provisions i.e. 1<sup>st</sup> April, 2014. For this purpose, the term of the audit firm before the commencement of these provisions shall be taken into account for calculating the period of ten consecutive years.

Our auditors, M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad are holding the office as Statutory Auditors for more than ten years. Hence, they can only be re-appointed for a period up to three years i.e. up to Financial Year- 2016-2017.

The Audit Committee and the Board of Directors recommend the re-appointment of M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for the Financial year – 2015-2016 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

The Company has received a certificate from the said Auditors under Section 139 of the Companies Act, 2013 to the effect that their appointment, if made, would be within the prescribed limits under Section 139 of the Act and they are not disqualified under the Act. The Members are requested to consider their appointment as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

#### **AUDITORS' REPORT OF THE COMPANY:**

The following clarification has been made by the Directors in respect of the observation made by the Auditors in CARO report for the year ended on 31<sup>st</sup> March, 2015 :-

1. Regarding observation under Para (i)(b) of the Report, it is clarified that the company has prepared a policy for physical verification of fixed assets. The same will be done once in three years for each plant starting from Financial Year - 2015-16.
2. Regarding observation under Para (vii) (a) of the Report, it is clarified that the matter is pending with the department.
3. Regarding observation on Note no 27.3 of the standalone financial statement, it is clarified that pursuant to Section 74(1) of the Companies Act, 2013, the company was required to repay the amount of deposits accepted before 31<sup>st</sup> March, 2014 along with interest thereon, if any, within 1 year from such commencement or from the date on which such payment are due whichever is earlier. The company has repaid all the deposits which are due up to 31-03-2015. Moreover, for the deposits which remain undue as on 31-03-2015, the company had filled the petition under Section 74(2) of the Companies Act, 2013 for making repayment of outstanding deposits with interest thereon, as and when due.

However, pursuant to the clarification issued by Ministry of Corporate Affairs vide General Circular No. 9/ 2015 dated 18<sup>th</sup> June, 2015, the Company can make repayment of its outstanding deposits accepted before 1-4-2014, in accordance with the terms and conditions for which the said deposits had been accepted i.e. as and when due and not before 31-03-2015.

4. Regarding observation on Note No. 27.6 (III) of the standalone financial statements, it is clarified that the trade receivables of Rs 356.69 lacs are outstanding at the year end from the wholly owned subsidiary are, in the opinion of the Board, realisable/ recoverable.
5. Regarding observation on Note No. 27.14 of the standalone financial statements, it is clarified that on the basis of the projection for future profit, the company projects to pay normal income tax within the specified period. Based on this assumption, the company has taken MAT Credit of Rs. 58.50 Lacs (P.Y. Rs. 89.94 Lacs) and deducted from tax provision made during the year and shown as MAT credit entitlement of total amounting to Rs. 551.85 Lacs as on 31.3.2015 (P.Y. Rs. 493.35 Lacs).

#### **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 SPANJ Associates, Practicing Company Secretaries, Ahmedabad to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure – I** to this Report.

The following clarifications have been made by the Directors in respect of the observations made by the Secretarial Auditors in the Secretarial Audit Report for the year ended on 31st March, 2015:-

- i. There were certain disputed statutory dues relating to taxes and duties not deposited by the company including disputed Food Safety penalty imposed by Nayab Nirnayak Adhikari under Food Safety and Standards Act relating to the year 2013-14 which have been shown in contingent liabilities at Note No. 27 against which appeals have been filed by the Company.
- ii. In respect of qualification for not spending amount towards CSR expenditure during the year under review, necessary clarification has been provided in this Directors' Report under "Corporate Social Responsibility" section.
- iii. The Company had preferred a petition before Company Law Board, Western Region Bench u/s 74 of the Companies Act, 2013 for repayment of Public Deposits accepted prior to applicability of the Companies Act, 2013, as and when due i.e. till the date of its actual maturity period of the deposits which were falling beyond 31st March, 2015. Necessary clarification has been provided in this Directors' Report under "Auditors' Report of the Company" section.

#### **INSURANCE:**

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

#### **LISTING AGREEMENT WITH STOCK EXCHANGES:**

Pursuant to the provisions of Listing Agreement with the Stock Exchanges, the Company declares that 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 –2015-2016.

#### **PARTICULARS OF EMPLOYEES:**

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

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

#### **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. The vigil mechanism/whistle blower policy is also available on the web-site of the Company viz. [www.vadilalgroup.com](http://www.vadilalgroup.com).

#### **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, 2015 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.

**ACKNOWLEDGEMENT:**

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

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

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

**By order of the Board of Directors**

**RAJESH R. GANDHI**  
Chairman and Managing Director

**DEVANSHU L. GANDHI**  
Managing Director

Date : 13th August, 2015  
Place : Ahmedabad



# ANNEXURE – A TO THE DIRECTORS' REPORT

FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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

### I. REGISTRATION & OTHER DETAILS:

1. CIN L91110GJ1982PLC005169
2. Registration Date 28-4-1982
3. Name of the Company VADILAL INDUSTRIES LIMITED
4. Category/Sub-category of the Company Public Limited Company
5. Address of the Registered office & contact details  
Vadilal House, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad – 380 009.  
Ph.: 079-30153189
6. Whether listed company Listed at BSE Limited and National Stock Exchange of India Limited
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.  
MCS Share Transfer Agent Limited 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009.  
Tel. Nos. : (079) 26582878, 26581296  
Fax No.: (079) 26584027

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service the company	% to total turnover of
1	Ice-cream and Frozen Desert Product	1050	85.71%
2	Fruit Pulp, Frozen Fruits etc.	1030	14.29%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1	Vadilal Industries (USA) Inc., 44, Woodbrook Drive, Edison, New Jersey - 08820	N.A.	Wholly Owned Subsidiary	100%	2(87)(ii)
2	Vadilal Forex & Consultancy Services Limited, Vadilal House, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad – 380 009.	U93000GJ1995P LC026204	Associate	29%	2(6)

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

(A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian									
a) Individual/ HUF	186351	0	186351	2.59	186351	0	186351	2.59	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	3382615	30560	3413175	47.49	3382615	30560	3413175	47.49	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Directors' Relatives	1058693	12658	1071351	14.91	1060036	12658	1072694	14.92	-0.02
<b>Sub Total(A)(1)</b>	<b>4627659</b>	<b>43218</b>	<b>4670877</b>	<b>64.98</b>	<b>4629002</b>	<b>43218</b>	<b>4672220</b>	<b>65.00</b>	<b>-0.02</b>





Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
Individuals (Non-Residents Individuals/Foreign Individuals)	10896	0	10896	0.15	10896	0	10896	0.15	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total(A)(1)</b>	<b>10896</b>	<b>0</b>	<b>10896</b>	<b>0.15</b>	<b>10896</b>	<b>0</b>	<b>10896</b>	<b>0.15</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)</b>	<b>4638555</b>	<b>43218</b>	<b>4681773</b>	<b>65.13</b>	<b>4639898</b>	<b>43218</b>	<b>4683116</b>	<b>65.15</b>	<b>-0.02</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	2328	7450	9778	0.14	3603	7450	11053	0.15	-0.02
b) Banks / FI	4094	1650	5744	0.08	7482	1650	9132	0.13	-0.05
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	700	700	0.01	0	700	700	0.01	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>6422</b>	<b>9800</b>	<b>16222</b>	<b>0.23</b>	<b>11085</b>	<b>9800</b>	<b>20885</b>	<b>0.29</b>	<b>-0.06</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	371387	7996	379383	5.28	449453	7996	457449	6.36	-1.09
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1139939	386297	1526236	21.23	895712	371630	1267342	17.63	3.60
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	407634	0	407634	5.67	555750	0	555750	7.73	-2.06
c) Others (specify)									0.00
Non Resident Indians	43334	0	43334	0.60	52785	0	52785	0.73	-0.13
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
Trusts	2	0	2	0.00	0	0	0	0.00	0.00
Foreign Bodies-DR	0	0	0	0.00	0	0	0	0.00	0.00
Hindu Undivided Families (HUF)	133237	9	133246	1.85	150494	9	150503	2.09	-0.24
<b>Sub-total (B)(2):-</b>	<b>2095533</b>	<b>394302</b>	<b>2489835</b>	<b>34.64</b>	<b>2104194</b>	<b>379635</b>	<b>2483829</b>	<b>34.56</b>	<b>0.08</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2101955</b>	<b>404102</b>	<b>2506057</b>	<b>34.87</b>	<b>2115279</b>	<b>389435</b>	<b>2504714</b>	<b>34.85</b>	<b>0.02</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>6740510</b>	<b>447320</b>	<b>7187830</b>	<b>100.00</b>	<b>6755177</b>	<b>432653</b>	<b>7187830</b>	<b>100.00</b>	<b>0.00</b>

#### B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2014)			Shareholding at the end of the year (31-3-2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the	%of Shares Pledged / company encumbered to total	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Vadilal International Private Limited	2809704	39.09	0	2809704	39.09	0	0.00
2	Vadilal Finance Company Pvt. Ltd.	328311	4.57	0	328311	4.57	0	0.00
3	Veronica Construction Pvt.Ltd.	244600	3.40	0	244600	3.40	0	0.00
4	Rajesh Ramchandra Gandhi	227721	3.17	0	227721	3.17	0	0.00
5	Devanshu Laxmanbhai Gandhi	181715	2.53	0	181715	2.53	0	0.00
6	Virendra R. Gandhi	157225	2.19	0	157225	2.19	0	0.00
7	Devanshu L. Gandhi	149403	2.08	0	156577	2.18	0	0.10
8	Mamta Rajesh Gandhi	122251	1.70	0	122251	1.70	0	0.00
9	Virendra Ramchandra Gandhi (Huf)	119699	1.67	0	119699	1.67	0	0.00
10	Ila V. Gandhi	107931	1.50	0	107931	1.50	0	0.00
11	Rajesh R. Gandhi - Huf	62411	0.87	0	62411	0.87	0	0.00
12	Deval Devanshu Gandhi	58816	0.82	0	58816	0.82	0	0.00
13	Janmajay Virendrabhai Gandhi	0	0.00	0	14893	0.21	0	0.21
14	Surti Sharmishtha Pravinchandra	13250	0.18	0	0	0.00	0	-0.18
15	Nitaalishemali Piyush Surati	12558	0.17	0	11558	0.16	0	-0.01
16	Manojkumar Vadilal Modi	10896	0.15	0	10896	0.15	0	0.00
17	Vadilal Marketing Private Limited	10330	0.14	0	10330	0.14	0	0.00
18	Byad Packaging Private Limited	10137	0.14	0	10137	0.14	0	0.00
19	Ramchandra R. Gandhi	10000	0.14	0	10000	0.14	0	0.00
20	Vortex Ice-Cream Private Limited	9943	0.14	0	9943	0.14	0	0.00
21	Ushaben Navinchandra Modi	9889	0.14	0	9089	0.13	0	-0.01



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2014)			Shareholding at the end of the year (31-3-2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the	% of Shares Pledged / company encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
22	Naynaben Surendrabhai Chokshi	6533	0.09	0	8033	0.11	0	0.02
23	Pushpaben Laxmanbhai Gandhi	5974	0.08		0	0.00	0	-0.08
24	Laxman R. Gandhi (Huf)	4241	0.06	0	4241	0.06	0	0.00
25	Virendra Ramchandra Gandhi	2977	0.04	0	2977	0.04	0	0.00
26	Devanshu L. Gandhi	1600	0.02	0	1600	0.02	0	0.00
27	Pushpaben L. Gandhi	1200	0.02	0	0	0.00	0	-0.02
28	Devanshu L. Gandhi	558	0.01	0	558	0.01	0	0.00
29	Piyushbhai Chandulal Surati	500	0.01	0	500	0.01	0	0.00
30	Devalben D. Gandhi	450	0.01	0	450	0.01	0	0.00
31	Pravinchandra Surti	300	0.00	0	300	0.00	0	0.00
32	Nitaben Ramchandra Gandhi	250	0.00	0	250	0.00	0	0.00
33	Piyushbhai C. Surati	200	0.00	0	200	0.00	0	0.00
34	Vadilal Enterprises Limited	150	0.00	0	150	0.00	0	0.00
35	Virendra R. Gandhi	50	0.00	0	50	0.00	0	0.00
	<b>TOTAL</b>	<b>4681773</b>	<b>65.13</b>	<b>0</b>	<b>4683116</b>	<b>65.15</b>	<b>0</b>	<b>0.02</b>

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

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2014)		Cumulative Shareholding during the year (from 1-4-2014 to 31-3-2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4681773	65.13	4681773	65.13
	Increase / Decrease in Promoters Shareholding during the year due to transfer.	1343	0.02	4683116	65.15
	At the end of the year	4683116	65.15	4683116	65.15

**D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	639272	8.89	639272	8.89
	Increase / Decrease in top 10 shareholders' holding during the year due to transfer	11314	0.16	650586	9.05
	At the end of the year	650586	9.05	650586	9.05

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mr. Rajesh R. Gandhi, Chairman and Managing Director</b>				
	At the beginning of the year	227721	3.17	227721	3.17
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	227721	3.17
	At the end of the year	227721	3.17	227721	3.17
<b>2.</b>	<b>Mr. Devanshu L. Gandhi, Managing Director</b>				
	At the beginning of the year	333276	4.64	333276	4.64
	Increase in Promoters Shareholding during the year due to transmission	7174	0.10	340450	4.74
	At the end of the year	340450	4.74	340450	4.75
<b>3.</b>	<b>Mr. Deval D. Gandhi, Director</b>				
	At the beginning of the year	59266	0.82	59266	0.82
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	59266	0.82
	At the end of the year	59266	0.82	59266	0.82
<b>4.</b>	<b>Mr. Kalpit R. Gandhi, Director and Chief Financial Officer</b>				
	At the beginning of the year	0	0	0	0
	Increase due to Purchase	59	0	59	0
	Decrease due to Sell	(59)	0	0	0
	At the end of the year	0	0	0	0
<b>5.</b>	<b>Mr. Nikhil M. Patel, Company Secretary</b>				
	At the beginning of the year	1	0.00	1	0.00
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	1	0.00	1	0.00



V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	14356.95	520.90	1748.52	16626.38
ii) Interest due	58.39	0.00	33.14	91.53
iii) Interest accrued but not due	8.25	6.81	94.65	109.71
<b>Total (i+ii+iii)</b>	<b>14423.59</b>	<b>527.71</b>	<b>1876.31</b>	<b>16827.62</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	797.12	2022.74	579.48	3399.34
* Reduction	(2568.45)	(1192.88)	(1084.42)	(4845.75)
<b>Net Change</b>	<b>(1771.33)</b>	<b>829.86</b>	<b>(504.94)</b>	<b>(1446.41)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	12584.81	1319.83	1287.70	15192.34
ii) Interest due	55.46	0.00	0.00	55.46
iii) Interest accrued but not due	12.00	37.74	83.67	133.41
<b>Total (i+ii+iii)</b>	<b>12652.27</b>	<b>1357.57</b>	<b>1371.37</b>	<b>15381.21</b>

**Note : Interest accrued and due is recovered by bank subsequently.**

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		<b>Mr. Rajesh R. Gandhi, Chairman and Managing Director</b>	<b>Mr. Devanshu L. Gandhi, Managing Director</b>	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3240000	3240000	6580000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1745050	1771153	3516203
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify: Contribution to Provident Fund	389000	389000	778000
	<b>Total (A)</b>	<b>5374050</b>	<b>5400153</b>	<b>10774203</b>
	<b>Ceiling as per the Act</b>			<b>10% of net profit</b>



## B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors #					Total Amount (Gross)
		Mrs. Deval D. Gandhi	Mr. Kshitish M. Shah	Mr. Rohit J. Patel	Mr. Rajesh K. Pandya	Mr. Chetan Tamboli	
1	Independent Directors						
	Fee for attending board committee meetings	0	160500	167500	200000	20000	548000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (1)	0	160500	167500	200000	20000	548000
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	20000	0	0	0	0	0
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (2)	20000	0	0	0	0	20000
	Total (B)=(1+2)	20000	160500	167500	200000	20000	568000
	<b>Total Managerial Remuneration (A+B)</b>						<b>11342203 (Gross)</b>
	<b>Overall Ceiling as per the Act</b>	Rs. 1,00,000/- per Director per meeting of the Board and Committee thereof					

- # During the year under review, Mr. C. M. Maniar ceased to be a Director of the Company due to sad demise on 29<sup>th</sup> June, 2014. He did not receive any sitting fees during the period under review.
- # Mr. Malay Mahadevia was appointed as an Additional Director of the Company on 31-3-2015. However, he did not attend any meeting during the period under review.

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

SN	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Kalpit R. Gandhi, Chief Financial Officer	Mr. Nikhil Patel, Company Secretary	
1	Gross salary	2071920	561948	2633868
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	103320	567654	670974
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others- Bonus, Insurance, Gratuity, Ex-gratia Provident Fund.	324758	107434	432192
	Total	2499998	1237037	3737035



## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

### ANNEXURE B TO THE DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS

#### 1) INDUSTRY STRUCTURE & DEVELOPMENT, BUSINESS OVERVIEW AND SUSTAINABLE GROWTH OPPORTUNITIES.

##### a) Ice-cream Division

###### Overview

India is the world's largest milk producer with an estimated annual production of more than 100 million tons of ice cream per year. Keeping up with the economy's quantum growth in recent years, the ice cream market has also set new records. The total Indian ice cream market is estimated at approx. Rs. 6000 crores with the organized sector estimated at Rs. 3500 crores.

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

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

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

Since its inception, we have been committed towards delivering the best quality products at affordable prices to every customer. The Company is constantly working towards improving its products in terms of their nutritional profile and benefits.

###### Developments

Taking forward our tradition of introducing innovative products at regular intervals, we have launched two new ranges in 2015- Vadilal Premium Ice Cream Tubs and Frootful Juicee. In take home range we launched two new flavours – Cashew Royale & Caramel Crunch.

Vadilals' existing brands like Badabite, Flingo, Ice Trooper & Gourmet Tubs continue to show substantial movement in the market. The challenge of sustaining the innovation trends has been confronted by introducing new variants in these brands regularly.

As multinational ice cream brands enter India, it has become imperative for us to reinvent our strategy to consolidate our leadership. The Company has always endeavored to offer innovative products to the consumers and are proud of the fact that there are many products which have been introduced by us in the Indian market that have gone ahead to become regular products for all ice cream manufacturers.

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



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

Our Ice Trooper range, launched in 2012, continues to consolidate the kids' market and has become every kid's favourite across India.

New mega brands, installation of state-of-the-art machines and significant expansion in production facilities will combine to make us an even stronger force to reckon with in the domestic ice-cream market. Vadilal is the largest player in Cones, Cups and Candies categories.

Vadilal has started exclusive parlors in two formats: Scoop Shop and Hangout. These formats offer a contemporary trendy range of Premium Ice Creams and Concoctions in a very chic ambiance. The purpose of launching these two formats is to present the brand in a very contemporary and modern way. It is in line with our efforts towards shifting the brands focus from mass to mass premium.

The Company making steady progress in launching new products in the premium segment. We have launched an Alphonso Mango-flavoured sorbet ice candy under the Falala brand name called Aam Chaska. It has gained a lot of appreciation for its taste of real alphonso mango in sorbet form. Our Artisan range of premium ice cream cakes has also garnered a commendable response from the market.

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

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 The Brand Trust Report - 2013. The Economic Times Survey ranked us among the "Top 20 Food and Beverages" brands in India.

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

## **b) Processed Food Division**

### **i. Overview :**

With the food becoming one of the most lucrative industries, the consumers' expectations are getting a new high. New products, varied tastes, wide range of options, easy to prepare and most importantly quality and healthy food are some top priorities. A brand's success depends on its capabilities to achieve these parameters right.

With recent controversies in the market with leading brands makes it difficult for rest of the brands to reinforce their quality promise and attain a sustained trust of the consumer. Arguably, quality standards are the most important reason to buy, followed by taste and price. Consumer is ready to pay a premium if the product is healthy enough to consume.

As per industry data, the food processing industry accounts for about 32 per cent of the country's total food market. It is ranked fifth in terms of production, consumption, export and expected growth in the country. The total food production in India is likely to double in the next 10 years with the country's domestic food market estimated to reach US\$ 258 billion by 2015.

### **ii. Global Market View :**

The Frozen Food Market was estimated to be \$218.41 Billion in 2010 and is expected to grow to \$261.50 Billion in 2015 at an estimated CAGR of 3.7% for the same period. Frozen ready meals accounted for the largest market share in 2010 due to their wide product range, which includes frozen



pizza, entrées, desserts, snacks, etc. Frozen potato products are expected to witness the highest CAGR from 2010 to 2015. The frozen ready meals segment is expected to show major growth in the U.S. market at 4.1% CAGR.

Convenience is the major driving factor for the global frozen food market. Unorganized sector comprising unbranded products is the biggest challenging factor to the organized sector of global frozen food market. The market is highly fragmented with the top players together accounting for less than 20%. A large number of companies hold significant shares in their respective local markets. However, at the global level, their share is very low. Frozen pizza is the fastest growing segment in the frozen ready meals segment with an estimated CAGR of 4% with U.S. and is expected to continue its dominance in the segment from 2010 to 2015.

U.S. is expected to witness a moderate CAGR of 4% from 2010 to 2015 while the rest of the World (ROW) segment (which includes Latin America, Australasia and others) is expected to witness the highest CAGR of 4.7%. In 2010, Europe had the largest share in the global frozen food market sales of \$87.38 billion. Germany is the biggest consumer in Europe with a share of 17% with a consumption of 6.04 million tons of frozen food. Asian frozen food market is expected to grow at an estimated CAGR of 3.4% from 2010 to 2015. Japan leads the Asian countries in terms of frozen food consumption with 7.82 million tons in 2010. Ready meals are the most expensive ones among the frozen food product categories and thus account for the largest market share of 40% in terms of revenue. Frozen pizza is the fastest growing segment in the frozen ready meals segment with an estimated CAGR of 4% with the U.S. expected to continue its dominance in the segment from 2010 to 2015.

#### **Growth opportunities:**

Frozen food remains one of the most dynamic and largest sectors of the international food industry, according to recently published report, one major factor driving growth is increasing demand for convenience by consumers, it concludes.

Frozen ready meals account for more than 35% of the market, while the potatoes segment is expected to register the fastest growth rate among other frozen products. Private label offerings currently represent over 10% of market share. Regions covered include North America, Europe and Asia-Pacific.

The highly fragmented market consists of a large number of small and medium scale manufacturers, as well as major powerhouse performers. As for distribution of products into the marketplace, almost all manufacturers rely on third party logistics providers.

In certain regions of the world, infrastructure required to handle frozen food storage and logistics, still remains a bottleneck and needs sincere and consistent efforts. Despite these challenges, the processed food industry is growing at the decent pace, reinforcing the fact that consumer is constantly look out for product that has 'convenience' as an end benefit.

#### **c) Forex Division**

##### **RBI AUTHORISED AD.II CATEGORY LICENCE HOLDER.**

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

## **2) FUTURE STRATEGY**

#### **a) Ice-cream Division**

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

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

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

#### b) Processed Food Division

Vadilal Quick Treat, one of the country's leading processed food brand, has adopted a very organized approach towards attaining the market leadership. Launching new products, strengthening existing product verticals through product extensions, thoughtful and insightful consumer oriented market communications are few steps that have given the brand a strong hold on the distribution channel and the market itself. Collaborations with strong regional distribution companies across the world, consistent delivery of quality products remains the agenda of the company.

With introduction of dairy range – Paneer Cubes & block, Ghee, the brand is all set to explore the newer opportunities in the market.

The brand will be soon taking the legacy of Vadilal Ice Creams to the world under the brand 'Vadilal Quick Treat'. With this the brand is excited and sure to grab a bigger shelf share in the stores across the globe. As the time goes, the brand will be putting at least 15 flavours of Ice Creams into the market to quench the 'Sweet Tooth' craving of the consumers.

The company has recently tied up with two big distributors in UK, Kuwait and USA. It is also aiming to soon placing the Vadilal Quick Treat products into main stream markets through retail giants

#### 3) HIGHLIGHTS OF FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE.

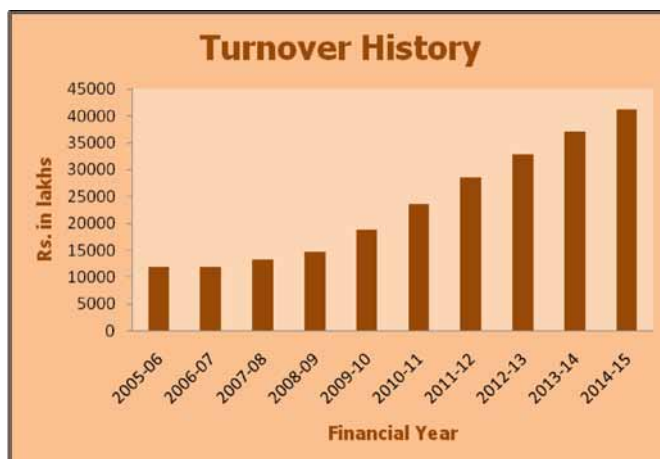
In spite of tough competition in Ice-cream business, your Company has earned revenue from operations (gross) of Rs. 41288.57 lakhs during the year ended on 31st March, 2015 as against Rs. 37170.32 lakhs earned during the previous year ended on 31st March, 2014, giving a rise of 11.08% as compared to previous year.

The Company has earned the Profit before Interest, Tax, Depreciation and Amortisation (EBITDA) of Rs. 4400.33 lakhs during the year ended on 31st March, 2015 as compared to Rs. 4202.55 lakhs earned during the previous year ended on 31st March, 2014, showing a rise of 4.71%.

The Company has earned net Profit of Rs. 192.90 lakhs for the year ended on 31st March, 2015 after providing Finance Cost and Depreciation and Amortisation expenses and after making Provision for Deferred Tax Charge of Rs. 137.16 lakhs and other adjustments, as compared to Profit of Rs. 142.55 lakhs earned by the Company during the previous year ended on 31st March, 2014.

After adding the Surplus in the Statement of Profit & Loss of Rs. 453.25 lakhs brought forward from the previous year to the profit of Rs. 192.90 lakhs earned by the Company during the year under review, the total amount of Rs. 646.15 lakhs is available for appropriation.

Turnover History	
Financial year	Rs. in lakhs
2005-06	11948.24
2006-07	11911.90
2007-08	13263.69
2008-09	14792.60
2009-10	18890.77
2010-11	23613.82
2011-12	28580.25
2012-13	32765.90
2013-14	37170.32
2014-15	41288.57



#### 4) SEGMENT WISE PERFORMANCE.

The Company has identified three business segments in line with the Accounting Standard on Segment Reporting (AS 17). These are (1) Ice-cream (2) Processed Foods and (3) Others. Below mentioned table gives the audited financial results of these segments.

Consolidated Segment revenue, results and capital employed for the year ended 31st March, 2015		(Rs. in lacs)
<b>Segment Revenue (Sales plus income from services)</b>		
Ice-cream		34168.44
Processed Foods		6577.70
Others		150.12
Total:		40896.26
Less : Inter-segment revenue		0.00
<b>Net Sales/Income from Operations</b>		<b>40896.26</b>





## Segment Results (PBIT)

Ice-cream		3411.86
Processed Foods		(199.24)
Others		8.40
Total:		3221.02

Less : Interest Expenses (Net) & prior year adjustment	2573.24	
Other unallocable expenditure	273.45	2846.69

**Total Profits (PBT)** **374.33**

## Capital employed in segments

(Segment assets less liabilities) - as at 31<sup>st</sup> March, 2015

Ice-cream	18002.35
Processed Foods	8818.56
Others	183.34

Total Capital employed in segments 27004.25

Add :Unallocable corporate assets less corporate liabilities (15651.64)

**Total Capital Employed** **11352.61**

## 5) RISK AND CONCERN

### a) Ice-cream Division

For Vadilal, competition is not seen a risk. We track our competition closely in order to continuously innovate and make better products that will keep us a step ahead of our competitors. The Company has tackled competition successfully in the past and is capable of overcoming them efficiently in the future too. The market is flooded with new local and regional players with cheaper and shoddy product options but Vadilal, with its experience and expertise of over 8 decades of providing quality ice cream products, is well equipped to face such challenges. However, there are certain concerns like infrastructure and rising input costs, which the Company shall keep in mind.

### b) Processed Food Division

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

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

Another major concern is the growing numbers of unorganized players from Indian and countries like China. These players are always focused on short term gains are only concerned about momentary sales. Hence, they disturb the market by offering rates that are below par as compared to market trends. This makes it difficult for the organized players to remain competitive in terms of rates despite of having far superior quality products.

## 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 RESOURCES

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

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

## 8) CAUTIONARY STATEMENT

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

**ANNEXURE – C TO THE DIRECTORS' REPORT**  
**Form AOC-1**

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

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

**Part "A": Subsidiaries**

Sr. No.	Particulars	₹ in Lacs
1	Name of the subsidiary	Vadilal Industries (USA) Inc. (Wholly-owned Subsidiary)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March, 2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary	1 \$ - Rs. 62.5908
4	Share capital	136.41
5	Reserves & surplus	(428.98)
6	Total assets	354.04
7	Total Liabilities	646.61
8	Investments	Nil
9	Turnover	407.24
10	Profit / (Loss) before taxation	(135.67)
11	Provision for taxation	0.92
12	Profit / (Loss) after taxation	(136.59)
13	Proposed Dividend	Nil
14	% of shareholding	100.00%

**Notes :**

- Names of subsidiaries which are yet to commence operations: - NA
- Names of subsidiaries which have been liquidated or sold during the year. - NA

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sr. No.	Particulars	₹ in Lacs
1	Name of associate	Vadilal Forex and Consultancy Services Limited
2	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2015
3	Shares of Associate held by the company on the year end	
i	No.	72500
ii	Amount of Investment in Associate	0.72
	(Gross Rs. 7.25 Lacs Less Provision for Diminution In Value of Investments Rs. 6.53 Lacs)	
iii	Extend of Holding%	29.00%
4	Description of how there is significant influence	-
5	Reason why the Associate is not consolidated	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet	0.36
7	Profit for the year (before tax)	15.35
i	Considered in Consolidation	4.45
ii	Not Considered in Consolidation	10.90

**Note : The Company does not have any Joint Ventures.**

**Notes :**

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



## ANNEXURE – D TO THE DIRECTORS' REPORT

### Report on Corporate Governance for the year ended on 31st March, 2015 (2014-2015) pursuant to Clause – 49 of the Listing Agreement with Stock Exchanges.

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

In April, 2000, the Securities and Exchange Board of India (SEBI) introduced a comprehensive code on Corporate Governance. Pursuant to this, the Stock Exchanges have amended Listing Agreement from time to time. A report, in line with the requirement of the Stock Exchanges pursuant to Clause 49 of Listing Agreement as amended is given below.

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

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

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

- 1) Board of Directors,
- 2) Remuneration of Directors,
- 3) Committees of the Board - Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee,
- 4) General Body Meetings,
- 5) Disclosures,
- 6) Code of Conduct,
- 7) Code of Conduct under SEBI (Prohibition of Insider Trading) Regulation, 2015,
- 8) Means of Communication,
- 9) General Shareholder information, and
- 10) Compliance of non-mandatory 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 31-03-2015 consists the following 9 Directors, out of which, majority Directors are Non-executive Directors and one half of the total Directors are Independent Directors:-

	<u>Category</u>	<u>Name of the Directors</u>
A.	Promoters and Executive Directors	1 Mr. Rajesh R. Gandhi, Chairman & Managing Director 2. Mr. Devanshu L. Gandhi, Managing Director
B.	Non-Executive and Non-Independent Directors	3 Mrs. Devalben D. Gandhi* 4. Mr. Kalpit R. Gandhi*@
C.	Independent Directors	5 Mr. Kshitish M. Shah 6. Mr. Rohit J. Patel 7. Mr. Malay R. Mahadevia* 8. Mr. Chetan M. Tamboli* 9. Mr. Rajesh K. Pandya #

\* Appointed as an Additional Director of the Company w.e.f. 31<sup>st</sup> March, 2015.

# Resigned from the office of Director w.e.f. 1<sup>st</sup> April, 2015.

@ Mr. Kalpit R. Gandhi is also appointed as a Chief Financial Officer, being Key Managerial Personnel, of the Company w.e.f. 1<sup>st</sup> June, 2014.

During the year under review, Mr. C. M. Maniar ceased to be a Director of the Company w.e.f. 29<sup>th</sup> June, 2014, due to sad demise.

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

The Board met 6 times during the year under review on 29-05-2014 (including adjourned meeting), 14-08-2014, 21-10-2014, 15-11-2014, 19-02-2015 and 31-03-2015. The gap between two Board Meetings did not exceed 120 days.

The aforesaid Board Meetings were held at the Registered Office of the Company.

(iii) **Attendance of each Director at the Board Meetings (6 Board Meetings) held during the year from 01-04-2014 to 31-03-2015, last Annual General Meeting (AGM) and number of Directorship and Chairmanship / Membership of Committee of each Director in various Companies as on 31-03-2015:**

Name of Director	Attendance Particulars		No. of Directorships and Committee Membership/ Chairmanship (including Vadilal Industries Limited)		
	Board Meetings (6 Board Meetings)	Last AGM	Directorship*	Committee Membership **	Committee Chairmanship **
Mr. Rajesh R. Gandhi	6	Yes	5	4	Nil
Mr. Devanshu L. Gandhi	6	Yes	4	5	Nil
Mrs. Deval D. Gandhi \$	1	N.A.	2	Nil	Nil
Mr. Kalpit R. Gandhi \$	1	N.A.	2	1	Nil
Mr. Kshitish M. Shah	5	Yes	1	1	Nil
Mr. Rohit J. Patel	5	Yes	3	5 ***	2 ***
Mr. Rajesh K. Pandya @	6	Yes	6	1	Nil
Mr. Malay R. Mahadevia \$	0	N.A.	3	2	Nil
Mr. Chetan M. Tamboli \$	1	N.A.	4	1	Nil

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

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

\$ Appointed as an Additional Director of the Company w.e.f. 31<sup>st</sup> March, 2015.

@ Ceased to be a Director of the Company w.e.f. 1<sup>st</sup> April, 2015 due to resignation.

\*\*\* Appointed as a Member and Chairman of Stakeholders' Relationship Committee of Vadilal Industries Limited w.e.f. 1<sup>st</sup> June, 2015.

During the year under review, Mr. C. M. Maniar ceased to be a Director of the Company w.e.f. 29<sup>th</sup> June, 2014 due to sad demise. He did not attend Board meeting held on 29-5-2014.

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 Clause-49 of Listing Agreement. The necessary disclosures regarding Committee positions have been made by the Directors.

(iv) **Relationship between the Directors :-**

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

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

(v) **Independent Directors :**

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

Every Independent Director is abide by the provisions specified in Schedule – IV to the Companies Act, 2013 related to Code of Conduct for Independent Directors.

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

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel :

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

(vi) **Information supplied to the Board :-**

Among others, this includes:

- 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 board level, 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 Clause 49 of Listing Agreement 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 Clause – 49 of the Listing Agreement with Stock Exchanges.

## 2) Remuneration to all Directors :

The Policy on appointment and remuneration of Directors is annexed to the Directors' Report.

The aggregate value of salary, perquisites and other allowances paid including contribution towards Provident Fund to the two Managing Directors of the Company during the year ended on 31-03-2015 (i.e. from 01-04-2014 to 31-03-2015) are as follows:-

Name of Managing Director	Amount (₹ in lacs)			
	Salary	Perquisites/ Allowances	Contribution to PF	Total
Mr. Rajesh R. Gandhi	32.40	17.45	3.89	53.74
Mr. Devanshu L. Gandhi	32.40	17.71	3.89	54.00

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



The Company has not paid Bonus to the above Managing Directors of the Company for the financial year ended on 31-03-2015.

The Nomination and Remuneration Committee and Board of Directors of the Company have, at their respective meetings held on 14<sup>th</sup> August, 2014 approved the appointment of Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi as Managing Directors of the Company for a period of 5 years and payment of remuneration to them for a period of 3 years w.e.f. 1<sup>st</sup> April, 2014.

The Shareholders have also approved by a Special Resolution passed at the 30<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2014, the re-appointment of Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi, as Managing Directors of the Company for a period of 5 years and payment of remuneration to them for a period of 3 years w.e.f. 1<sup>st</sup> April, 2014.

The Company has entered into an Agreement on 21<sup>st</sup> October, 2014 with each Managing Directors of the Company for a period of 5 years for their appointment, powers, duties and payment of remuneration.

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. None of the other Directors are paid remuneration except sitting fees for attending Board and Committee Meetings.

The Company has paid sitting fees to all Non-executive Directors of the Company for attending Board Meetings, as under, held during the year ended on 31-03-2015:

Sr. No.	Name of the Director	Amount in ₹ (including Service Tax)
1	Mrs. Deval D. Gandhi*	20,000
2	Mr. Kalpit R. Gandhi**	0
3	Mr. Kshitish M. Shah	1,00,000
4	Mr. Rohit J. Patel	1,00,000
5	Mr. Rajesh K. Pandya	1,20,000
6	Mr. Malay R. Mahadeviya*	0
7	Mr. Chetan M. Tamboli*	20,000

\* Appointed as an Additional Director of the Company w.e.f. 31<sup>st</sup> March, 2015.

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

During the year under review, Mr. C. M. Maniar Ceased to be a Director of the Company w.e.f. 29<sup>th</sup> June, 2014 due to sad demise.

The Company has also paid sitting fees to the following Non-executive Directors of the Company for attending Audit Committee meetings, held during the year ended on 31-03-2015 :-

Sr. No.	Name of the Director	Amount in ₹ (plus Service Tax)
1	Mr. Rohit J. Patel	37500
2	Mr. Kshitish M. Shah	37500
3	Mr. Rajesh K. Pandya#	50000
4	Mr. Kalpit R. Gandhi@ **	0
5	Mr. Malay R. Mahadevia@	0

# Ceased to be a Member of Audit Committee w.e.f. 31<sup>st</sup> March, 2015 due to reconstitution of Audit Committee.

@ Appointed as a Member of Audit Committee w.e.f. 31<sup>st</sup> March, 2015.

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

The Company has also paid sitting fees to the following Non-executive Directors of the Company for attending Nomination and Remuneration Committee meeting, held during the year ended on 31-03-2015 :-

Sr. No.	Name of the Director	Amount in ₹ (plus Service Tax)
1	Mr. Kshitish M. Shah	20,000
2	Mr. Rohit J. Patel	30,000
3	Mr. Rajesh K. Pandya	30,000

The Company has also paid sitting fees of ₹ 3000/- to Mr. Kshitish M. Shah, Non-executive Director, for attending Corporate Social Responsibility Committee meeting held during the year ended on 31-3-2015.

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

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



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

**3) Committees of the Board :**

The Board of Directors of the Company has formulated the following committees in terms of the provisions of Clause – 49 of the Listing Agreement and Companies Act, 2013 and Rules made thereunder :

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

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

**(a) Audit Committee :**

**(i) Composition**

As on 31-03-2015, there were 4 members of Audit Committee as under :-

Sr. No.	Name of the Member	Designation	Category
1	Mr. Rohit J. Patel	Chairman	Independent Director
2	Mr. Kshitish M. Shah	Member	Independent Director
3	Mr. Kalpit R. Gandhi#	Member	Non-Executive and Non-independent Director
4	Mr. Malay R. Mahadevia#	Member	Independent Director

# Appointed as a Member of the Audit Committee w.e.f. 31<sup>st</sup> March, 2015.

Mr. Rajesh K. Pandya ceased to be a Member of the Audit Committee w.e.f. 31<sup>st</sup> March, 2015.

The constitution of the Audit Committee fulfills the requirements of Section 177 of the Companies Act, 2013 apart from the requirements pursuant to Clause - 49 of Listing Agreement with the Stock Exchanges. The members of Audit Committee are financially literate and having accounting or related financial management expertise.

Mr. Rohit J. Patel, who is the Chairman of the Audit Committee, was present at the last Annual General Meeting of the Company held on 25-09-2014. All the queries related to financial results raised by the members present at the said meeting were duly replied.

Mr. Nikhil Patel, who is a Company Secretary of the Company, is the Secretary to the Audit Committee.

**(ii) Meeting and Attendance :**

The Audit Committee met 4 times during the year under review on 29-05-2014 (including adjourned meeting), 14-08-2014, 15-11-2014 and 19-02-2015.

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

Sr. No.	Name of the Director	No. of Audit Committee Meetings attended
1	Mr. Rohit J. Patel	3
2	Mr. Kshitish M. Shah	3
3	Mr. Rajesh K. Pandya #	4
4	Mr. Kalpit R. Gandhi@	1
5	Mr. Malay R. Mahadevia@	0

# Ceased to be a Member of Audit Committee w.e.f. 31<sup>st</sup> March, 2015.

@ Appointed as a Member of Audit Committee w.e.f. 31<sup>st</sup> March, 2015.

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

**(iii) Terms of reference :**

The terms of reference of the Audit Committee as stipulated by the Board at its meeting held on 29<sup>th</sup> May, 2015, are as under and they are in accordance with all items listed in Clause 49(III)(D) of Listing Agreement with Stock Exchanges and Section 177 of the Companies Act, 2013:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 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:
  - 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;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - 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. Qualifications in the draft audit report
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- 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;
- 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;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;
- To review the functioning of the Whistle Blower mechanism;
- 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 erstwhile Remuneration Committee of the Directors of the Company was re-constituted and re-nomenclature as a *Nomination and Remuneration Committee*, at the meeting of Board of Directors held on 29<sup>th</sup> May, 2014, pursuant to the provisions of Clause – 49 (IC) of the Listing Agreement with Stock Exchanges and Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises the following Directors of the Company, as on 31<sup>st</sup> March, 2015, namely:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Kshitish M. Shah	Chairman	Independent Director
2	Mr. Rohit J. Patel	Member	Independent Director
3	Mr. Rajesh K. Pandya#	Member	Independent Director

# Ceased to be a Director and Member of the Nomination and Remuneration Committee w.e.f. 1<sup>st</sup> April, 2015.

The Nomination and Remuneration Committee was re-constituted by the Board at their meeting held on 1<sup>st</sup> June, 2015 as under :

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



The constitution of Nomination and Remuneration Committee fulfills the requirements of Clause-49 of the Listing Agreement and Section 178 of the Companies Act, 2013 and Rules made thereunder. All members of the Nomination and Remuneration Committee are independent Directors of the Company.

**(ii) Meeting and attendance :**

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

During the year under review, the Nomination and Remuneration Committee met 3 times on 29-05-2014, 14-08-2014 and 31-03-2015.

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

Sr. No.	Name of the Director	No. of Meetings attended.
1	Mr. Kshitish M. Shah	2
2	Mr. Rohit J. Patel	3
3	Mr. Rajesh K. Pandya #	3

# Ceased to be a Director and Member of Nomination and Remuneration Committee w.e.f. 1<sup>st</sup> April, 2015.

**(iii) Terms of Reference :**

Pursuant to Section 178 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) and revised Clause – 49 of the Listing Agreement, 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;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

**(c) Stakeholders' Relationship Committee :**

**(i) Composition :**

The erstwhile Share Transfer and Investors' Grievance Committee of the Directors of the Company was re-constituted and re-nomenclature as a *Stakeholders' Relationship Committee*, at the meeting of Board of Directors held on 29<sup>th</sup> May, 2014, pursuant to the provisions of Clause – 49 (VIII E) of the Listing Agreement with Stock Exchanges and Section 178 of the Companies Act, 2013 and Rules made thereunder.

The Stakeholders' Relationship Committee comprises the following Directors of the Company, as on 31<sup>st</sup> March, 2015, namely:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Rajesh K. Pandya #	Chairman	Independent Director
2	Mr. Rajesh R. Gandhi	Member	Executive Director
3	Mr. Devanshu L. Gandhi	Member	Executive Director

# Ceased to be a Director and Member of the Stakeholders' Relationship Committee w.e.f. 1<sup>st</sup> April, 2015.

The Stakeholder' Relationship Committee was re-constituted by the Board at their meeting held on 1<sup>st</sup> June, 2015 as under :

Sr. No.	Name of the Member	Designation	Category
1	Mr. Rohit J. Patel	Chairman	Independent Director
2	Mr. Rajesh R. Gandhi	Member	Executive Director
3	Mr. Devanshu L. Gandhi	Member	Executive Director

The constitution of Stakeholders' Relationship Committee fulfills the requirements of Clause-49 of the Listing Agreement and Section 178 of the Companies Act, 2013.

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

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

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

No. of Complaints outstanding as on 31-03-2014	-	Nil
No. of complaints received during the year under review	-	1
No. of complaints disposed off during the year under review	-	1
No. of complaints outstanding as on 31-03-2015	-	Nil

(iii) **Name and designation of Compliance Officer :**

The Board has designated Mr. Nikhil Patel, General Manager (Secretarial & Legal) and Company Secretary, as the Compliance Officer of the Company pursuant to Clause - 49 of Listing Agreement.

(iv) **Number of pending transfers :**

No requests for transfer and dematerialisation were pending for approval as on 31st March, 2015.

(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. Kshitish M. Shah	Chairman
2.	Mr. Rajesh R. Gandhi	Member
3.	Mr. Devanshu L. Gandhi	Member

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

(ii) **Terms of Reference :**

The Corporate Social Responsibility Committee shall,—

- 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;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the Corporate Social Responsibility Policy of the company from time to time and;
- 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 Corporate Social Responsibility 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 :**

Year	AGM	Location	Date	Time
2013-2014	30 <sup>th</sup>	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	25-09-2014	2.00 p.m.
2012-2013	29 <sup>th</sup>	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	21-09-2013	2.00 p.m.
2011-2012	28 <sup>th</sup>	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	29-09-2012	2.30 p.m.

(ii) **Resolution carried out through Postal Ballot :**

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

At the forthcoming 31<sup>st</sup> AGM, no resolution is proposed to be passed through Postal Ballot.

5) **Disclosures :**

(i) **Related party transactions:**

Transaction with related parties are disclosed in Note No. 28.3 of the Notes on Accounts for the year ended on 31st March, 2015, in the Annual Report as required by the Accounting Standard (AS) 18 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.





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

(iii) **Risk Management :**

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

(iv) **CEO/CFO Certification :**

In terms of revised Clause-49 of Listing Agreement, the Certification by CEO and CFO on the financial statements and internal controls relating to financial reporting of the Company has been obtained.

(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 Clause – 49 of the Listing Agreement with the Stock Exchanges, the Senior Management has made disclosures to the Board that during the year ended on 31<sup>st</sup> March, 2015, 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.

**6) 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 31<sup>st</sup> March, 2015. The Code has also been posted on the Company's website - [www.vadilalgroup.com](http://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.

**7) 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.

**8) Policy on Directors' appointment and remuneration :**

The Nomination and Remuneration Committee has at its meeting held on 29<sup>th</sup> May, 2015 recommended to the Board a policy on appointment and remuneration of Directors of the Company in terms of the provisions of Section 178 of the Companies Act, 2013 and Clause – 49 of the Listing Agreement, which was approved by the Board of Directors, at its meeting held on 29<sup>th</sup> May, 2015. The Policy on appointment and remuneration of Directors is enclosed with the Directors' report and marked as "Annexure - F".

**9) Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 1992/2015:**

The Company has formed a Code of Conduct for Insider Trading for the Directors, Officers, Designated Employees and Statutory Auditors of the Company, as required under Regulation – 12 of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended.

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

**10) Means of communication :**

- **Annual Reports :**

The Company has total 11022 shareholders as on 31<sup>st</sup> March, 2015. The main channel of communication to the shareholders is through Annual Report, which includes inter alia, the Director's Report, Management Discussions & Analysis and Report on Corporate Governance and Audited Financial Results. The Annual Report is also posted on the web-site of the Company viz. [www.vadilalgroup.com/reports](http://www.vadilalgroup.com/reports).

- **Quarterly Results:**

The Unaudited Quarterly Results of the Company for the quarters ended on 30-06-2014 (1<sup>st</sup> Quarter), 30-09-2014 (2<sup>nd</sup> Quarter) and 31-12-2014 (3<sup>rd</sup> Quarter) and the Annual Audited Accounts for the year ended on 31-03-2015 including notes and segment wise revenue, results and capital employed and also the Consolidated Financial Results and half-yearly Statement of Assets and Liabilities and Limited Review Report thereon were submitted to the Stock Exchanges immediately after conclusion of the Board Meetings in which, they 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 and Segment wise revenue, results and capital employed are displayed on the corporate website of the Company viz. [www.vadilalgroup.com/reports](http://www.vadilalgroup.com/reports).

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

The website of the Company viz. [www.vadilalgroup.com](http://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](http://www.connect2nse.com)) is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

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

BSE's Listing Centre viz. [www.listing.bseindia.com](http://www.listing.bseindia.com) is a web-based application designed for corporate. 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](mailto:shareslogs@vadilalgroup.com) exclusively for resolving investor grievance.

**11) General Shareholder information :**

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

- Date & Time : Monday, 28th September, 2015 at 2.00 p.m.
- Venue : GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006

(ii) **Financial Calendar (from 01-04-2014 to 31-03-2015) (Tentative) :**

- Results for quarter ended on 30-06-2015 : 13<sup>th</sup> August, 2015
- Results for quarter ending on 30-09-2015 : On or before 14<sup>th</sup> November, 2015
- Results for quarter ending on 31-12-2015 : On or before 14<sup>th</sup> February, 2016
- Audited Results for the year ending on 31-03-2016 : On or before 30<sup>th</sup> May, 2016
- AGM for the year ending on 31-03-2016 : In the month of September, 2016

(iii) **Book-closure date :**

Book-closure shall be from 18th September, 2015 to 28th September, 2015 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2015.

(iv) **Dividend payment date :**

The Dividend of ₹ 1.00 per share (@ 10.00%) on Equity Shares for the year ended on 31st March, 2015, 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).

Listing fees upto the Financial Year – 2015-2016 has already been paid to the above Stock Exchanges. The Annual Custody/Issuer fee for the year 2015-16 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), for the year under review are as under:

Months	High (₹)	Low (₹)	Closing (₹)
April, 2014	183.55	145.60	171.15
May, 2014	200.00	163.10	183.30
June, 2014	217.85	180.00	211.40
July, 2014	225.00	190.00	199.15
August, 2014	260.90	191.20	239.45
September, 2014	255.00	208.00	212.70
October, 2014	217.90	196.05	216.75
November, 2014	313.70	186.70	274.05
December, 2014	303.55	242.00	251.00
January, 2015	280.00	229.95	252.35
February, 2015	267.40	230.30	245.70
March, 2015	274.60	234.40	267.80



(viii) **Share price performance in comparison to BSE Sensex based on share price on 31-03-2015 :**

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

Months	BSE			SENSEX		
	High (₹)	Low (₹)	Closing (₹)	High (₹)	Low (₹)	Closing (₹)
April, 2014	183.55	145.60	171.15	22939.31	22197.51	22417.80
May, 2014	200.00	163.10	183.30	25375.63	2227.04	24217.34
June, 2014	217.85	180.00	211.40	25725.12	24270.20	25413.78
July, 2014	225.00	190.00	199.15	26300.17	24892.00	25894.97
August, 2014	260.9	191.20	239.45	26674.38	25232.82	26630.51
September, 2014	255.00	208.00	212.70	27354.99	26220.49	26630.51
October, 2014	217.90	196.05	216.75	27894.32	25910.77	27865.83
November, 2014	313.70	186.70	274.05	28822.37	27739.56	28693.99
December, 2014	303.55	242.00	251.00	28809.64	26469.42	27499.42
January, 2015	280.00	229.95	252.35	29844.16	26776.12	29182.95
February, 2015	267.40	230.30	245.70	29560.32	28044.49	29361.50
March, 2015	274.60	234.40	267.80	30024.74	27248.45	27957.49

**Price Chart:**



(ix) **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. at 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380 009.

(x) **Share Transfer system :**

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

(xi) **Shares Re-conciliation:**

Mr. Ashish C. Doshi, a practicing Company Secretary carried out shares re-conciliation audit in each of the quarter in the Financial Year –2014-2015, 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 Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by Mr. Ashish C. Doshi, a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

(xii) **Shareholding Details:**

(a) **Distribution of Shareholding as on 31st March, 2015 :**

No. of Equity Shares held	No. of Share holders	No. of Shares	% of Shares
1-500	10502	780557	10.86
501-1000	247	205603	2.85
1001-2000	117	178248	2.48
2001-3000	51	135051	1.88
3001-4000	14	48162	0.67
4001-5000	12	53760	0.75
5001-10000	39	299441	4.17
10001- 50000	23	413477	5.75
50001-100000	6	402122	5.59
100001 & above	11	4671949	65.00
<b>Total:</b>	<b>11022</b>	<b>7187830</b>	<b>100.00</b>

(b) **Categories of Shareholders as on 31st March, 2015 :**



Category of Shareholder	No. of Equity Shares held	% to total Paid-up Capital
<b>A : Promoters and Promoters' Group :</b>		
Directors	568171	7.90
Directors' relatives	504523	7.02
Group Companies	3413175	47.49
HUFs	186351	2.59
NRIs	10896	0.15
<b>Total (A) :</b>	<b>4683116</b>	<b>65.15</b>
<b>B : Public :</b>		
Institutions	478334	6.66
NRIs/OCBs	52785	0.74
HUF	150503	2.09
Public	1823092	25.36
<b>Total (B) :</b>	<b>2504714</b>	<b>34.85</b>
<b>Total</b>	<b>7187830</b>	<b>100.00</b>

(xiii) **Dematerialisation of Shares :**

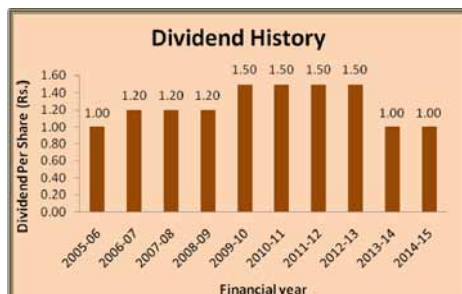
The Company, consequent to introduction of Depository System (DS), has established an electronic connectivity with NSDL & CDSL, Depositories. Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL and CDSL. In view of the numerous advantages 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 6755177 Equity Shares of the Company representing 93.98% of the total paid-up capital of the Company have been dematerialised upto 31-03-2015. Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by SEBI.



(xiv) **Dividend History for last 10 years :**



Financial year	Dividend Per Share (Rs.)
2005-06	1.00
2006-07	1.20
2007-08	1.20
2008-09	1.20
2009-10	1.50
2010-11	1.50
2011-12	1.50
2012-13	1.50
2013-14	1.00
2014-15	1.00

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

Not Applicable

(xvi) **Plant locations :**

- A. Ice-cream Division : 1) Village Pundhra, Taluka Mansa, Dist. Gandhinagar (Gujarat)  
2) Parsakhera Industrial Area, Bareilly, Uttar Pradesh.
- B. Processed Food Division : Dharampur, Dist. Valsad (Gujarat)
- C. Forex Division : Vadilal House, Navrangpura, Ahmedabad (Gujarat)

(xvii) **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), 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. Tel. Nos. : (079) 26582878, 26581296 Fax No. : (079) 26584027
- 2) Secretarial & Share Department, B/404, 4th Floor, "Time Square" Building, C.G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad - 380 009.  
Contact person : Mr. Nikhil Patel, Company Secretary, Tel. No. : (079) 30153194 Fax No. : (079) 30153102
- 3) E-mail ID for investors' grievance purpose : [shareslogs@vadilalgroup.com](mailto:shareslogs@vadilalgroup.com)  
Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

(xviii) **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.

(xix) **Address of Registrar of Companies (ROC), Gujarat :**

The Registrar of Companies, Gujarat, ROC Bhavan, Opp. Rupal Park, Behind Ankur Bus Stand, Naranpura, Ahmedabad - 380 013. (Phone : 079 - 27438531, 27437597)

(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 Form 2B **at the Share Department** of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name. In case of any assistance, please contact **at the Share Department** of the Company at B/404, 4th Floor, "Time Square" Building, C.G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad - 380 009. Tel. Nos.:(079)30153194 Fax No.:(079)30153102.

**12) Compliance of non-mandatory requirements :**

The Company has not adopted the following non-mandatory requirements as per Clause 49 of Listing Agreement regarding Corporate Governance :-

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

**13) Compliance Certificate of the Auditors :**

The Certificate from the Company's Auditors, M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad, confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.





### DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT


In terms of the requirement of the amended Clause 49 of Listing Agreement with the Stock Exchanges regarding Corporate Governance, we hereby confirm that all Board Members and Senior Management Personnel of Vadilal Industries Limited have affirmed the compliance of Code of Business Conduct and Ethics during the year ended on 31st March, 2015.

For **VADILAL INDUSTRIES LIMITED**

Place : Ahmedabad

Date : 13th August, 2015.

  
DEVANSHU L. GANDHI  
Managing Director

  
RAJESH R. GANDHI  
Chairman & Managing Director

### CERTIFICATE

The Members of  
Vadilal Industries Limited,  
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by **Vadilal Industries Limited**, for the year ended on **31st March 2015**, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 the Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

For **KANTILAL PATEL & CO.,**  
Chartered Accountants  
Firm Registration No. 104744W

**Jinal A. Patel**  
Partner  
Membership No.: 153599

Date : August 13, 2015

Place : Ahmedabad

### 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.

Sr. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	As enclosed herewith as per Annexure - A
b	Nature of contracts/arrangements/transaction	
c	Duration of the contracts/arrangements/transaction	
d	Salient terms of the contracts or arrangements or transaction including the value, if any	
e	Justification for entering into such contracts or arrangements or transactions'	
f	Date of approval by the Board	
g	Amount paid as advances, if any	
h	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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	As enclosed herewith as per Annexure - B
b	Nature of contracts/arrangements/transaction	
c	Duration of the contracts/arrangements/transaction	
d	Salient terms of the contracts or arrangements or transaction including the value, if any	
e	Date of approval by the Board	
f	Amount paid as advances, if any	



## Annexure - A

Name of the Related Party and Nature of relationship	Nature of contract or arrangement or transaction	Duration of contract or arrangement or transaction	Salient Features of the contract or arrangement or transaction including value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advance, if any.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
Vadilal Enterprises Limited (VEL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives	Sale of Processed Food Products by the Company to VEL	During the year - 2014-2015.	Sale of Processed Food Products by the Company to VEL on Principal to Principal basis and on credit basis, in advantage of existing marketing India. All matters related to marketing channel and set up of VEL. VIL including marketing expenses will be decided and born by VEL.	VIL does not have any marketing channel. Hence, in order to take advantage of existing marketing channel and set up of VEL, VIL sells Processed Food Products to VEL for further sale in market.	19-2-2015	NIL	28-9-2015
Vadilal Enterprises Limited (VEL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives	Rent paid by VEL to VIL for using office space by VEL situated at Pundhra, Dist. Mansa, Gandhinagar & Bareilly, Uttar Pradesh and premises at Dudheshwar, Ahmedabad.	During the year - 2014-2015.	Use of Office premises of VIL situated at Ice-cream Division at Pundhra, Dist. Mansa, Gandhinagar, Bareilly, Uttar Pradesh; and premises at Dudheshwar, Ahmedabad used by VEL for official purpose. VEL in turn will pay Rent of Rs. 4500/- p.m. for Pundhra Factory, Rs. 3000/- p.m. for Bareilly Factory and Rs. 500/- for Dudheshwar Factory.	VEL, manytimes, needs to sell its products to the Distributors and Dealers directly from the factory, in order to avoid administrative inconvenience. Hence, VEL needs to use factory premises of VIL for its dispatch staff.	19-2-2015	NIL	28-9-2015
Vadilal Enterprises Limited (VEL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives	Expenses on vehicle hire charges paid by VIL to VEL	During the year - 2014-2015.	VIL is using Refrigerated and other vehicles of VEL and in turn VIL is paying expenses of vehicle hire charges to VEL.	VIL is using Refrigerated and other vehicles of VEL for Stock transfer from one place to another.	19-2-2015	NIL	28-9-2015
Vadilal Enterprises Limited (VEL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives	Sale of dry fruit and other products by VIL to VEL	During the year - 2014-2015.	Sale of dry fruit and other products from VIL to VEL.	VEL requires dry fruit and other products for garnishing at its retail outlets - Vadilal Happinezz Parlor.	19-2-2015	NIL	28-9-2015
Vadilal Industries (USA) Inc., Wholly owned Subsidiary	Sale / Export of Processed Food products and Ice cream by VIL to Vadilal Industries (USA) Inc	During the year - 2014-2015.	VIL sells/exports its processed food and ice-cream products to Vadilal Industries (USA) Inc, on principal to principal basis and on credit basis. However, there is no formal agreement or contract between VIL and Vadilal Industries (USA) Inc.	VIL has floated a wholly owned subsidiary company for sale/export of Processed Food and Ice-cream Products at USA Market.	19-2-2015	NIL	28-9-2015

Name of the Related Party and Nature of relationship	Nature of contract or arrangement or transaction	Duration of contract or arrangement or transaction	Salient Features of the contract or arrangement, or transaction including value, if any	Justification for entering into such contracts or arrangements' transactions'	Date of approval by the Board	Amount paid as advance, if any.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
Veronica Constructions Private Limited (Veronica), a Private Company in which relative of Directors are interested	Sale of Ice-cream & Frozen dessert products by VIL to Veronica Constructions Pvt. Ltd.	During the year - 2014-2015.	VIL sells its ice-cream products to Veronica Constructions Pvt. Ltd., on principal to principal basis and on credit basis. However, there is no formal agreement or contract between VIL and Veronica.	Veronica has set up marketing channels specially in the state of Rajasthan for sale of ice-cream and other products. In order to take advantage of the marketing set up of Veronica, VIL sells its products to Veronica.	19-2-2015	NIL	28-9-2015
Vadilal Cold Storage (VCS), Partnership firm in which the Company is a partner, hence having control	Hire charges / rent paid by the VIL to Vadilal Cold Storage.	During the year - 2014-2015.	VIL is using building/godown of Vadilal Cold Storage situated at Gomtipur, Ahmedabad and in turn VIL is paying Hire charges / Rent of Rs. 250000/- p.a. (Plus service tax, if any) to Vadilal Cold Storage. There is no formal contract or agreement between VIL and Vadilal Cold Storage.	VCS is having a cold storage at Gomtipur which is used by VIL for storage purpose of its Ice Cream and Procseed Food Products. VIL in turn is paying Rent to VCS, in which is determined on general market rate.	19-2-2015	NIL	28-9-2015
Mrs. Mamta R. Gandhi, Wife of Mr. Rajesh R. Gandhi, Chairman and Managing Director	Salary of Rs. 44135/- p.m. paid to Mrs. Mamta R. Gandhi.	During the year - 2014-2015.	Mrs. Mamta R. Gandhi is presently working as a Officer on special duty at Pundhra Factory of the Company and is drawing remuneration of Rs. 44135/- p.m. (CTC). Mrs. Mamta R. Gandhi is having vast experience and expertise in respective field. The remuneration paid by the Company to Mrs. Mamta R. Gandhi is within the limit under Section 188 of the Companies Act, 2013 and Rules made thereunder and revised Clause - 49 of the Listing Agreement.	She is looking after Research & Development for all Dairy Products including Ice-cream.	19-2-2015	NIL	28-9-2015



Name of the Related Party and Nature of relationship	Nature of contract or arrangement or transaction	Duration of contract or arrangement or transaction	Salient Features of the contract or arrangement, or transaction including value, if any	Justification for entering into such contracts or arrangements'	Date of approval by the Board	Amount paid as advance, if any.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
Mr. Kalpit R. Gandhi, Son of Mr. Rajesh R. Gandhi, Chairman and Managing Director	Salary of Rs. 25,00,000/- p.a. paid to Mr. Kalpit R. Gandhi.	During the year - 2014-2015.	Mr. Kalpit R. Gandhi is presently working as a Chief Financial Officer of the Company and is drawing remuneration of Rs. 25,00,000/- p.a. (CTC). The remuneration paid by the Company to Mr. Kalpit R. Gandhi is within the limit under Section 188 of the Companies Act, 2013 and Rules made thereunder and revised Clause - 49 of the Listing Agreement.	Mr. Kalpit Gandhi's highest degree is Master 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 graduate from University of Southern California with BSC in 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.	19-2-2015	NIL	28-9-2015
Ms. Astha R. Gandhi, Daughter of Mr. Rajesh R. Gandhi, Chairman and Managing Director	Salary of Rs. 43818/- p.m. paid to Ms. Astha R. Gandhi.	During the year - 2014-2015.	Ms. Astha R. Gandhi is presently working as a G.M.-Melt in of the Company and is drawing remuneration of Rs. 43818/- p.m. (CTC). Ms. Astha R. Gandhi is having vast experience and expertise in respective field. The remuneration paid by the Company to Ms. Astha R. Gandhi is within the limit under Section 188 of the Companies Act, 2013 and Rules made thereunder and revised Clause - 49 of the Listing Agreement.	Ms. Astha Gandhi has developed "Melt In" brand of the Company, with new technology and developed new products including "Geleto", which has received tremendous response from the customers.	19-2-2015	NIL	28-9-2015

Name of the Related Party and Nature of relationship	Nature of contract or arrangement or transaction	Duration of contract or arrangement or transaction	Salient Features of the contract or arrangement, or transaction including value, if any	Justification for entering into such contracts or arrangements or transactions'	Date of approval by the Board	Amount paid as advance, if any.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
Vadial Chemicals Limited (VCL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives	Purchase of Amonia Gas by VIL from VCL	There is no formal contract or agreement between the parties.	VIL purchases Amonia Gas from VCL as and when required.	VIL requires Amonia Gas for its factory situated at Pundhra and Bareilly.	13-8-2015.	No advance paid.	28-9-2015
<b>Annexure - B</b>							
Name of the Related Party and Nature of relationship	Nature of contract or arrangement or transaction	Duration of contract or arrangement or transaction	Salient Features of the contract or arrangement, or transaction including value, if any	Date of approval by the Board	Amount paid as advance, if any.		
Vadial Enterprises Limited (VEL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.	Agreement between VIL and VEL to sell Ice-cream, Frozen Desserts, Flavoured Milk and other Milk and Dairy products by VIL to VEL.	Agreement executed on 28-7-2007, which is valid for a period of 10 years w.e.f. 1st October, 2007.	Sale of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products 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	19-2-2015	NIL		





## ANNEXURE – F TO THE DIRECTORS' REPORT

### NOMINATION AND REMUNERATION POLICY OF VADILAL INDUSTRIES LIMITED

#### Introduction:

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

#### Objective and purpose of the Policy:

The objective and purpose of this policy are:

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

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

#### Effective Date:

This policy shall be effective from 14<sup>th</sup> August, 2014.

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

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

Sr. No.	Name of the Member	Designation	Category
1	Mr. Kshitish M. Shah	Chairman	Independent Director
2	Mr. Rohit J. Patel	Member	Independent Director
3	Mr. Malay Mahadevia	Member	Independent Director
4	Mr. Chetan M. Tamboli	Member	Independent Director

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

#### Definitions:

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

#### **Applicability:**

The Policy is applicable to :

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

#### **General:**

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

#### **PART – A**

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

The Committee shall:

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

#### **PART – B**

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

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

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

##### **• Term / Tenure:**

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

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

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

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

##### **• Evaluation:**

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

##### **• Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations and due to reasons of any fraud, mis-appropriation, cheating, siphoning away of funds, breach of duty, breach of trust, mis-management, financial or other irregularities found



in the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

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

## **PART – C**

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

- **General:**

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

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

1. **Fixed pay:**

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

2. **Minimum Remuneration:**

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

3. **Provisions for excess remuneration:**

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

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

1. **Remuneration / Commission:**

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

2. **Sitting Fees:**

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

3. **Commission:**

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

4. **Stock Options:**

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

## ANNEXURE – G TO THE DIRECTORS' REPORT

[Information under Section 134(3)(m) of the Companies Act, 2013 and Rules made thereunder and forming part of the Directors' Report for the year ended on 31st March, 2015]

### A) CONSERVATION OF ENERGY

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

##### Ice-cream Division :

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 :

- The Company is has installed two conveyors at RMPM store at its Pundhra Factory.
- The Company has increased production capacity of Paneer at its Pundhra Factory.
- During the year under review, the Company has installed automatic candy stacking machines in Puyuan Stick Line at its Pundhra Factory.
- During the year under review, the Company has started production of Ghee, at its Pundhra Factory.
- During the year under review, the Company has installed one 50 kva Bio Gas Generator in ETP Plant at Pundhra Factory and its ETP plant now runs from Generated power from Bio gas generator.
- During the year under review, the Company has installed one new continuous tunnel in Production area, at its Pundhra Factory. Due to this cold storage, the Company has reduced one shift operations of its dispatches.
- During the year under review, the Company has installed one spiral conveyer & one material handling chute in finished product storage area of its Pundhra Factory. It will also improve the productivity and decrease the dispatch time.
- During the year under review, the Company has created new crate storage shed for storage of crates in off season.
- During the year under review, the Company has added different types of Material Handling conveyer and Automation for increasing productivity and smooth functioning of its Ice-cream Division, situated at Bareilly, in the state of Uttar Pradesh.

##### Processed Food Division:

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

- During the year under review, the Company has done recycling of all its Cold Store's Defrost water and used the same in cooling tower. In has increased the efficiency of cooling tower and saved energy.
- During the year under review, Online Steam Blenching started through Water blencher, cooler & chiller with water spray system. It has increased the product yield & improved product quality and energy efficiency.
- During the year under review, at Dharampur factory, the Company has used new Dry Godown to store Pulp Cans to avoid rust. This has improved product quality.
- During the year under review, new ETP with all machineries started and gave water to farmers for irrigation.
- During the year under review, an Automatic voltage regulator (AVR) installed for maintaining voltage and for energy saving.
- High pressure ammonia system improved by replacing 4 pumps (12.5HP each) with 2 condenser pumps (15HP & 12.5HP) to reduce discharge pressure of compressor. It has resulted in energy saving.

#### b) Capital investments on energy conservation equipments:

##### Ice-cream Division :

- The Company is planning to install one additional gas generator at its Pundhra factory.
- The Company is planning to install new material handling equipments at its Pundhra Factory.
- The Company is planning to install a chocolate making machine at its Pundhra Factory.
- The Company is planning to manufacture curd which will add a new product in its product chain.
- The Company is planning to install on stick line which can produce 3D ice-cream.

##### Processed Food Division:

- Anti-rooms for all cold store are proposed to avoid ice formation and energy saving.
- For SFG movement from cold store to packing room, spiral gravity slider to be installed to minimize the temperature loss and hence, to save energy.
- For FG movement from packing to dispatch cold store & from cold store to container, conveyors to be installed to minimize the manual handling, damage to the product and temperature loss. This will save energy.



- Cooling conveyor for Paratha cooling to be installed to minimize the product damage.
- To enhance the capacity of paratha, snacks & roti, the existing semi automatic line to be re-installed with plate freezers / blast freezers.

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

**Ice-cream Division**

- The measures listed in (a) and (b) above would result in reduction of power consumption, increase in storage capacity, increase in food safety and quality of product, productivity and profitability.

**Processed Food Division**

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

**B) TECHNOLOGY ABSORPTION**

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

- » The Company has introduced new product viz. paneer and ghee in the market.
- » The Company is in the process of reducing manpower cost by installing several material handling equipments and automation in packing line.

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

As per A (b) above.

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

The Company has not imported any technology hence, the questionnaire is not applicable.

**d) The expenditure incurred on Research and Development :**

During the year under review, the Company has incurred expenditure of ₹ 19.42 lakhs towards Research of Development.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO :**

As against Foreign Exchange Earnings of ₹ 4858.58 lacs for the previous year ended on 31st March, 2014, the Company has earned Foreign Exchange of ₹ 4453.24 lacs for Export of Goods on FOB value for the year ended on 31st March, 2015.

As against Foreign Exchange Outgo of ₹ 1036.17 lacs for the previous year, the Outgo during the year under review was ₹ 792.14 lacs.



## ANNEXURE- H TO DIRECTORS' REPORT

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15

- |   |  |
|---|--|
| 1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes | Refer Section on Corporate Social Responsibility in Directors' Report                      |
| 2. Composition of CSR Committee   | 1. Mr. Kshitish M. Shah – Chairman<br>2. Mr. Rajesh R. Gandhi<br>3. Mr. Devanshu L. Gandhi |
| 3. Average net profit of the Company for last three financial years   | Rs. 807.76 lakhs   |
| 4. Prescribed CSR expenditure(two percent of the amount mentioned in item 2 above)  | Rs. 16.15 lakhs  |
| 5. Details of CSR spent during the financial year:  |  |
| a. Total amount to be spent for the financial year  | Rs. 16.15 lakhs  |
| b. Amount unspent, if any   | Rs. 16.15 lakhs  |
| c. Manner in which the amount spent during the financial year   | N.A.   |

#### DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2014-15:

1	2	3	4	5	6	7	8
Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program(1) Local Area or Other(2) Specify the State and district where project or programs was undertaken	Amount Outlay (Budget) Project or Programwise (' in crore)	on the Project or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs(2) Overheads (' in crore)	Cumulative Expenditure upto the reporting period i.e. FY 2014-2015 (' in crore)	Amount Spent through Director Implementing Agency
NIL							

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

Due to shortage of manpower and resources required in the respective activity, the Company could not spend towards Corporate Social Responsibility measures during the year – 2014-2015. The Directors ensure that the Company will spend sufficient amount towards Corporate Social measures in the next financial year.

#### RESPONSIBILITY STATEMENT

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

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

**Sd/-**  
**RAJESH R. GANDHI**  
 Chairman & Managing Director  
 Vadilal Industries Limited

**Sd/-**  
**DEVANSHU L. GANDHI**  
 Managing Director  
 Vadilal Industries Limited

**Sd/-**  
**KSHITISH M. SHAH**  
 Chairman of CSR Committee  
 Vadilal Industries Limited

Date : 13th August, 2015

Place : Ahmedabad



**Annexure – I to the Directors' Report**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015**

*[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

Regd. Off : Vadilal House, 53 Shrimali Society

Nr. Navrangpura Police Station, Navrangpura,

Ahmedabad- 380009

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 ended on 31<sup>st</sup> March, 2015 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 as per Annexure I for the Financial Year ended on 31<sup>st</sup> March, 2015 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 and Guidelines 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October, 2014)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (c) to (h) of para (v) mentioned hereinabove during the period under review.

- (vi) We further report that having regard to the compliance system prevailing in the company and on examination of relevant documents and records in pursuance thereof, on test check basis, the company has generally complied with the provisions of the Prevention of Food Adulteration Act, 1954, Food Safety and Standards Act, 2006, Rules 2011 with allied Rules & Regulations and Legal Metrology Act, 2009 and the Rules made thereunder.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Ltd. and the National Stock Exchange of India Limited;

However, it was noted that compliance of secretarial standards issued by ICSI were not mandatory as per The Act, as none of the standards were notified during the period under review.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, mentioned hereinabove and there is adequate compliance management system for the purpose of other laws. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company and verification of documents and records on test check basis. We have relied on the report of internal as well as statutory auditors of the Company for compliance system relating to direct tax, indirect tax and other tax laws.

However it has been inferred from the financials of the company that there were certain disputed statutory dues relating to taxes and duties not deposited by the company including Food safety Penalty imposed by Nayab Nirnayak Adhikari under Food Safety and Standards Act relating to the year 2013-14 which have been shown in contingent liabilities at Note No. 27 against which appeals have been filed by the company as reported. The Company had made representation before various authorities by taking legal recourse as per advice of legal counsel from time to time in the matter of disputes under other commercial and tax laws.

The company has formed CSR Committee however has not Spent any amount on CSR activities as required under the provisions of The Act during the year under report. We were given to understand that related party transactions were in ordinary course of business and on arms length basis.

The company had preferred a petition before Company Law Board, Western region Bench u/s 74 of The Companies Act, 2013 for as and when due, i.e. repayment of Public Deposits accepted prior to applicability of The Companies Act, 2013, till the date of its actual maturity period of the deposits which were falling beyond 31<sup>st</sup> March, 2015. However, we were given to understand that as per MCA circular/clarification, no such extension is required from Company Law Board and therefore, the company is in the process of filing an application for withdrawal of the petition.

Moreover, as per the information made available to us, the Company had made representation before various authorities by taking legal recourse as per advice of legal counsel from time to time in the matter of other litigations/disputes by and against the company under other commercial laws.

**We further report that**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever required.

**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 there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Signature : Sd/-  
Name of practicing CS : Ashish C. Doshi, Partner  
SPANJ & ASSOCIATES  
Company Secretaries

Place: Ahmedabad ACS/FCS No. : F3544  
Date : 13th August, 2015 C P No : 2356

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

**ANNEXURE - A**

**List of documents verified**

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors, Committees of Board, held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Companies Act and rules made there under viz.  
- Register of Directors & KMP



- Register of Directors' Shareholding
  - Register of loans, guarantees and security and acquisition made by the Company
  - Register of Members
  - Periodical BENPOS, Registers of DEMAT/REMAT and records made available from RTA
5. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
  6. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013.
  7. Intimations received from directors under the prohibition of Insider Trading and SEBI Takeover Code.
  8. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the period under report.
  9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the period under report.
  10. Documents related to payments of dividend made to its shareholders.
  11. Communications/ Letters issued to and acknowledgements received from the Independent directors for their appointment
  12. Various policies framed by the company from time to time as required under the Companies Act as well as listing agreement/SEBI Regulations

#### **Annexure B**

To,  
The Members  
VADILAL INDUSTRIES LIMITED  
Regd. Off : Vadilal House , 53 Shrimali Society  
Nr. Navrangpura Police Station, Navrangpura,  
Ahmedabad- 380009

Sir,

Sub : Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March, 2015

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

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

Signature : Sd/-  
Name of practicing CS : Ashish C. Doshi, Partner  
SPANJ & ASSOCIATES  
Company Secretaries

Place: Ahmedabad

ACS/FCS No. : F3544

Date : 13th August, 2015

C P No : 2356

**ANNEXURE – J to the Directors' Report:**  
**PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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 and the percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Name of the Managing Directors, Chief Financial Officer and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year	Comparison of the Remuneration of the KMP against the performance of the Company.
Mr. Rajesh R. Gandhi, Chairman and Managing Director	1 : 34.5	10%	23.89%
Mr. Devanshu L. Gandhi, Managing Director	1 : 34.5	10%	
Mr. Kalpit R. Gandhi, Chief Financial Officer	N.A.	313% #	
Mr. Nikhil M. Patel, Company Secretary	N.A.	10%	

# Elevated from "Vice-president-Exports and Operations" to "Chief Financial Officer" of the Company w.e.f. 1<sup>st</sup> June, 2014.

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: 6.20 %**  
c) **The number of permanent employees on the rolls of Company: 595**  
d) **The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 10%. The individual increments varied from 6% to 14%, based on individual performance.

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) **Market Capitalisation of the Company & Price Earning Ratio:**

Date	Market Price – Closing (Rs.)	EPS in Rs.	Market Capitalisation Rs. in Crores	% change
March 31, 2015	267.80	2.68	192.49	73.00%
March 31, 2014	154.80	1.98	111.27	

The Company has made initial public offer in the year 1989 for ₹ 25/- per share (including premium of ₹ 15/- per share). The market price of the Company share as on March 31, 2015 ₹ 267.80/-.

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

During the year under review, the average annual increase was around 10%. However, during the course of the year, the total increase is approximately 14%, after accounting for promotions and other event based compensation revisions.

Increase in the managerial remuneration for the year was 10 %.

- g) The key parameters for any variable component of remuneration in case of Managing Directors of the Company is linked with the Company performance. In case of other key managerial personnel(s), the same is linked with Company performance and individual performance.  
h) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:  
Not applicable.  
i) **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.  
j) The Statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company including Managing Directors was in receipt of remuneration in excess of the limits set out in the said rules.



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF VADILAL INDUSTRIES LIMITED Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Vadilal Industries Limited** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place as adequate Internal Financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used

and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

### Emphasis of Matter

- a. Attention is invited to Note No. 27.3 of the standalone financial statement regarding petition which is under process with Company Law Board for repayment of fixed deposit accepted under The Companies Act, 1956.
- b. Attention is invited to Note No. 27.6 of the standalone financial statements, where in as per the reasons stated by the management, Trade receivables of ₹ 356.70 lacs outstanding at the year end from Company's Overseas Subsidiary are considered realisable/ recoverable.
- c. Attention is invited to Note No. 27.14 of the standalone financial statements, whereas the company has recognised Mat Credit entitlement for current financial year of ₹ 58.50 Lacs and upto 31<sup>st</sup> March 2015 of ₹ 551.85 Lacs.

Our opinion is not modified in respect of these matters.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 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, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is



disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

- (f) 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 as referred to in Note 27.1.
- II. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.

- III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except ₹ 0.15 Lacs which is held in abeyance due to legal case pending.

For **KANTILAL PATEL & CO.,**  
**CHARTERED ACCOUNTANTS**  
 Firm Regn. No. 104744W

[Mayank S. Shah]

Partner

Place : Ahmedabad  
 Date : June 01, 2015

Membership No.: 44922

## ANNEXURE TO THE AUDITORS' REPORT

### ANNEXURE REFERRED TO IN INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF VADILAL INDUSTRIES LIMITED, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015.

- i) (a) The company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the company has not conducted physical verification of fixed assets during the year. In absence of physical verification of fixed assets material discrepancies if any, could not be ascertained.
- ii) (a) Physical verification at reasonable intervals has been carried out by the management in respect of inventory except inventory lying with the outside parties, have been confirmed by them as at year end. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company has maintained proper records of inventory except in case of processed food division, where due to migration from Oracle to SAP on September 01, 2014, inventory as on migration date was not updated batch wise/ year wise in SAP. The discrepancies noticed on such physical verification as compared to book records were not material.
- iii) Accordingly to the information and explanations given to us, the Group has not granted secured or unsecured loans to companies, firms or other party covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii) (a) and (b) of the order are not applicable
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items sold are of a special nature and comparable alternative prices are not available, there is an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of

goods and services. During the course of our audit, except as stated in para (ii) (c) herein above, we have neither come across nor we have been informed of any major weakness in internal controls procedures.

- v) The company has accepted deposits from public during the year under audit and the directives issued by Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under have been generally complied with except a petition is under process with Company Law Board for repayment of fixed deposit accepted under The Companies Act, 1956. (Refer note no. 27.3 of standalone financials statement).

We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- vi) We have been informed by the management, no cost records have been prescribed by Central Government under section 148(1) of the Companies Act, 2013 in respect of any of the Company's products or services.
- vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, investor education and protection fund, sales-tax, income-tax, wealth tax, service tax, duty of customs, duty of excise, cess and other material statutory dues as applicable with the appropriate authorities.

According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid statutory dues were outstanding as at 31<sup>st</sup> March, 2015 for the period of more than six months from the date they become payable except sales tax of 17.00 Lakhs which remains outstanding for a period of more than six months from the date it became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of disputed amounts in respect of sales tax, income tax, wealth tax, service tax, value added tax, custom duty, and excise duty / cess not deposited with the appropriate authorities are as follow :



(₹ in lakhs)

Sr. No.	Dispute under:	Amt. (net of deposit)	Nature of Dues	Period to which the amount Relates	Forum where dispute is pending
(i)	Central Sales Tax Act and Sales Tax Act of various states	23.24 12.49 15.74 1.55 0.60 2.39 0.46 3.67	Sales tax and Penalty Additional Tax demand Sales tax demand Sales tax demand Sales Tax demand Sales tax asst dues Purchase Tax Sales tax	1998-99 2000-01 2000-01 2001-02 2002-03 2003-04 2003-04 2004-05	- High Court - Jt. Comm. - Dy. Comm. - Dy. Comm. - Tribunal - Jt. Comm. - Jt. Comm. - Tribunal
(ii)	Income Tax Act, 1961	1.93 3.12 1.37	Income tax	1996-97 1999-00 2006-07	- High Court - High Court - A.O
(iii)	Others Nayab Nirnayak Adhikari	0.75	Food Safety Penalty	2013-14	-Allahabad High Court

The following matters, which have been excluded from the above table, have been decided in favour of the company but the department has preferred appeals at higher levels. The details are as under :

(Rs. in lakhs)

Sr. No.	Dispute under:	Amt. (net of deposit)	Nature of Dues	Period to which the amount Relates	Forum where dispute is pending
(i)	Central Excise Act, 1944	4.58 4.28	Demand for duty on goods cleared MODVAT on capital goods	1988-89 2003-04	-Asst. Comm. -Asst. Comm.
(ii)	Income Tax Act, 1961	50.46 31.10 7.84 14.06 16.03 0.51 5.10 41.55	Income tax	1992-93 1993-94 1994-95 1995-96 1996-97 2001-02 2002-03 1997-98	- ITAT - ITAT -High Court -High Court -High Court -High Court -High Court -High Court

- (c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time except Rs 0.15 lacs which is held in abeyance due to legal case pending.
- viii) The Company neither has any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix) Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks and financial institution. The Company has not obtained any borrowing by way of debentures.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us the Company has given guarantee of Rs 1809.00 Lacs for loans taken by others from banks. In our opinion and based on the information and explanations given to us, the terms and conditions are not prejudicial to the interests of the Company.
- xi) Based on information and explanations given to us by the management, term loan was applied for the purpose for which the loan was obtained.
- xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year nor we have been informed of any such case by the management.

For **KANTILAL PATEL & CO.,**  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No. 104744W

[Mayank S. Shah]  
Partner

Place : Ahmedabad  
Date : June 01, 2015

Membership No.: 44922

## BALANCE SHEET AS AT 31ST MARCH, 2015

	NOTE	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>I EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders' Funds:</b>			
(a) Share Capital	3	718.78	718.78
(b) Reserves & Surplus	4	10762.69	10771.96
<b>Sub Total</b>		<u>11481.47</u>	<u>11490.74</u>
(2) <b>Deferred Government Grant (Refer L on Note 2.1)</b>		25.26	19.19
(3) <b>Non-Current liabilities</b>			
(a) Long Term borrowings	5	6075.39	8199.65
(b) Deferred tax liabilities(Net)	6	1535.36	1419.59
(c) Long term provisions	7	116.17	98.06
<b>Sub Total</b>		<u>7726.92</u>	<u>9717.30</u>
(4) <b>Current liabilities</b>			
(a) Short term borrowings	8	6423.30	6064.59
(b) Trade payables	9	6500.22	5884.81
(c) Other current liabilities	10	4535.14	4314.25
(d) Short term provisions	7	227.42	287.52
<b>Sub Total</b>		<u>17686.08</u>	<u>16551.17</u>
<b>TOTAL -&gt;</b>		<u><u>36919.73</u></u>	<u><u>37778.40</u></u>
<b>II ASSETS</b>			
(1) <b>Non-current assets</b>			
(a) Fixed Assets :	11		
i) Tangible assets		21997.72	22362.14
ii) Intangible Assets		431.38	335.50
iii) Capital Work - In - Progress		60.89	418.09
<b>Sub Total</b>		<u>22489.99</u>	<u>23115.73</u>
(b) Non-current Investments	12	146.23	146.23
(c) Long-term loans and advances	13	1593.96	1750.47
(d) Other non-current assets	14	66.77	67.62
<b>Sub Total</b>		<u>24296.95</u>	<u>25080.05</u>
(2) <b>Current Assets</b>			
(a) Current Investments	15	1.14	1.15
(b) Inventories	16	9605.28	9967.89
(c) Trade receivables	17	1738.52	1651.31
(d) Cash & Bank balances	18	469.75	298.05
(e) Short term Loans & Advances	13	554.47	563.37
(f) Other Current Assets	14	253.62	216.58
<b>Sub Total</b>		<u>12622.78</u>	<u>12698.35</u>
<b>TOTAL -&gt;</b>		<u><u>36919.73</u></u>	<u><u>37778.40</u></u>

Summary of significant accounting policies 2.1  
The accompanying notes are an integral part of the financial statements

As per our report of even date  
For KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No - 104744W

[ Mayank S Shah ]  
Partner  
Membership No - 44922

Place : Ahmedabad  
Date : June 1, 2015

For and on behalf of the Board

Rajesh R Gandhi : Chairman & Managing Director  
Devanshu L Gandhi : Managing Director  
Kalpit R Gandhi : Director & Chief Financial Officer  
Nikhil Patel : Company Secretary

Place : Ahmedabad  
Date : June 1, 2015



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	NOTE	Year Ended 31.03.2015 (₹ in Lacs)	Year Ended 31.03.2014 (₹ in Lacs)
I Revenue From Operations (Gross)	19	41288.57	37170.32
Less : Excise Duty		945.44	808.81
Revenue From Operations (Net)		40343.13	36361.51
Other Income	20	307.86	156.40
<b>Total Revenue (I)</b>		<b>40650.99</b>	<b>36517.91</b>
II <b>Expenses :</b>			
Cost of Materials Consumed	21	23678.08	20767.00
Purchases of stock-in-Trade	22	5.76	644.77
Changes in inventories of Finished goods and stock in trade	23	992.82	(715.34)
Employee Benefits expenses	24	1989.64	1895.21
Other Expenses	25	9584.36	9723.72
<b>Total (II)</b>		<b>36250.66</b>	<b>32315.36</b>
III Earnings before Interest, Tax, Depreciation and amortisation (EBITDA) (I-II)		4400.33	4202.55
IV Finance Cost	26	2573.24	2524.13
Depreciation and amortization expenses	11	1308.23	1362.12
Less : Recoupment from Revaluation reserve / Deferred Government grant		3.42	81.36
<b>Sub Total</b>		<b>1304.81</b>	<b>1280.76</b>
Total (IV)		<b>3878.05</b>	<b>3804.89</b>
V Profit before Exceptional & extraordinary items and tax(III-IV)		522.28	397.66
VI Exceptional Items			
Long term Loans & Advances written off		196.93	135.05
(P.Y. Provision for Diminution in the value of Long Term Investments)			
VII Profit before extraordinary items and tax(V-VI)		325.35	262.61
VIII Extraordinary items		0.00	0.00
IX Profit before Tax(VII-VIII)		325.35	262.61
X Tax Expenses (Refer H on Note 2.1)			
(a) Current tax		58.50	94.09
Less : MAT Credit entitlement (Refer Note 27.14)		(58.50)	(89.94)
		0.00	4.15
(b) Deferred Tax charge / (release)		137.16	128.98
(c) Short / (Excess) Provision of Tax of earlier years		(4.71)	(13.07)
		132.45	120.06
XI Profit for the year (IX – X)		192.90	142.55
XII Earnings per equity share (Refer Note 28.5)			
Nominal Value of Share ₹ 10 (P.Y. ₹ 10)			
Basic & Diluted			
Computed on the basis of total profit for the year		2.68	1.98
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No - 104744W

[ Mayank S Shah ]

Partner

Membership No - 44922

Place : Ahmedabad

Date : June 1, 2015

For and on behalf of the Board

Rajesh R Gandhi : Chairman & Managing Director  
Devanshu L Gandhi : Managing Director  
Kalpit R Gandhi : Director & Chief Financial Officer  
Nikhil Patel : Company Secretary

Place : Ahmedabad

Date : June 1, 2015

## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

	For the year ended 31.03.2015 (₹ in Lacs)	For the year ended 31.03.2014 (₹ in Lacs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and Exceptional Items from continuing operations	522.28	397.66
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	1308.23	1362.12
Withdrawn From Revaluation Reserve /	(3.42)	(81.36)
Deferred Government Grant		
Loss / (Profit) on sale of Assets	(90.94)	(20.86)
Loss / (Profit) on Partnership Firms (Net)	(12.86)	17.30
Provision for bad debts	9.69	3.18
Provision for Doubtful Advances	24.80	31.63
Upfront Interest on restructuring of Loan	11.64	11.65
Diminution in value of Current Investments	0.01	(0.08)
Excess Provision written back	(86.74)	(46.11)
Dividend	(0.16)	(0.13)
Interest expenses	2573.24	2524.13
Interest Income	(28.11)	(43.78)
Operating Profit before working capital changes	4227.66	4155.35
Movements in working capital :		
Increase / (decrease) in trade payables	615.41	1939.49
Increase / (decrease) in long term provisions	18.11	44.09
Increase / (decrease) in short term provisions	17.71	8.75
Increase / (decrease) in other current liabilities	(32.20)	849.66
Decrease / (increase) in trade receivable	(96.89)	(117.07)
Decrease / (increase) in inventories	362.61	(1295.35)
Decrease / (increase) in long term loans and advances	35.19	213.49
Decrease / (increase) in short term loans and advances	(15.90)	(87.79)
Decrease / (increase) in other current assets	(40.32)	(27.55)
Cash Generated from / (used in) Operations	5091.38	5683.07
Direct taxes paid (net of refunds)	(138.27)	(34.26)
Cash flow before extraordinary items	4953.11	5648.81
Net Cash from / (used in) Operating Activities	4953.11	5648.81
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(878.22)	(2173.13)
Sale of fixed assets	149.62	20.87
Purchase of Current Investments	0.00	(124.73)
Investments in bank deposits (having original maturity of more than three months (Net)	(58.38)	(99.22)
Interest received	28.33	120.44
Dividend received	0.16	0.13
Deferred Government grant received	9.50	0.00
Net Cash flow from / (used in) Investing Activities	(748.99)	(2255.64)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term borrowings	437.62	2634.82
Repayment of Long Term Borrowings	(2208.37)	(1930.25)
Proceeds from Short Term borrowings	2772.86	2494.94
Repayment of Short Term Borrowings	(2414.15)	(3800.05)
Interest paid	(2585.60)	(2574.97)
Dividends paid on equity shares	(73.23)	(104.66)
Tax on equity dividend paid	(12.21)	(18.32)
Net Cash used in Financing Activities	(4083.08)	(3298.49)
Net Increase/(Decrease) in cash and	121.04	94.68
Cash equivalents (A+B+C)		
Op. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ Nil (P.Y. ₹ 0.01 lacs))	192.43	97.75
Cl. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ 0.16 Lacs (P.Y. ₹. Nil))	313.47	192.43
Major Components of Cash and Cash Equivalents as at	31.03.2015	31.03.2014
Cash and Cheques on hand	63.33	44.28
Balance With Banks		
On Current Accounts	47.28	45.82
On Unpaid Dividend Accounts *	18.37	19.72
On Fixed / Margin Money Deposit Accounts	184.49	82.61
(Includes ₹ 108.33 Lacs (P.Y. ₹ Nil) in Deposit Repayment Reserve Account)	313.47	192.43

### Notes :

- The above Cash Flow has been prepared under Indirect Method set out in AS 3, issued by Companies (Accounting Standard) Rules, 2006.
- Figures in brackets represents outflow.
- Previous Year figures have been restated wherever necessary to make them comparable with current year figures.
- The Company can utilize this balance only towards settlement of the unclaimed dividend.

This is the Cash Flow Statement referred to in our report of even date  
For KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No - 104744W

[Mayank S Shah]  
Partner  
Membership No - 44922

Place : Ahmedabad  
Date : June 1, 2015

For and on behalf of the Board

Rajesh R Gandhi : Chairman & Managing Director  
Devanshu L. Gandhi : Managing Director  
Kalpit R Gandhi : Director & Chief Financial Officer  
Nikhil Patel : Company Secretary

Place : Ahmedabad  
Date : June 1, 2015



## NOTES TO BALANCE SHEET & STATEMENT OF PROFIT & LOSS

### Note :1

#### Corporate Information:

The Company is engaged in the business of manufacturing Ice-cream, Flavored Milk, Frozen Dessert and processing and exporting Processed Food Products, such as Frozen Fruits, Vegetable, Canned 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 and sales its products in India except states of Maharashtra, Karnataka, Andhra Pradesh, Kerala and Goa.

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

The company is having RBI license under AD.II category and engaged in Money changing business.

### Note :2

#### BASIS OF PREPARATION:

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with Paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain fixed assets which are carried at revalued amount.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### NOTE : 2.1

#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

##### A) USE OF ESTIMATES :

Preparation of financial statements in conformity with the generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates, are recognised in the period in which the results are known / materialised.

##### B) FIXED ASSETS, DEPRECIATION AND EXPENDITURE DURING CONSTRUCTION PERIOD :

###### i) TANGIBLE ASSET:

Fixed assets are stated at cost of acquisition & installation, net of cenvat and VAT credits availed, if any, and includes amount added on revaluation less accumulated depreciation and impairment loss, if any. Borrowing costs incurred during the period of construction/ acquisition of assets are added to the cost of Fixed Assets. Major expenses on modification /alterations increasing efficiency/capacity of the plant are also capitalised. Exchange differences arising out of fluctuations in exchange rate on settlement/period end in long term foreign currency monetary liabilities used for acquisition of fixed assets are adjusted to the cost of the fixed assets and depreciated over the remaining useful life of the asset.

Critical spares are capitalised as a part of Fixed Assets, Depreciation on the same is provided over useful life of Fixed Assets.

###### INTANGIBLE ASSET:

Intangible assets are carried at cost less accumulated amortisation and impairment if any.

- ii) a) The Company has revalued Free hold Land, Building and Plant & Machineries of Ice Cream Plant, Ahmadabad and Agri. Foods plant, Dharampur as on 31st March 2000, and further freehold and leasehold land and building situated at Ahmedabad, Pundhra, Bareilly and Dharampur has been revalued as on 31st March, 2012 based on report issued by external valuer, using replacement basis policy.
- b) The increase in gross block due to revaluation of assets of ₹ 6956.53 Lacs (Previous Year ₹ 6956.53 Lacs ) since inception is transferred to revaluation reserve account. Outstanding balance of revaluation reserve account as on 31<sup>st</sup> March, 2015 is ₹ 6068.72 Lacs (Previous Year ₹ 6222.60 Lacs). Consequent to the said revaluation there is an additional charge of depreciation of ₹ 79.76 Lacs (Previous Year ₹ 78.17 Lacs was recouped from Revaluation Reserve) An equivalent amount has been withdrawn from Revaluation Reserve and credited to the General Reserve Account. This has an impact on Profit for the year.
- iii) a) Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II, based on technical advice obtained by the Company:



Particulars	Estimated Useful Life
<b>Building</b>	
1) Factory Building	28 years
2) Others	58 years
<b>Plant &amp; Machinery</b>	
1) Continuous Process	18 years
2) Plastic Crates	5 years
3) Others	20 years
<b>Vehicles</b>	
Motor Car	10 years

- b) Software is amortized on straight line basis over a period of 5 years.
- c) On revalued assets, depreciation is provided on the estimate of the remaining useful life of such assets.
- d) Premium paid for lease hold land is amortised over the residuary lease period.
- e) In respect of major alterations/modifications forming an integral part of existing assets, depreciation is provided on the basis of useful life of such assets after such alterations/modifications or the useful life of the assets as per Schedule II of the Companies Act, 2013, whichever is higher on the total value of such assets.
- f) Lease hold improvements are amortised over the life of the lease. In case the leasehold asset is vacated earlier than tenure of the lease, the total unamortised balance will be written off to the statement of profit & loss in the year in which the premise is vacated.

**iv) IMPAIRMENT OF ASSETS :**

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of fixed assets exceeds its recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

**C) INVESTMENTS :**

Investments are classified into current and Non Current investments. Current investments are such which is held primarily for the purpose of being traded. Non Current investments are carried at cost. A provision for diminution in value of Non Current investments is made for each investment individually ,if such decline is other than temporary. Current investments are stated at the lower of cost and fair value, computed category wise.

**D) INVENTORIES :**

Inventories are valued as under:

- i) Raw Materials, Packing Materials and Stores & Spares. Valued at lower of cost or net realisable value and for this purpose cost is determined on weighted average basis. Due provision for obsolescence is made.
- ii) Finished Goods At cost or net realisable value, whichever is lower. Cost is determined on absorption basis. Due provision for obsolescence is made.

**E) REVENUE RECOGNITION:**

**i) REVENUE FROM OPERATION :**

- a) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. Revenue from sale of goods is recognised on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.
- b) Sales is inclusive of Excise and net of Trade discount and VAT/CST.

**ii) DIVIDEND INCOME :**

Dividend income from Investment is accounted for when the right to receive is established.

**iii) INTEREST INCOME :**

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

**F) EMPLOYEE BENEFITS :**

**a) Short Term Employee Benefits :**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

**b) Post-Employment Benefits :****(i) Defined Contribution Plans:**

State Governed provident fund scheme and employees state insurance scheme are defined contribution Plans. The contribution paid / payable under the schemes is recognised during the period in which the employees renders the related services.

**(ii) Defined Benefit Plans :**

The employee's gratuity fund scheme and compensated absences is company's defined benefit plans. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected Unit Credit Method, Which recognises each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognised immediately in the profit and loss account.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligations under the defined benefit plans, to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefits plans are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

**c) Long term employee benefits :**

The obligation for long term employee benefits such as long term compensated absences, is recognised in the same manner as in case of defined benefit plans as mentioned in b) ii) above.

**G) BORROWING COSTS :**

- i) Borrowing costs whether specific or general, utilized for acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till the activities necessary for its intended use are complete. General borrowing costs are capitalised at the weighted average of such borrowings outstanding during the year. All other borrowing costs are charged in statement of profit & loss of the year in which incurred.
- ii) Ancillary cost incurred in connection with term loan borrowings is amortised over the period of term loan.
- iii) Upfront interest paid on restructuring of term loans is amortised over the tenure of such loans.

**H) TAXES ON INCOME :**

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty that sufficient future taxable income will be available against which such assets can be realised. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date to reassess realisation.

**b) MAT Credit Entitlement**

MAT credit is recognised as an asset only when there is convincing evidence that the company will pay normal income tax within the specified period. The asset shall be reviewed at each balance sheet date.

**I) FOREIGN CURRENCY TRANSACTIONS :**

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currency at the year end are translated at the exchange rates prevailing at the balance sheet date.
- iii) Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006 arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the remaining useful life of the asset, and in other cases are accumulated in a "Foreign currency Monetary item Translation Difference Account" in the company's financial statements and amortised Account" in the company's financial statements and amortised over the balance period of such long term asset/liability but not beyond accounting period ending on or before 31st March, 2020.
- iv) Premium or discount arising at the inception of the forward exchange contract is amortised as income or

expense over the period of the contract. Any profit or loss arising in renewal or cancellation of forward exchange contracts is recognised as income or expense during the year.

- v) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.
- vi) Losses in respect of all outstanding derivative contracts at the balance sheet date is provided by marking them to market.

**J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

Provisions are recognised when the company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Contingent Liabilities are disclosed by way of notes to financial statements.

Contingent Assets are neither recognised nor disclosed in the financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**K) CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :**

All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

**L) ACCOUNTING FOR GOVERNMENT GRANTS :**

- i) Government grants in the form of promoters contribution is treated as capital receipt and credited to capital reserve.
- ii) Grant in the form of revenue subsidy is treated as revenue receipt and credited to "Other Income" in profit and loss account. However, specific grants (e.g. Transport subsidy from APEDA) is deducted from the freight expenses.
- iii) Grant towards specific fixed assets was presented as deduction from its gross value up to 31.03.2005 and there after the same is presented by credit to Deferred Government grant and amortised over the period of useful life of specific fixed assets.

**M) RESEARCH AND DEVELOPMENT EXPENSES :**

Expenditure relating to capital items is debited to Fixed Assets and depreciated at applicable rates. Revenue expenditure is charged to Profit and Loss Account of the period in which they are incurred.

**N) SEGMENT REPORTING :**

- i) Identification of Segments:- The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.
- ii) Inter Segment transfer:- The company generally accounts for inter segment sales and transfer at cost plus appropriate margins.
- iii) Allocation of Common Cost:- Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
- iv) Unallocated items:- Unallocated items include general corporate income and expense items which are not allocated to any business segment.
- v) Segment accounting policies:- The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**O) EARNINGS PER SHARE :**

Basic Earning Per Share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**P) CASH AND CASH EQUIVALENTS :**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**Q) CASH FLOW STATEMENT :**

Cash flow statement is prepared using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing of the company are segregated based on the available informations.



	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE - 3</b>		
<b>SHARE CAPITAL</b>		
<b>Share capital</b>		
<b>Authorized shares</b>		
1,50,00,000 (31 March 2014: 1,50,00,000) equity shares of ₹10/- each	1500.00	1500.00
	<u>1500.00</u>	<u>1500.00</u>
<b>Issued, subscribed and fully paid-up shares</b>		
<b>Issued and Subscribed :</b>		
71,88,230 (31 March 2014: 71,88,230) equity shares of ₹ 10/- each	718.82	718.82
	<u>718.82</u>	<u>718.82</u>
<b>Total issued and subscribed share capital</b>	<u>718.82</u>	<u>718.82</u>
<b>Paid up :</b>		
71,87,830 (31 March 2014: 71,87,830) equity shares of ₹ 10/- each	718.78	718.78
	<u>718.78</u>	<u>718.78</u>
<b>Total paid-up share capital</b>	<u>718.78</u>	<u>718.78</u>

**a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	31st March, 2015		31st March, 2014	
	(Nos)	(₹ in Lacs)	(Nos)	(₹ in Lacs)
<b>Equity shares</b>				
<b>At the beginning of the period</b>	<u>7187830</u>	<u>718.78</u>	<u>7187830</u>	<u>718.78</u>
<b>Outstanding at the end of the period</b>	7187830	718.78	7187830	718.78

**b Terms / rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

During the year ended 31 March 2015, the amount of per share dividend recognized as distribution to equity shareholders is ₹ 1.00 (31 March 2014 : ₹ 1.00).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c Shares held by holding/ultimate holding company and/or their subsidiaries / associates**

The Company does not have any holding company.

**d Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

Nil

**e Details of shareholders holding more than 5% shares in the company**

	31st March, 2015		31st March, 2014	
	(Nos)	(%holding in the class)	(Nos)	(%holding in the class)
Vadilal International Pvt. Ltd.	2809704	39.09%	2809704	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 both legal and beneficial ownerships of shares.

	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 4</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
Closing Balance	8.84	8.84
<b>Securities Premium Account</b>		
Closing Balance	487.27	487.27
<b>Revaluation Reserve</b>		
(Refer B (ii) on Note No. 2.1)		
Balance as per last Financial Statements	6222.60	6300.77
Less : Amount transferred to the statement of profit and loss as reduction from depreciation	0.00	78.17
Less : Amount of Revaluation due to sale of Fixed Assets	74.12	0.00
Less : Depreciation to the extent on account of revaluation of fixed assets transferred to General Reserve	79.76	0.00
Closing Balance	6068.72	6222.60
<b>General Reserve</b>		
Balance as per last Financial Statements	3600.00	3500.00
Add : Amount transferred from surplus balance in the statement of profit and loss	161.78	100.00
Add : Depreciation to the extent on account of revaluation of fixed assets transferred from Revaluation reserve	79.76	0.00
Less : Carrying Value of Assets whose life has been completed (Net of Deferred Tax ₹ 21.39 Lacs) (Refer Note 11.4)	41.54	0.00
Closing Balance	3800.00	3600.00
<b>Surplus in the statement of profit and loss</b>		
Balance as per last Financial Statements	453.25	494.79
Profit for the year	192.90	142.55
Less : Appropriations		
Proposed final equity dividend (Amount per share ₹ 1.00 (P.Y. amount per share ₹ 1.00))	71.88	71.88
Tax on proposed equity dividend	14.63	12.21
Transferred to General reserve	161.78	100.00
Total Appropriations	248.29	184.09
Net Surplus in the statement of profit and loss	397.86	453.25
Total Reserves and Surplus	10762.69	10771.96

	Non – Current		Current Maturities	
	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 5</b>				
<b>LONG TERM BORROWINGS</b>				
Term Loans				
From Banks (Secured)	5180.94	6982.16	1894.03	1776.93
From Financial Institutions (Secured)	150.00	350.00	250.00	265.63
From Others (Unsecured)	81.24	71.99	133.33	31.91
	5412.18	7404.15	2277.36	2074.47
Deposits (Unsecured)				
Fixed Deposits (Refer Note 27.3)	663.21	795.50	416.14	265.53
	6075.39	8199.65	2693.50	2340.00



		Non – Current		Current Maturities	
		As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
The above amount includes :					
Secured borrowings		5330.94	7332.16	2144.03	2042.56
Unsecured borrowings		744.45	867.49	549.47	297.44
Less : Amount disclosed under the head "Other current Liabilities" Note – 10				(2277.36)	(2074.47)
Less : Amount disclosed under the head "Other current Liabilities" Note – 10				(416.14)	(265.53)
Net Amount		6075.39	8199.65	0.00	0.00
<b>Repayment Schedule of Loans</b>					(₹ in Lacs)
	Sanctioned / Disbursed Amount	As at 31.03.2015	As at 31.03.2014	Rate of Interest	No of installment installment Amount
<b>Term Loans</b>					
<b>From Banks</b>					
IDBI Bank (Expansion Loan)	800.00	85.75	200.03	14.75%	2 Quarterly 1 Quarterly 28.57 28.61
BOB	1000.00	350.00	550.00	13.00%	21 Monthly 16.67
BOB	1400.00	863.33	1143.33	13.00%	37 Monthly 23.33
BOB	2000.00	1888.88	2000.00	14.15%	67 Monthly 27.78
					1 Monthly 27.62
SBT	1000.00	514.50	715.25	13.90%	30 Monthly 16.75
					1 Monthly 11.75
SBT	1000.00	514.50	715.25	13.90%	30 Monthly 16.75
					1 Monthly 11.75
SBI (old loan)	775.00	11.04	129.40	14.50%	1 Monthly 11.04
SBI (Project)	1000.00	215.10	398.80	14.50%	12 Monthly 16.70
					1 Monthly 14.70
SBI (Project)	900.00	600.00	712.50	14.50%	16 Quarterly 37.50
SBI (Project)	2100.00	1934.25	2044.25	14.50%	25 Monthly 10.00
					32 Monthly 52.00
					1 Monthly 20.25
<b>Vehicle Loans</b>					
HDFC	-	97.62	150.28	—	From 18 to 54 Monthly Installments* -
<b>From Financial Institutions</b>					
Exim	1000.00	400.00	550.00	13.75%	8 Quarterly 50.00
Exim	525.00	0.00	65.63	13.00%	
<b>Others</b>					
IBM India	135.11	72.00	103.90	12.50%	7 Quarterly* 7.83
					9 Quarterly* 3.03
Magma Finance	150.00	142.57	0.00	16.10%	17 Monthly* 9.44
	Total	7689.54	9478.62		
<b>Fixed deposits</b>		1079.35	1061.03	10.25 %to 24 months to 36 months 11.00% based on period of deposit	
*Includes Interest portion					



- A 1) Existing Term loans from IDBI, SBI and Exim Bank aggregating to ₹ 21 Crores, New Term loan from BOB, SBI and Exim Bank aggregating to ₹ 30 crores, further term loan from BOB And SBT ₹ 34 Crores, Additional Term loan of ₹ 9 crores and ₹ 21 Crores from SBI and corporate loan of ₹ 20 crores from BOB are secured by English 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 :
- Dudheshwar, Ahmedabad (Icecream Plant) (1st Charge) (Owned property)
  - Dharampur, Dist.: Valsad (Canning Unit) (1st Charge) (Owned property)
  - Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st Charge) (Owned property)
  - Village Pundhra, Tal : Kalol, Dist. :Gandhinagar (Icecream Plant) (1st Charge) (Owned property)
  - Unit - I, Parsakhera Industrial Estate, Bareilly, U.P.(Icecream Plant) (1st Charge) (Leased property)
  - Dharampur, Dist.: Valsad (IQF Unit - excluding specific plant & machineries) (2nd charge) (Owned property)
  - Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd Charge) (Owned property)
  - Dharampur, Dist. : Valsad (New Land) (1st Charge) (Owned property)
  - Unit - II, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (Only on movable properties as 1st Charge) (Excluding specific plant & machineries)
  - Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 1st Charge)
  - Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) ( Only on movable properties as 1st Charge)
- 2) New Term Loans aggregating to ₹ 30 crores from BOB, SBI and Exim bank, further term loan aggregating to ₹ 34 crores from BOB and SBT, additional term loan of ₹ 9 crores and ₹ 21 Crores from SBI and corporate loan of ₹ 20 crores from BOB as above are also secured by way of mortgage and hypothecation on immovable and movable properties of the Company situated at Bareilly, Parsakhera Industrial Area, U.P. (New Land F-12) (Leased property)
- 3) The above Term Loans are also secured by way of Hypothecation on entire current assets of the Company on 2nd pari-passu charge basis
- 4) Vehicle Loans are secured by hypothecation of vehicles
- 5) The Term Loans are also secured by Personal Guarantee of some of the Directors of the Company and also guaranteed by Three Companies

	Long Term		Short Term	
	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 6</b>				
<b>DEFERRED TAX LIABILITY (NET)</b>				
Deferred Tax Liability				
Fixed assets : Impact of difference between tax Depreciation and depreciation / amortisation charged for the financial reporting	1759.39	1549.36		
Others	7.05	10.58		
	<u>1766.44</u>	<u>1559.94</u>		
Deferred Tax Assets				
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	71.30	53.50		
Unabsorbed depreciation	120.78	60.68		
Others	39.00	26.17		
	<u>231.08</u>	<u>140.35</u>		
Deferred Tax Liability (Net)	<u>1535.36</u>	<u>1419.59</u>		
<b>NOTE – 7</b>				
<b>PROVISIONS</b>				
<b>Employee Benefits :</b>				
Gratuity (Refer Note 28.1)	116.17	98.06	51.06	47.36
Compensated absences	0.00	0.00	73.20	59.19
<b>Others :</b>				
Income Tax Less Advance Tax (Current Tax)	0.00	0.00	0.00	80.23
Proposed Equity Dividend	0.00	0.00	71.88	71.88
Provision for Tax on Proposed Equity Dividend	0.00	0.00	14.63	12.21
Other Provisions (Refer Note 28.6)	0.00	0.00	16.65	16.65
	<u>116.17</u>	<u>98.06</u>	<u>227.42</u>	<u>287.52</u>



	(₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>Note – 8</b>			
<b>SHORT TERM BORROWINGS</b>			
Loans Repayable on Demand :			
From Banks			
Working Capital Loans (Secured)		5109.84	4982.24
Loans / Deposits from Related Parties (Refer Note 28.3)		304.26	102.00
Deposits (Unsecured)			
Public Fixed Deposits	208.20		665.35
Inter Corporate deposits	801.00		315.00
		1009.20	980.35
		6423.30	6064.59
The above amount includes :			
Secured borrowings			
		5109.84	4982.24
Unsecured borrowings			
		1313.46	1082.35
		6423.30	6064.59

A 1) Working Capital facilities from consortium banks namely BOB, SBI, SBT, IDBI and Exim Bank aggregating to ₹ 65.28 crores (enhanced from ₹ 45.25 crores) and additional working capital facilities aggregating to ₹ 5.75 crores from BOB are secured by way of English mortgage on Immovable properties and hypothecation on movable properties of the company situated at the following places by way of 1st & 2nd Charge on pari-passu basis :-

- i Dudheshwar, Ahmedabad (Icecream Plant) (2<sup>nd</sup> Charge) (Owned property)
- ii Dharampur, Dist. : Valsad (Canning Unit) (2<sup>nd</sup> Charge) (Owned property)
- iii Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd Charge) (Owned property)
- iv Village Pundhra, Taluka Kalol, Dist. : Gandhinagar (Icecream Plant) (2nd Charge) (Owned property)
- v Unit - I, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (2nd Charge) (Leased property)
- vi Dharampur, Dist.: Valsad (IQF Unit - excluding specific plant & machineries) (1st charge) (Owned property)
- vii Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st Charge) (Owned property)
- viii 4 Flats No. 801 to 804, Maruti Centre, Gurukul, Drive-in Road, Ahmedabad (Flats) (1st Charge) (Owned property)
- ix Unit - II, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (Only on movable properties as 2nd Charge) (Excluding specific plant & machineries)
- x Gomitpur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 2nd Charge)
- xi Gomitpur, Ahmedabad (earlier in Vadilal Cone Company) ( Only on movable properties as 2nd Charge)
- xii Dharampur, Dist : Valsad (New land) (2<sup>nd</sup> charge) (Owned property)
- xiii Bareilly, Parsakhera Industrial area, U.P. (New land – F-12) (2nd Charge) (Leased property)

2) 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.

- B Working Capital facilities are also secured by Personal Guarantee of some of the Directors of the Company and also guaranteed by Three Companies
- C The cash credit and working capital demand loan is repayable on demand and carries interest @ 13.00 % to 14.50 %
- D Loans and Advances from Related Parties are repayable on demand and carry interest @ 10.50 %
- E inter corporate deposits are repayable between 60 days to 90 days and carry Interest @ 11.00 % to 16.00 %
- F Fixed deposits are repayable for 12 months and carry interest @10.25 %

	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 9</b>		
<b>TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises (Refer Note 27.8)	18.33	90.61
Others (Including acceptances of ₹ 2487.22 Lacs (P.Y. ₹ 1492.67 Lacs))	6481.89	5794.20
	<u>6500.22</u>	<u>5884.81</u>
<b>NOTE – 10</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term borrowings (Refer Note 5)		
From Banks	1894.03	1776.93
From Financial Institutions	250.00	265.63
From Others	133.33	31.91
Public Fixed Deposits (Refer Note 5 & Note 27.3)	416.14	265.53
Interest Accrued but not due on borrowings	133.41	109.71
Interest Accrued and due on borrowings	55.46	91.53
Unclaimed Dividends *	18.36	19.72
Unclaimed Matured deposits and Interest accrued thereon * #	14.96	36.49
Book Overdraft in current account with Banks	34.18	0.00
Payable for Capital Goods	224.67	351.06
Other Liabilities		
Statutory dues payable	372.71	370.80
Advance from Customers	43.32	32.12
Security Deposits from Customers (Refer Note 28.3)	863.24	875.12
Others	81.33	87.70
	<u>4535.14</u>	<u>4314.25</u>
* Does not include any amounts outstanding as on 31.03.2015 which are required to be credited to Investor Education and Protection Fund		
# These figures includes ₹ 0.15 (P.Y. ₹ 0.15) due and outstanding as on date 31.03.2015, which is held in abeyance due to legal case pending		

**NOTE – 11**

**FIXED ASSETS (Refer B on Note 2.1)**

(₹ in Lacs)

Particulars	Land Freehold	Land Leasehold	Building	Lease hold Improvements	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
<b>I Tangible Assets</b>									
<b>A Cost or Valuation -</b>									
<b>At 31st March, 2014</b>	4378.67	1285.25	7516.14	17.13	18589.27	195.95	615.33	318.64	32916.38
Additions	0.00	0.00	88.10	0.00	904.16	1.60	47.05	20.18	1061.09
Disposals	0.00	0.00	83.04	0.00	402.40	0.79	144.73	22.44	653.40
<b>At 31st March, 2015</b>	<u>4378.67</u>	<u>1285.25</u>	<u>7521.20</u>	<u>17.13</u>	<u>19091.03</u>	<u>196.76</u>	<u>517.65</u>	<u>316.38</u>	<u>33324.07</u>
<b>B Depreciation -</b>									
<b>At 31st March, 2014</b>	0.00	47.00	2873.66	1.85	7018.07	122.61	336.64	154.41	10554.24
Additions	0.00	22.42	219.23	1.81	880.27	8.90	136.87	26.04	1295.54
Disposals	0.00	0.00	6.68	0.00	349.32	0.31	144.68	22.44	523.43
<b>At 31st March, 2015</b>	<u>0.00</u>	<u>69.42</u>	<u>3086.21</u>	<u>3.66</u>	<u>7549.02</u>	<u>131.20</u>	<u>328.83</u>	<u>158.01</u>	<u>11326.35</u>
<b>C Net Block -</b>									
<b>At 31st March, 2015</b>	4378.67	1215.83	4434.99	13.47	11542.01	65.56	188.82	158.37	21997.72
<b>At 31st March, 2014</b>	4378.67	1238.25	4642.48	15.28	11571.20	73.34	278.69	164.23	22362.14



II Intangible Assets		(₹ in Lacs)	
Particulars	Software & development Costs	Particulars	Software & development Costs
A Cost or Valuation -		III Capital Work In Progress	
At 31st March, 2014	361.67	At 31st March, 2014	418.09
additions	174.33	Additions	0.00
deductions	2.83	Deductions	357.20
At 31st March, 2015	533.17	At 31st March, 2015	60.89
B Amortisation -			
At 31st March, 2014	26.17		
additions	75.62		
deductions	0.00		
At 31st March, 2015	101.79		
C Net Block			
At 31st March, 2015	431.38		
At 31st March, 2014	335.50		

#### Notes

- Land & Building includes ₹ 29.94 lacs (P.Y. ₹ 29.94 lacs) & ₹ 151.61 lacs (P.Y. ₹ 151.61 lacs) respectively in process of being transferred in the name of the company.
- a Building includes House Building of ₹ 12.90 lacs (Gross) (P.Y. ₹ 12.90 lacs) acquired against loan which is yet to be transferred in the name of the company.  
b The Value of Building acquired against loan includes cost of documentation charges.
- Borrowing cost capitalised during the year ₹ Nil (P.Y. ₹ 57.02 lacs) and shown in additions to fixed Assets ₹ Nil (P.Y. ₹ 57.02 Lacs).
- Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in case of certain assets as disclosed in Accounting policy on Depreciation, Amortisation and depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted (net of deferred tax ₹ 21.39 lacs) in the opening balance of General Reserve amounting to ₹ 41.54 Lacs
- Capital Work in progress includes -  
₹ 60.89 Lacs (P.Y. ₹ 418.09 Lacs) on account of Construction materials and Plant & machinery under installation at site  
₹ Nil (P.Y. ₹ Nil) on account of expenses incurred during Construction period as under :

	31.03.2015	31.03.2014
	(₹ in Lacs)	(₹ in Lacs)
Opening Balance	0.00	68.88
Add :		
Expenses Incurred towards acquisition of Fixed assets (Refer Note 27.4)	12.07	6.46
Interest Capitalised ((Refer Note 27.4)	0.00	57.02
Less :		
Capitalised during the year	12.07	63.48
	12.07	132.36
Closing Balance (included in capital work in progress)	0.00	0.00
	As At	As At
	31.03.2015	31.03.2014
	(₹ in Lacs)	(₹ in Lacs)

#### NOTE – 12

##### NON-CURRENT INVESTMENTS (LONG TERM)

(Refer C on Note 2.1)

##### Trade Investments (valued at cost unless stated otherwise)

##### Unquoted equity instruments

##### Investment in Subsidiary

2250 (P.Y. 2250) equity shares of US \$ 100 each fully paid up	136.41	136.41
In Vadilal Industries (Inc) U S A (Refer Note No 27.6)		
Less : Provision for diminution in the value of Investments	135.05	135.05
	1.36	1.36

	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)		
<b>Others</b>				
72500 (P.Y. 72500) equity shares of ₹ 10 each fully paid up In Vadilal Forex and Consultancy services Ltd	7.25	7.25		
Less : Provision for diminution in the value of Investments	6.53	6.53		
	0.72	0.72		
<b>Investment in Partnership Firm</b> (Refer details below)				
Vadilal Cold Storage	140.00	140.00		
<b>Non trade Investments (valued at cost unless stated otherwise)</b>				
<b>Government and Trust Securities</b>				
Unquoted				
7 Year National Saving Certificates (Lodged with Govt. Authorities)	0.28	0.28		
<b>Other Investments</b>				
Equity Instruments				
Unquoted				
74100 (P.Y. 74100) equity shares of ₹ 10 each fully paid up In Majestic Farm House Ltd.	1.87	1.87		
280 (P.Y. 280) equity shares of ₹ 10 each fully paid up In Padm Complex Pvt. Ltd.	0.03	0.03		
280 (P.Y. 280I) equity shares of ₹ 10 each fully paid up In Volute Construction Pvt Ltd.	0.03	0.03		
4195 (P.Y. 4195) equity shares of ₹ 25 each fully paid In Textile Traders Coop Bank Ltd	1.05	1.05		
3540 (P.Y. 3540) equity shares of ₹ 25 each fully paid In Siddhi Coop Bank Ltd	0.89	0.89		
	146.23	146.23		
Aggregate amount of unquoted investments	146.23	146.23		
Aggregate provision for diminution in value of Investments	141.58	141.58		
<b>Details of Investment in Partnership Firm -</b>				
Investment in Vadilal Cold Storage				
Name of the partner and share in profits (%)				
M/S Vadilal Industries Limited	98%	98%		
M/S Vadilal Chemicals Limited	2%	2%		
Total Capital of the Firm (₹)	142.90	142.90		
	Non – Current	Current		
	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 13</b>				
<b>LOANS AND ADVANCES</b>				
Unsecured, Considered good unless otherwise stated				
Capital Advances	57.00	91.97	0.00	0.00
Loans and Advances to related parties (Refer Note 28.3)	182.76	366.14	0.00	0.00
Advances recoverable in cash or in kind or for value to be received (Refer Note 28.3)				
Considered Good	0.00	0.00	433.66	420.88
Considered Doubtful	0.00	0.00	65.93	41.13
Less : Provided for :	0.00	0.00	65.93	41.13
	0.00	0.00	0.00	0.00
	0.00	0.00	433.66	420.88



	Non – Current		Current	
	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
Other Loans and Advances				
Loans to employees	1.53	1.64	7.33	6.42
Prepaid Expenses	2.09	1.10	113.48	111.07
Deposits with Government Authorities	54.84	54.33	0.00	0.00
Advance Income Tax less Provisions	70.21	65.95	0.00	0.00
MAT Credit entitlement (Refer Note 27.14)	551.85	493.35	0.00	0.00
Other Trade / Security Deposits (Refer Note 28.3)	673.68	675.99	0.00	0.00
Inter Corporate Deposit (Refer Note 28.3)	0.00	0.00	0.00	25.00
	<u>1354.20</u>	<u>1292.36</u>	<u>120.81</u>	<u>142.49</u>
	<u>1593.96</u>	<u>1750.47</u>	<u>554.47</u>	<u>563.37</u>
Loans and Advances to related parties include -				
Loan to Subsidiary (Refer Note 27.6)	0.00	196.93	0.00	0.00
Balance with Firm in which company is a partner	181.56	168.70	0.00	0.00
Others	1.20	0.51	0.00	0.00
	<u>182.76</u>	<u>366.14</u>	<u>0.00</u>	<u>0.00</u>
<b>NOTE – 14</b>				
<b>Other Assets</b>				
Unsecured, Considered good unless otherwise stated				
Deposits with original maturity of more than 12 months (Refer Note 18)	65.40	57.67	0.00	0.00
Unamortised Borrowing cost (Refer G (ii) & (iii) on Note 2.1))	1.37	9.95	8.58	11.64
Interest Receivable	-	-	22.82	23.04
Export Benefits Receivable	-	-	84.02	82.50
Subsidy Receivable	-	-	138.20	99.40
	<u>66.77</u>	<u>67.62</u>	<u>253.62</u>	<u>216.58</u>
			As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 15</b>				
<b>CURRENT INVESTMENTS (Valued at lower of cost and fair value)</b>				
(Refer C on Note 2.1)				
Quoted Equity Instruments				
400 (P.Y. 400) equity shares of ₹ 10 each fully paid-up In Aminex Chemicals Ltd.			0.04	0.04
15 (P.Y. 15) equity shares of ₹ 10 each fully paid-up In Century Enka Ltd.			0.06	0.06
60 (P.Y. 60) equity shares of ₹ 10 each fully paid-up In Essar Steel Ltd.			0.01	0.01
200 (P.Y. 200) equity shares of ₹ 10 each fully paid-up In Golden Agro Tech Industries Ltd.			0.02	0.02
100 (P.Y. 100) equity shares of ₹ 10 each fully paid-up In Great Eastern Shipping Co.Ltd.			0.04	0.04
25 (P.Y. 25) equity shares of ₹ 10 each fully paid-up in Great Offshore Ltd.			0.01	0.01
25000 (P.Y. 25000) equity shares of ₹ 1 each fully paid-up In Interface Financial Services Ltd.			2.00	2.00
120 (P.Y. 120) equity shares of ₹ 2 each fully paid-up In Matrix Laboratories Ltd.			0.64	0.64
49000 (P.Y. 49000) equity shares of ₹ 1 each fully paid-up In Radhe Develope' Ltd			0.49	0.49
2500 (P.Y. 2500) equity shares of ₹ 10 each fully paid-up In Saket Projects Ltd			0.25	0.25
900000 (P.Y. 900000) equity shares of ₹ 1 each fully paid-up In Sanara Media Ltd.			1.24	1.24
			<u>4.80</u>	<u>4.80</u>
Less : Diminution in value of Investments			<u>3.66</u>	<u>3.65</u>
			<u>1.14</u>	<u>1.15</u>
Aggregate amount of quoted investments (Market value ₹ 1.56 Lacs (P.Y. ₹ 1.62 Lacs)			<u>4.80</u>	<u>4.80</u>
Aggregate provision for diminution in value of Investments			3.66	3.65



		As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 16</b>			
<b>INVENTORIES</b>			
(Refer D on Note No. 2.1)			
Stores & Spares		434.21	377.66
Raw Materials		3605.46	3240.62
(Includes Goods in Transit ₹ Nil (P.Y. ₹ 35.94 Lacs))			
Packing Materials		1508.31	1299.49
(Includes Goods in Transit ₹ Nil (P.Y. ₹ 30.47 Lacs))			
Finished Goods		4057.30	5050.12
(Includes Goods in Transit ₹ 14.45 Lacs (P.Y. ₹ 168.66 Lacs))			
		<u>9605.28</u>	<u>9967.89</u>
<b>NOTE – 17</b>			
<b>TRADE RECEIVABLES</b>			
(Refer Note 28.3)			
<b>Unsecured, Considered good unless otherwise stated</b>			
Outstanding for a period exceeding six months from the date they are due for payment			
Considered Good		298.11	28.95
Considered Doubtful	13.23		3.55
Less : Provided for	<u>13.23</u>		<u>3.55</u>
		0.00	0.00
		<u>298.11</u>	<u>28.95</u>
Other receivables			
Considered Good		1440.41	1622.36
		<u>1738.52</u>	<u>1651.31</u>
of the above debts (exceeding six months) -			
Secured Considered good		14.82	6.76
Unsecured Considered good		283.29	22.19
		<u>298.11</u>	<u>28.95</u>
of the above debts (Other receivables) -			
Secured Considered good		650.00	650.00
Unsecured Considered good		790.41	972.36
		<u>1440.41</u>	<u>1622.36</u>
<b>NOTE – 18</b>			
<b>CASH AND BANK BALANCES</b>			
<b>Cash and cash equivalents</b>			
(Refer P on Note No 2.1)			
Balances with Banks			
On Current Accounts		47.28	45.82
On Deposit Repayment Reserve Account		108.33	0.00
Deposits / Margin Money Deposits with original maturity of less than three months		76.16	82.61
On Unpaid Dividend a/c		18.37	19.72
Cheques, Drafts on hand		34.66	27.79
Cash Balance on hand		28.67	16.49
		<u>313.47</u>	<u>192.43</u>
<b>Other Bank Balances</b>			
Deposits with original maturity for more than Three months		156.12	104.66
(Includes Security deposit with banks ₹ 154.60 Lacs P. Y. ₹ 96.99 Lacs)			
Margin Money deposit (towards guarantee and L C issued by banks)		65.56	58.63
		<u>221.68</u>	<u>163.29</u>
		<u>535.15</u>	<u>355.72</u>
Less : Deposits with original maturity of more than 12 months			
Amount disclosed under non – current assets (Refer Note 14)		65.40	57.67
		<u>469.75</u>	<u>298.05</u>



	Year Ended 31.03.2015 (₹ in Lacs)	Year Ended 31.03.2014 (₹ in Lacs)
<b>NOTE – 19</b>		
<b>REVENUE FROM OPERATIONS (GROSS)</b>		
(Refer E on Note 2.1)		
Sale of Products (Refer Note below)		
Finished Goods	41053.07	36917.83
Sale of Services		
Income from Money Changing Business	6.35	5.48
Other Operating Revenues		
Export Licences / DEPB	146.67	157.78
Miscellaneous Sales	82.48	89.23
	<u>41288.57</u>	<u>37170.32</u>
<b>Details of Products sold</b>		
Finished Goods		
Ice Cream & Frozen Desserts	35186.91	30377.19
Fruit Pulp, Frozen Fruits, Vegetables & Ready to eat / serve	5866.16	6540.64
	<u>41053.07</u>	<u>36917.83</u>
Note -		
The Company is engaged in the manufacturing and trading of selected Fruit Pulp, Frozen Fruits, Vegetables & Ready to eat / serve Products. Due to complexities, it is not possible to segregate the information regarding Sales, consumption and inventories of such products into Finished goods and traded goods		
<b>NOTE – 20</b>		
<b>OTHER INCOME</b>		
(Refer E on Note 2.1)		
Interest Income	28.11	43.78
Dividend Income		
On Long Term Investments	0.16	0.13
Net gain on Foreign Currency Translations and Transactions	76.12	0.00
Share of Profit of Partnership Firm #	12.86	0.00
Other Income		
Profit on Sale of Fixed Assets	90.94	20.86
Excess Provision written back	86.73	46.11
Miscellaneous Income	12.94	45.44
Diminution in Value of Current Investments	0.00	0.08
	<u>307.86</u>	<u>156.40</u>
# Amount of share of profit in partnership firm have been accounted on the basis of unaudited financial statements of the partnership firm		
<b>NOTE – 21</b>		
<b>COST OF MATERIALS CONSUMED</b>		
(Also Refer Note 27.10)		
Inventory at the beginning of the year	4540.11	3968.73
Add : Purchases	24251.74	21338.38
	<u>28791.85</u>	<u>25307.11</u>
Less : Inventory at the end of the year	5113.77	4540.11
Cost of Materials consumed	<u>23678.08</u>	<u>20767.00</u>
<b>Details of Materials consumed -</b>		
Milk and Milk Products	6996.98	5815.80
Dry Fruits, Fresh Fruits & Vegetables	3514.84	3885.04
Packing Materials	5157.03	5290.99
Others	8009.23	5775.17
	<u>23678.08</u>	<u>20767.00</u>
<b>Details of Inventory -</b>		
Milk and Milk Products	2131.53	2290.04
Dry Fruits, Fresh Fruits & Vegetables	844.97	205.27
Packing Materials	1508.31	1299.49
Others	628.96	745.31
	<u>5113.77</u>	<u>4540.11</u>

	Year Ended 31.03.2015 (₹ in Lacs)	Year Ended 31.03.2014 (₹ in Lacs)
<b>NOTE – 22</b>		
<b>PURCHASE OF TRADED GOODS</b>		
Ready to eat / serve	0.00	234.04
Fruit Pulp,Frozen Fruits, Vegetables	0.00	403.04
Others	5.76	7.69
	<u>5.76</u>	<u>644.77</u>
<b>NOTE – 23</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE</b>		
<b>Opening Stock :</b>		
Finished Goods	5050.12	4334.78
	<u>5050.12</u>	<u>4334.78</u>
<b>Closing Stock :</b>		
Finished Goods	4057.30	5050.12
	<u>4057.30</u>	<u>5050.12</u>
<b>Net Changes in Inventories</b>	<u>992.82</u>	<u>(715.34)</u>
<b>Details of Inventory - Finished Goods</b>		
Ice Cream & Frozen Desserts	2238.86	2417.51
Fruit Pulp,Frozen Fruits, Vegetables & Ready to eat / serve	1818.44	2632.61
	<u>4057.30</u>	<u>5050.12</u>
<b>NOTE – 24</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
(Refer F on Note 2.1)		
Salary, Wages, Allowances & Bonus, etc	1689.18	1612.66
Contribution to Provident & other funds (Refer Note 28.1)	138.35	134.48
Staff Welfare Expenses	162.11	148.07
	<u>1989.64</u>	<u>1895.21</u>
<b>NOTE – 25</b>		
<b>OTHER EXPENSES</b>		
Job Charges	1896.92	1865.18
Power & Fuel	2692.68	2868.57
Stores & Spares Consumption (Also Refer Note 27.11)	48.44	63.88
Repairs		
Building	57.24	34.32
Machinery	281.23	282.62
Excise Duty others	(2.34)	65.15
Rent	732.08	668.60
Rates & Taxes	23.12	39.56
Insurance	59.65	67.16
Payment to Auditors (Refer details below)	26.15	27.00
Freight, & Forwarding expenses	2050.87	1929.43
Provision for Doubtful Debts	9.69	3.18
Provision for Doubtful Advances	24.80	31.63
Diminution in Value of Current Investments	0.01	0.00
Net loss on Foreign Currency Translation and Transactions	0.00	37.52
Share of Loss of Partnership Firms #	0.00	17.30
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery, etc)	1683.82	1722.62
# Amount of share of Loss in partnership firm have been accounted on the basis of unaudited financial statements of the partnership firm		
	<u>9584.36</u>	<u>9723.72</u>



	Year Ended 31.03.2015 (₹ in Lacs)	Year Ended 31.03.2014 (₹ in Lacs)
<b>Payment to Auditors</b>		
As Auditor		
Audit Fees	12.00	12.00
Tax Audit Fees	5.00	5.00
Limited Review	1.69	1.69
In Other Capacity		
Taxation matters	1.82	2.25
Other services (certification fees)	4.92	5.23
Reimbursement of expenses	0.72	0.83
	<u>26.15</u>	<u>27.00</u>
<b>NOTE – 26</b>		
<b>FINANCE COST</b>		
<b>(Refer G on Note 2.1)</b>		
Interest Expenses	2475.42	2376.71
Other Borrowing Cost	87.62	128.87
Amortisation of ancilliary borrowing costs	10.20	10.20
Net Loss on Foreign Currency Transactions and Translations	0.00	8.35
	<u>2573.24</u>	<u>2524.13</u>
<b>NOTE - 27 Additional Information to the Financial Statements</b>		
<b>27.1)[A] CONTINGENT LIABILITIES NOT PROVIDED FOR :</b>		
	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
I) Guarantees given by the company against Term Loans given to companies in which Directors are interested is ₹ 1809 Lacs (P.Y. ₹ 1809 Lacs). Outstanding against this as at 31.03.2015	426.25	758.91
II) i) For Excise -		
a) Related to a matter decided in favour of the company, against which the Excise department has preferred an appeal. Gross ₹ 8.86 Lacs (P.Y. ₹ 8.86 Lacs)		
Net of Tax	5.99	5.99
ii) For Income Tax -		
a) which is disputed by the company and against which company has preferred appeal, based on the demand notices raised by Income Tax Dept. and received by the company.	4.49	4.49
b) Against which Income Tax department has preferred appeal	166.65	166.65
c) In respect of erstwhile Vadilal Financial Services Limited (VFSL) Income Tax Demand (including interest) for which the company has preferred appeal.	1.93	1.93
iii) <b>For Sales Tax -</b>		
Disputed by the company and against which company has preferred an appeal. Gross ₹ 87.09 Lacs ( P.Y. ₹ 87.09 Lacs )		
Net of Tax	58.83	58.83
iv) <b>For other Matters -</b>		
Gross ₹ 11.69 Lacs (P.Y. ₹ 11.69 Lacs)		
Net of Tax	7.90	7.90
v) Differential amount of custom/excise duty in respect of machinery purchased under EPCG scheme.	648.92	824.59
III) Other Money for which the Company is contingently liable		
i) Liability in respect of Bills Discounted with Third Party	2512.45	4102.19
ii) Liabilities in respect of Foreign Bills Purchased by Banks	0.00	62.84
Note : a) Future cash outflows in respect of A (II) (i) to (iv) above depends on ultimate settlement / conclusions with the relevant authorities.		

- b) Future cash outflows in respect of A (II) (v) above depends if company is unable to fulfill export obligations between 2019-20 to 2023-24 of ₹ 3917.36 Lacs (P.Y. ₹ 4971.39 Lacs), for import made between the year of 2009-10 to 2014-15. The fulfillment of export obligation is considered on the basis of license claimed at the time of export.
- c) Future cash outflows in respect of A (III) above depends if Vendors are unable to fulfill the liability.

**[B] Particulars of dues of Sales Tax, Income Tax, Excise duty and Other Matters as at March 31, 2015, which have not been deposited.**

(I) Disputed cases, where company has preferred appeals.

[ ₹ in Lacs]

Name of Statute	Nature of dues	Amount	Period of which the amount relates	Forum where dispute is pending
<b>(i) FOR SALES TAX ASSESSMENT DUES</b>				
S. Tax	Asst. dues	23.24 (23.24)	1998-99	High Court
	Asst. dues	12.49 (12.49)	2000-01	Jt. Comm., S. Tax
	Asst. dues	15.74 (15.74)	2000-01	Dy. Comm., S. Tax
	Asst. dues	1.55 (1.55)	2001-02	Dy. Comm., S. Tax
	Asst. dues	0.60 (0.60)	2002-03	S. Tax Tribunal
	Asst. dues	2.39 (2.39)	2003-04	Jt. Comm., S. Tax
	Asst. dues	0.46 (0.46)	2003-04	Jt. Comm., S. Tax
	Asst. dues	3.67 (3.67)	2004-05	S. Tax Tribunal
	Total	60.14 (60.14)		
<b>(ii) FOR INCOME TAX</b>				
	Asst. dues	1.93 (1.93)	1996-97	High Court
	Asst. dues	3.12 (3.12)	1999-00	High Court
	Asst. dues	1.37 (1.37)	2006-07	Assessing Officer
	Total	6.42 (6.42)		
<b>(iii) FOR Other Matters</b>				
	Demand	0.75 (0.75)	2013-14	Criminal Misc. Writ petition (Food Safety)
	Total	0.75 (0.75)		
<b>(II) Decided in favour of the company but the department has preferred appeals.</b>				
i)	Excise			
	Goods cleared with differential classification	4.58 (4.58)	1988-89	Asst. Commissioner
	Cenvat credit	4.28 (4.28)	2003-04	Asst. Commissioner
	Total	8.86 (8.86)		
(ii)	I. Tax I. Tax Asst.	50.46 (50.46)	1992-93	ITAT
		31.10 (31.10)	1993-94	ITAT
		7.84 (7.84)	1994-95	High Court
		14.06 (14.06)	1995-96	High Court



Name of Statute	Nature of dues	Amount	Period of which the amount relates	Forum where dispute is pending
		16.03 (16.03)	1996-97	High Court
		0.51 (0.51)	2001-02	High Court
		5.10 (5.10)	2002-03	High Court
		41.55 (41.55)	1997-98	High Court
	Total	166.65 (166.65)		

Note: Figures in brackets relate to previous year.

#### 27.2) Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31<sup>st</sup> March, 2015:

	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
Tangible Assets	62.50	151.22
Intangible Assets	17.16	105.49
	<u>79.66</u>	<u>256.71</u>

- b) Letter of credits and bank guarantees issued by banks and outstanding as on 31<sup>st</sup> March, 2015

683.94 886.81

- 27.3) Pursuant to Section 74(1) of the Companies Act 2013, The Company has to repay the amount of such deposits along with interest thereon, if any, within 1 year from such commencement or from the date on which such payment are due, whichever is earlier. The company has repaid all the deposits which are due up to 31.03.2015. Moreover for the deposits which remain undue as on 31.03.2015, the company has filed the petition under section 74(2) of the companies act, 2013 and awaiting for the reply.

#### 27.4) Capitalisation of Expenditure:

During the year, the company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	C. Year (₹ in Lacs)	P. Year (₹ in Lacs)
Administrative Expenses	12.07	0.00
Employees Benefits expenses	0.00	6.46
Interest	0.00	57.02
Finance Cost (Bank TL Charges)	0.00	00.00
TOTAL	<u>12.07</u>	<u>63.48</u>

- 27.5) ..... ₹ 40.74 Lacs (Previous year ₹ 72.47 Lacs).

#### 27.6) Disclosure as required under clause No.32 of Stock Exchange listing agreement :

Loans/Advances and Investments of the company :

Particulars	O/S.as at 31.03.2015 (₹ in Lacs)	Maximum O/S. during the year (₹ in Lacs)
(I) <b>SUBSIDIARY COMPANY</b>		
Vadilal Industries (USA) Inc.		
- Investments #	1.36 (1.36)	1.36 (136.41)
- Loan & Advance*#	- (196.93)	196.93 (196.93)
(II) <b>PARTNERSHIP FIRMS WHERE SHARE IS MORE THAN 51 %</b>		
Vadilal Cold Storage		
- Investments	140.00 (140.00)	140.00 (140.00)
- Loans & Advances	181.56 (168.70)	181.56 (186.00)



Particulars	O/S.as at 31.03.2015 (₹ in Lacs)	Maximum O/S. during the year (₹ in Lacs)
<b>(III) Associates:</b>		
Vadilal Forex and Consultancy Services Ltd.		
- Investments	0.72 (0.72)	0.72 (0.72)
- Loans & Advances	- (25.00)	25.00 (25.00)

\* Loans and Advance shown above, to Subsidiaries fall under the category of "Long Term Loans and Advances" in the nature of Loans where there is no repayment schedule and are repayable on demand. Such Loans and Advances is given free of Interest.

# Company has made investment in equity of overseas subsidiary company for ₹ 136.41Lacs (Value after diminution ₹ 1.36 lacs) and by way of loans ₹ 196.93 Lacs for the purpose of initial development and long term growth. During the year subsidiary Company has incurred loss of ₹ 136.59 Lacs(Accumulated losses ₹ 379.97 Lacs). In view of long term involvement and expected increase in business of subsidiary, the company considers that the exposure and Trade Receivable for ₹ 356.70 Lacs will be fully realisable. However, the company has written off the value of long term loans & advances of subsidiary company of ₹ 196.93 Lacs, which has been shown as an exceptional item in the profit and Loss statement of the year.

Note: Figures in bracket relate to previous year.

#### 27.7) PARTICULARS OF DERIVATIVE INSTRUMENTS :

- Derivative contracts entered into by the company and outstanding as on 31st March, 2015:
- All derivative and financial instruments acquired by the company are for hedging.
- Foreign currency exposure that are hedged by derivative instruments as on 31st March, 2015 -

PARTICULARS	C.Year	P.Year
Number of Buy Contract	6	4
Aggregate Amount	US \$ 681106.70 CAD 33700.00 GBP 26500.00 ₹ 467.42 Lacs	US \$ 666493.50 ₹ 400.56 Lacs

- Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2015 -

PARTICULARS	C.Year		P.Year	
	PAYABLE	RECEIVABLE	PAYABLE	RECEIVABLE
US \$	24243.00	734564.20	48753.80	653833.86
EURO	0.00	0.00	0.00	30681.97
GBP	0.00	9.50	2900.00	439.09
TOTAL ₹ (IN LACS)	15.17	459.77	32.20	418.73

- The information as required to be disclosed under the "Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosure relating to balance if any as at the year end have been given in Note No.-9. This is relied upon by the Auditors.

PARTICULARS	C.YEAR (₹ in Lacs )	P.YEAR (₹ in Lacs )
Principal amount due and remaining unpaid	10.73	82.05
Interest due on above and the unpaid interest	0.24	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

#### 27.9) MANAGERIAL REMUNERATION

Salaries, Wages, Allowances, Bonus etc. includes ₹ 107.74 Lacs towards Managing Director's remuneration as per details given below.

	C.YEAR (₹ in Lacs)	P.YEAR (₹ in Lacs)
Salary	64.80	63.36
Commission #	0.00	0.00
Contribution to P.F.	7.78	7.60
Other perquisites in cash or kind	35.16	24.90
Total....	107.74	95.86

# No commission is payable to the Managing Directors, as during the financial year 2014-2015, the profits of the company are inadequate.


**27.10) Consumption of Raw and Packing Materials :**

	C.YEAR (₹ in Lacs)	%age	P.YEAR (₹ in Lacs)	%age
1) Imported	149.53	0.63	444.07	2.14
2) Indigenous	23528.55	99.37	20322.93	97.86
	<u>23678.08</u>	<u>100.00</u>	<u>20767.00</u>	<u>100.00</u>

**27.11) STORES AND SPARES CONSUMED:**

	C.YEAR (₹ in Lacs)	%age	P.YEAR (₹ in Lacs)	%age
1) Imported	4.29	8.86	6.87	10.75
2) Indigenous	44.15	91.14	57.01	89.25
	<u>48.44</u>	<u>100.00</u>	<u>63.88</u>	<u>100.00</u>

**27.12) A) C.I.F.VALUE OF IMPORTS:-**

a) Raw Materials and Packing Materials	247.21	393.52
b) Stores and Spares	31.69	24.03
c) Capital Goods	92.55	171.27

**B) EXPENDITURE IN FOREIGN CURRENCY: (on accrual basis)**

i) Sales Promotion and Commission	15.87	29.54
ii) Travelling	53.97	12.46
iii) Freight	344.24	397.96
iv) Others	6.61	7.39

**C) EARNINGS IN FOREIGN CURRENCY:-**

Export of Goods (F.O.B.Value)	<u>4453.24</u>	<u>4858.58</u>
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**27.13) REMITTANCE OF FOREIGN CURRENCIES FOR DIVIDENDS :**

The company has not made any remittances in foreign currencies on account of dividends during the year. The particulars of Dividends paid to non-resident shareholders are as follows :

	C.YEAR 2013-14	P.YEAR 2012-13
Year to which dividend relates		
Number of non-resident shareholders	3	3
Number of shares held by them on which dividend is due	2750	1317
Amount remitted to bank accounts in India of non-resident shareholders-₹ in Lacs	0.03	0.02

**27.14) MAT CREDIT ENTITLEMENT :**

On the basis of the projection for future profit, the company projects, to pay normal income tax within the specified period. Based on this assumption, the company has taken MAT Credit of ₹ 58.50 Lacs (P.Y. ₹ 89.94 Lacs) and shown as MAT credit entitlement of total amounting to ₹ 551.85 Lacs as on 31.3.15 (P.Y. ₹ 493.35 Lacs).

**28) Disclosure under Accounting Standards**
**28.1) (i) Defined Contribution Plans:**

Amount of ₹ 86.54 Lacs is recognised as expense and included in "Employee Benefits Expenses" in the Statement of Profit and Loss.

**(ii) Defined Benefit Plans :**

(a) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
Opening defined benefit Obligation as at 01.04.14	230.17	181.20
Service Cost	16.82	14.66
Interest Cost	21.29	14.95
Actuarial Losses (Gains)	24.28	26.66
Losses (Gains) on Curtailments	(5.59)	—
Liabilities extinguished on settlements	—	—
Benefits Paid	(3.93)	(7.30)
Closing defined benefit obligation as at 31.03.2015	<u>283.04</u>	<u>230.17</u>

- (b) Changes in the fair value of plan assets representing reconciliation of the opening and closing balance thereof are as follows:

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
Opening fair value of plan assets as at 01.04.2014	84.75	84.55
Expected return	7.37	7.36
Actuarial gains(Losses)	(4.58)	(0.15)
Assets distributed on Settlements	—	—
Contribution by employer	32.20	0.29
Benefits paid	(3.93)	(7.30)
Closing balance of fair value of plan Assets as at 31.03.2015	115.81	84.75

- (c) The amounts recognised in Balance Sheet are as follows :

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
Amount to be recognised in Balance Sheet		
A) Present Value of Defined Benefit Obligation		
- Funded	115.81	84.75
- Unfunded	167.23	145.42
Total	283.04	230.17
Less: Fair Value of Plan Assets	115.81	84.75
- Unrecognised Past Service Costs	—	—
- Amount to be recognised as Liability	167.23	145.42
B) Amount Reflected in the Balance Sheet		
Liabilities	167.23	145.42
Assets	—	—
Net Liability/(Asset)	167.23	145.42

- (d) The amounts recognised in Profit and Loss account are as follows:

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
1. Current Service Cost	16.82	14.66
2. Interest cost	13.92	14.95
3. Expected return on plan assets	—	(7.36)
4. Net Actuarial Losses (Gains) recognised in yr.	23.27	26.81
5. Past service cost	—	—
6. Losses (gains) on Curtailments and Settlement	—	—
Total included in Employees expenses	54.01	49.06
Actual return on plan assets	2.79	7.21

- (e) The Major categories of plan asset as a percentage of total plan assets are as follows:

Particulars	Gratuity Plan Current Year	Gratuity Plan Previous Year
Government of India - Securities	0.00 %	0.00 %
High quality- -Corporate bond	0.00 %	0.00 %
Equity shares of listed companies	0.00 %	0.00 %
Property	0.00 %	0.00 %
Insurance company	100.00 %	100.00 %

- (f) Principal actuarial assumptions at the balance sheet date.(expressed as weighted averages):

Particulars	Gratuity Plan Current Year	Gratuity Plan Previous Year
Discount rate	7.95 %	9.25 %
Expected return on plan assets	7.95 %	8.70 %
Proportion of employees opting for early retirement / Attrition rate	6.00 %	5.00 %
Annual increase in salary costs	7.00 %	7.00 %



The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

- (g) Amount pertaining to defined benefits plans for current and previous three years are as follows :  
Gratuity Plan:- (₹ in Lacs)

Particulars	Current Year	Previous Years		
	2014-15	2013-14	2012-13	2011-12
Defined benefit Obligation	283.04	230.17	181.20	153.98
Plan assets	115.81	84.75	84.55	84.66
Surplus / (Deficit)	(167.23)	(145.42)	(96.65)	(69.32)
Experience adjustment on plan Liabilities	(5.59)	42.07	3.36	12.54
Experience adjustment on plan Assets	(4.58)	(0.15)	(0.34)	(0.99)

Note: Amount not available for experience adjustment of earlier years on plan liabilities and on plan Assets as per actuarial certificate for Gratuity Plan.

- (h) The company expects to fund ₹ 53.00 Lacs(P.Y.₹ 32.20 Lacs)towards gratuity plan and ₹ 37.73 Lacs(P.Y ₹ 34.30 Lacs) towards provident fund plan during the year 2015-16.

Notes :

- i) The company provides retirement benefits in the form of Provident Fund, Gratuity and Leave Encashment. Provident fund contributions made to "Government Administrated Provident Fund" are treated as defined contribution plan since the company has no further obligations beyond its monthly contributions. Gratuity is treated as defined benefit plan, and is administrated by making contributions to Group Gratuity Scheme of Life Insurance Corporation of India and SBI Life-Cap Assure Gratuity Scheme. Leave encashment is considered as defined benefit plans is administrated by making contributions to the Group Leave Encashment Scheme of Life Insurance Corporation of India and Sick leave is considered as defined benefit plan and it remains unfunded.

- 28.2) As per Accounting Standard (AS) 17, "Segment Reporting", segment information is provided in the Notes to Consolidated Financial Statements.

### 28.3)RELATED PARTY DISCLOSURES : As per Accounting Standard 18.

#### A) Name of related party and description of relationship where control exists:

- Vadilal Industries (USA) Inc. : Subsidiary Company
- Vadilal Cold Storage : Partnership firm where share is more than 51 %
- Vadilal Forex and Consultancy Services Ltd. : Associate

#### B) Name of related party and description of the relationship with whom transactions taken place.

##### 1) Key Management Personnel :

- Rajesh R Gandhi
- Devanshu L Gandhi

##### 2) Enterprises owned or significantly influenced by key management personnel or their relatives :

- Vadilal Enterprises Ltd.
- Vadilal International Pvt. Ltd.
- Veronica Construction Pvt.Ltd.
- Padm Complex Ltd.
- Majestic Farm House Ltd.
- Ambica Dairy Products
- Volute Construction Ltd.

##### 3) Relative of key Management Personnel :

- Mamta R Gandhi
- Kalpita R Gandhi
- Aastha R Gandhi

**Transaction with Related Parties :**

(₹ in Lacs)

Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10%	Subsidiary	Control Exist	Associates	Key Management Personnel / Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
<b>A Transaction with related parties :</b>							
<b>1</b>	<b>Sales :</b>						
i)	Vadilal Enterprises Ltd.	—	—	—	—	35251.33	35251.33
		(—)	(—)	(—)	(—)	(30951.61)	(30951.61)
ii)	Vadilal Industries (USA) Inc	279.51	—	—	—	—	279.51
		(398.22)	(—)	(—)	(—)	(—)	(398.22)
iii)	Others	—	—	—	—	131.36	131.36
		(—)	(—)	(—)	(—)	(105.04)	(105.04)
<b>2</b>	<b>Purchase :</b>						
i)	Ambica Dairy Products	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(245.74)	(245.74)
ii)	Majestic Farm House Ltd.	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(22.20)	(22.20)
<b>3</b>	<b>Hire Charges/Rent paid :</b>						
i)	Vadilal Cold Storage	—	8.40	—	—	—	8.40
		(—)	(2.40)	(—)	(—)	(—)	(2.40)
<b>4</b>	<b>Rent Income :</b>						
	Vadilal Enterprises Ltd.	—	—	—	—	0.90	0.90
		(—)	(—)	(—)	(—)	(1.98)	(1.98)
<b>5</b>	<b>Interest paid :</b>						
i)	Veronica Construction P. Ltd	—	—	—	—	3.67	3.67
		(—)	(—)	(—)	(—)	(9.12)	(9.12)
ii)	Byad Packaging Industries Pvt. Ltd.	—	—	—	—	2.70	2.70
		(—)	(—)	(—)	(—)	(—)	(—)
iii)	Devanshu L. Gandhi	—	—	—	18.30	—	18.30
		(—)	(—)	(—)	(—)	(—)	(—)
<b>6</b>	<b>Salary paid :</b>						
i)	Mamta R. Gandhi	—	—	—	5.29	—	5.29
		(—)	(—)	(—)	(5.61)	(—)	(5.61)
ii)	Kalpita R. Gandhi	—	—	—	20.72	—	20.72
		(—)	(—)	(—)	(5.34)	(—)	(5.34)
iii)	Aastha R. Gandhi	—	—	—	5.26	—	5.26
		(—)	(—)	(—)	(4.61)	(—)	(4.61)
<b>7</b>	<b>Interest Income :</b>						
i)	Vadilal International Pvt.Ltd.	—	—	—	—	6.00	6.00
		(—)	(—)	(—)	(—)	(6.00)	(3.76)
ii)	Vadilal Forex and Consultancy Services Ltd.	—	—	—	—	0.70	0.70
		(—)	(—)	(—)	(—)	(0.05)	(0.00)
iii)	Padm Complex Ltd.	—	—	—	—	0.09	0.09
		(—)	(—)	(—)	(—)	(0.03)	(0.00)
<b>8</b>	<b>Share of profit/-loss in Partnership Firm</b>						
	Vadilal Cold Storage	—	12.86	—	—	—	12.86
		(—)	(-17.30)	(—)	(—)	(—)	(-17.30)
<b>9</b>	<b>Royalty paid/payable :</b>						
	Vadilal International Pvt.Ltd.	—	—	—	—	20.46	20.46
		(—)	(—)	(—)	(—)	(22.14)	(22.14)
<b>10</b>	<b>Loan &amp; Advance Given</b>						
i)	Vadilal Industries (USA) Inc	—	—	—	—	—	—
		(71.36)	(—)	(—)	(—)	(—)	(71.36)



(₹ in Lacs)

Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10%	Subsidiary	Control Exist	Associates	Key Management Personnel / Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
<b>11</b>	<b>Intercompany Deposit Given</b>						
i)	Vadilal Forex and Consultancy Services Ltd.	—	—	—	—	—	—
		(—)	(—)	(25.00)	(—)	(—)	(25.00)
<b>12</b>	<b>Loans / Deposits Received / returned</b>						
i)	Veronica Construction P. Ltd	—	—	—	—	151.95	151.95
		(—)	(—)	(—)	(—)	(188.50)	(188.50)
ii)	Byad Packaging Industries Pvt. Ltd.	—	—	—	—	47.00	47.00
		(—)	(—)	(—)	(—)	(—)	(—)
iii)	Devanshu L. Gandhi	—	—	—	227.00	—	227.00
		(—)	(—)	(—)	(—)	(—)	(—)
iv)	Padm Complex Ltd	—	—	—	—	1.20	1.20
		(—)	(—)	(—)	(—)	(0.40)	(0.40)
v)	Vadilal Forex and Consultancy Services Ltd.	—	—	25.00	—	—	25.00
		(—)	(—)	(—)	(—)	(—)	(—)
<b>13</b>	<b>Intercompany Deposit Re-paid</b>						
i)	Veronica Construction P. Ltd	—	—	—	—	227.00	227.00
		(—)	(—)	(—)	(—)	(1311.00)	(5129.28)
<b>14</b>	<b>Security Deposit Received:</b>						
i)	Vadilal Enterprises Ltd.	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(650.00)	(0.00)
<b>15</b>	<b>Investment :</b>						
i)	Vadilal Industries (USA) Inc	—	—	—	—	—	—
		(124.67)	(—)	(—)	(—)	(—)	(124.67)
<b>B</b>	<b>Balance outstanding at year end :</b>						
<b>a)</b>	<b>Investments :</b>						
i)	Vadilal Industries (USA) Inc	1.36	—	—	—	—	1.36
		(1.36)	(—)	(—)	(—)	(—)	(1.36)
ii)	Vadilal Cold Storage	—	140.00	—	—	—	140.00
		(—)	(140.00)	(—)	(—)	(—)	(140.00)
iii)	Others	—	—	0.72	—	1.87	(2.59)
		(—)	(—)	(0.72)	(—)	(1.87)	(2.59)
<b>b)</b>	<b>Receivable :</b>						
i)	Vadilal Enterprises Ltd.*	—	—	—	—	666.20	666.20
		(—)	(—)	(—)	(—)	(739.96)	(739.96)
ii)	Vadilal Industries (USA) Inc	356.70	—	—	—	—	356.70
		(332.23)	(—)	(—)	(—)	(—)	(332.23)
iii)	Others	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(4.15)	(4.15)
	<b>Loans &amp; Advances Given:</b>						
i)	Vadilal International Pvt.Ltd.	—	—	—	—	600.00	600.00
		(—)	(—)	(—)	(—)	(600.00)	(600.00)
ii)	Vadilal Industries (USA) Inc	—	—	—	—	—	—
		(196.93)	(—)	(—)	(—)	(—)	(196.93)
iii)	Vadilal Cold Storage	—	181.56	—	—	—	181.56
		(—)	(168.70)	(—)	(—)	(—)	(186.00)
iv)	Vadilal Forex and Consultancy Services Ltd.	—	—	—	—	—	—
		(—)	(—)	(25.00)	(—)	(—)	(25.00)
v)	Padm Complex Ltd	—	—	—	—	21.88	21.88
		(—)	(—)	(—)	(—)	(21.19)	(21.19)



Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10%	Subsidiary	Control Exist	Associates	Key Management Personnel / Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
<b>Advance given to supplier:</b>							
i)	Ambica Dairy Products	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(0.55)	(0.55)
ii)	Majestic Farm House Ltd.	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(0.60)	(0.60)
<b>c) Payable :</b>							
Loan / Deposit Taken:							
i)	Veronica Construction P. Ltd	—	—	—	—	30.26	30.26
		(—)	(—)	(—)	(—)	(102.00)	(102.00)
ii)	Byad Packaging Industries Pvt. Ltd.	—	—	—	—	47.00	47.00
		(—)	(—)	(—)	(—)	(—)	(—)
iii)	Devanshu L. Gandhi	—	—	—	227.00	—	227.00
		(—)	(—)	(—)	(—)	(—)	(—)
Security Deposit Taken :							
i)	Vadilal Enterprises Ltd.	—	—	—	—	650.00	650.00
		(—)	(—)	(—)	(—)	(650.00)	(650.00)
Trade Payables:							
i)	Vadilal Cold Storage	—	7.66	—	—	—	7.66
		(—)	(7.04)	(—)	(—)	(—)	(7.04)
Advance from customers							
ii)	Others	—	—	—	—	23.61	23.61
		(—)	(—)	(—)	(—)	(—)	(—)
<b>d) Against corporate guarantee given :</b>							
	Vadilal Enterprises Ltd.	—	—	—	—	1809.00	1809.00
		(—)	(—)	(—)	(—)	(1809.00)	(1809.00)
<b>e) Against corporate guarantee taken:</b>							
i)	Vadilal Enterprises Ltd.	—	—	—	—	800.00	800.00
		(—)	(—)	(—)	(—)	(800.00)	(800.00)
ii)	Padm Complex Ltd & Volute Construction Ltd.	—	—	—	—	9878.00	9878.00
		(—)	(—)	(—)	(—)	(9303.00)	(9303.00)

**Note :** a) Payment to key management personnel in form of Managing Director's remuneration is shown in Note No. 27.9

b) Transaction of sales are shown net of VAT/ CST and Outstanding of Trade Receivables are inclusive of VAT/ CST.

c) Figures in brackets relate to previous year.

d)\* Outstanding balances are shown net of Acceptance.

#### 28.4) OPERATING LEASE:-

i) The company has taken various residential, office and godown premises under operating lease or leave and licence agreements. These are generally not non-cancellable and range between 11 months and 36 months under leave and licence or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits under certain agreements.

ii) Lease payments are recognised as expense in the Profit & Loss Statement on a straight line basis over the lease term under expense head "Rent" in Note 25 "Other Expenses."

iii) The future minimum estimated operating lease payments under non cancellable operating lease: (₹ in Lacs)

Particulars	Not later than one year	later than one & not later than five years
Total of minimum	9.50	—
Lease Payments	(11.40)	(9.50)

Note: Figures in brackets relate to previous year.



## 28.5) Earnings Per Share (EPS) :

The following reflect the profit and share data used in the basic and diluted EPS computation

	( ₹ in Lacs )	
	C. Year	P. Year
Total Operation for the year		
Profit/(loss)after Tax	<u>192.90</u>	<u>142.55</u>
Net Profit/(loss) for calculating basic /diluted EPS	192.90	142.55
Weighted Avg. Number of Equity shares in-calculating Basic/Diluted EPS	7187830	7187830

## 28.6) Disclosure as required by Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets :

a) Movement in provisions : ( ₹ in Lacs )

Sr. No.	Particulars of Disclosure	Class of Provisions — S. Tax / Entry Tax —
1)	Balance as at 01.04.2014	16.65
2)	Additional provision during 2014-15	00.00
3)	Provision used during 2014-15	00.00
4)	Provision reversed during 2014-15	00.00
5)	Balance as at 31.03.2015	16.65

b) The timing and the probability of the outflow with regards to these matters depend on the ultimate settlement / conclusion with the relevant authorities.

29) Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current years classification / disclosure

Signatures to Notes 1 to 29

For KANTILAL PATEL & CO.  
Chartered Accountants  
Firm Registration No.104744W

For and on behalf of the Board

Rajesh R. Gandhi : Chairman & Managing Director  
Devanshu L. Gandhi : Managing Director  
Kalpit R. Gandhi : Director & Chief Financial Officer  
Nikhil Patel : Company Secretary

Mayank S. Shah  
Partner  
Membership No.:44922

Place : Ahmedabad  
Date : June 1,2015

Place : Ahmedabad  
Date : June 1,2015

## Independent Auditor's Report

### TO THE MEMBERS OF VADILAL INDUSTRIES LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **VADILAL INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary, associate and partnership firm (herein after referred to as "Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information(hereinafter referred to as 'the consolidated financial statements').

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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.

#### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place as adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

#### Emphasis of Matter

- a. Attention is invited to Note No 26.4 to the consolidated financial statements, whereby the partnership firm has given loan of ₹ 188.54 to an individual for which confirmation is not received for the year end balance.
- b. Attention is invited to Note No. 26.7 of the consolidated financial statements, whereas the Holding company has recognised Mat Credit entitlement for current financial year of ₹ 58.50 Lacs and upto 31<sup>st</sup> March 2015 of ₹ 551.85 Lacs.
- c. Attention is invited to Note No 26.8 of the consolidated financial statements regarding petition filed by Holding company which is under process with Company Law Board for repayment of fixed deposit accepted under Companies Act, 1956.

Our opinion is not qualified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, we give in the Annexure 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, we report, to the extent applicable, that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group as referred to in Note 26.3.
  - ii. The Group did not have any long-term contracts, including derivate 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 except ₹ 0.15 Lacs which is held in abeyance due to legal case pending. (There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Associate Company incorporated in India)

#### Other Matters

- (a) The financial statement of Associates in which the share of profit of the group is ₹ 4.45 lacs have been audited by us.
- (b) We did not audit the financial statements of Partnership firm and Subsidiary whose financial statements reflect total assets of ₹ 386.03 lacs as at 31st March, 2015, total revenues of ₹ 571.17 Lacs and net cash outflows amounting to ₹ 8.03 Lacs for the year ended on that date, as considered in the consolidated financial statements.  
These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and Partnership firm and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and Partnership firm, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
- (c) As Stated in Note No. 27.5 as the audited financial statements of the Partnership firm and subsidiary company are not available, we have relied upon the unaudited financial statements as provided by the management for the purpose of our examination of consolidated financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the financial statements and other financial information certified by the Management.

For **KANTILAL PATEL & CO.,**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 104744W**

**[Mayank S. Shah]**  
**Partner**  
**Membership No.: 44922**

**Place : Ahmedabad**  
**Date : June 01, 2015**

**ANNEXURE REFERRED TO IN INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF  
VADILAL INDUSTRIES LIMITED, ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH 2015.**

- i) (a) The Holding company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the Holding company has not conducted physical verification of fixed assets during the year. In absence of physical verification of fixed assets material discrepancies if any could not be ascertained.
- ii) (a) Physical verification at reasonable intervals has been carried out by the management in respect of inventory except inventory lying with the outside parties, have been confirmed by them as at year end. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and nature of its business.
- (c) The Holding Company has maintained proper records of inventory except in case of processed food division, where due to migration from Oracle to SAP on September 01, 2014, inventory as on migration date was not updated batch wise/year wise in SAP. The discrepancies noticed on such physical verification as compared to book records were not material.
- iii) According to explanation given to us, the Group has not granted any loan secured or unsecured to companies, firms or other party covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii) (a) and (b) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items sold are of a special nature and comparable alternative prices are not available, there is an adequate internal control system commensurate with the size of the company and system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit except as stated in para (ii) (c) herein above, we have neither come across nor we have been informed of any major weakness in internal controls procedures.
- v) The company has accepted deposits from public during the year under audit and the directives issued by Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under have been generally complied with except a petition is under process with Company Law Board for repayment of fixed deposit accepted under The Companies Act, 1956. (Refer Note No. 26.8 of consolidated financial statements).
- We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi) We have been informed by the management, no cost records have been prescribed by Central Government under section 148(1) of the Companies Act, 2013 in respect of any of the Holding Company's products or services.
- (vii) (a) The Holding Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, investor education and protection fund, sales-tax, income-tax, wealth tax, service tax, duty of customs, duty of excise, cess and other material statutory dues as applicable with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid statutory dues were outstanding as at 31<sup>st</sup> March, 2015 for the period of more than six months from the date they become payable except sales tax of 17.00 Lakhs which remains outstanding for a period of more than six months from the date it became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, the details of disputed amounts in respect of sales tax, income tax, wealth tax, service tax, value added tax, custom duty, and excise duty / cess not deposited with the appropriate authorities are as follow:

(₹ in lakhs)

SrNo	Dispute under: deposit)	Amt. (net of	Nature of Dues	Period to which the amount Relates	Forum where dispute is pending
(i)	Central Sales Tax Act and Sales Tax Act of various states	23.24 12.49 15.74 1.55 0.60 2.39 0.46 3.67	Sales tax and Penalty Additional Tax demand Sales tax demand Sales tax demand Sales Tax demand Sales tax asst dues Purchase Tax Sales tax	1998-99 2000-01 2000-01 2001-02 2002-03 2003-04 2003-04 2004-05	- High Court - Jt. Comm. -Dy. Comm. -Dy. Comm. - Tribunal - Jt. Comm. - Jt. Comm. - Tribunal
(ii)	Income Tax Act, 1961	1.93 3.12 1.37	Income tax	1996-97 1999-00 2006-07	- High Court - High Court - A.O
(iii)	OthersNayabNirnayak Adhikari	0.75	Food Safety Penalty	2013-14	-Allahabad High Court



The following matters, which have been excluded from the above table, have been decided in favour of the Holding company but the department has preferred appeals at higher levels. The details are as under :

(₹ in lakhs)

SrNo	Dispute under: deposit)	Amt. (net of	Nature of Dues	Period to which the amount Relates	Forum where dispute is pending
(i)	Central Excise Act, 1944	4.58	Demand for duty on goods cleared	1988-89	-Asst. Comm.
		4.28	MODVAT on capital goods	2003-04	-Asst. Comm.
(ii)	Income Tax Act, 1961	50.46 31.10 7.84 14.06 16.03 0.51 5.10 41.55	Income tax	1992-93 1993-94 1994-95 1995-96 1996-97 2001-02 2002-03 1997-98	- ITAT - ITAT - High Court - High Court - High Court - High Court - High Court - High Court

(c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time except Rs 0.15 lacs which is held in abeyance due to legal case pending.

- (viii) The Holding Company neither has any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix) Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the Holding Company has not defaulted in repayment of dues to the banks and financial institution. The Holding Company has not obtained any borrowing by way of debentures.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us the Holding Company has given guarantee of ' 1809 Lacs for loans taken by others from banks. In our opinion and based on the information and explanations given to us, the terms and conditions are not prejudicial to the interests of the Company.
- xi) Based on information and explanations given to us by the management, term loan was applied for the purpose for which the loan was obtained.
- xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Holding Company has been noticed or reported during the year or we have been informed of any such case by the management.

For **KANTILAL PATEL & CO.,**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 104744W**

**[Mayank S. Shah]**  
**Partner**

**Place : Ahmedabad**  
**Date : June 01, 2015**

**Membership No.: 44922**



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Sr. No.	Particulars	Note	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
I	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholders' Funds:</b>			
	(a) Share Capital	2	718.78	718.78
	(b) Reserves & Surplus	3	10633.83	10600.96
	<b>Sub Total</b>		11352.61	11319.74
(2)	<b>Minority Interest</b>		8.46	8.20
(3)	<b>Deferred Government Grant</b>		25.26	19.19
(4)	<b>Non-Current Liabilities</b>			
	(a) Long Term borrowings	4	6075.39	8199.65
	(b) Deferred tax liabilities(Net)	5	1535.36	1419.59
	(c) Long term provisions	6	116.17	98.06
	<b>Sub Total</b>		7726.92	9717.30
(5)	<b>Current Liabilities</b>			
	(a) Short term borrowings	7	6423.30	6064.59
	(b) Trade payables	8	6522.34	5890.98
	(c) Other current liabilities	9	4654.96	4323.51
	(d) Short term provisions	6	227.42	289.86
	<b>Sub Total</b>		17828.02	16568.94
	<b>TOTAL</b>		36941.27	37633.37
II	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	(a) Fixed Assets :	10		
	i) Tangible assets		22120.69	22478.45
	ii) Intangible Assets		431.38	335.50
	iii) Capital Work - In - Progress		60.89	418.09
	<b>Sub Total</b>		22612.96	23232.04
	(b) Non-current Investments	11	14.25	9.80
	(c) Long-term loans and advances	12	1432.79	1405.22
	(d) Other non-current assets	13	66.77	67.62
	<b>Sub Total</b>		24126.77	24714.68
(2)	<b>Current Assets</b>			
	(a) Current Investments	14	1.14	1.15
	(b) Inventories	15	9732.49	10110.52
	(c) Trade receivables	16	1558.15	1527.27
	(d) Cash & Bank balances	17	507.69	327.97
	(e) Short term Loans & Advances	12	761.41	735.18
	(f) Other Current Assets	13	253.62	216.60
	<b>Sub Total</b>		12814.50	12918.69
	<b>TOTAL</b>		36941.27	37633.37

Summary of significant accounting policies 1  
The accompanying notes are an integral part of the financial statements

As per our report of even date

For KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No - 104744W

[ Mayank S Shah ]

Partner

Membership No - 44922

Place : Ahmedabad

Date : June 1, 2015

For and on behalf of the Board

Rajesh R Gandhi : Chairman & Managing Director  
Devanshu L Gandhi : Managing Director  
Kalpit R Gandhi : Director & Chief Financial Officer  
Nikhil Patel : Company Secretary

Place : Ahmedabad

Date : June 1, 2015



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Sr. No.	Particulars	Note	Year Ended 31.03.2015 (₹ in Lacs)	Year Ended 31.03.2014 (₹ in Lacs)
I	Revenue From Operations (Gross)	18	41574.97	37539.52
	Less : Excise Duty		945.44	808.80
	Revenue From Operations (Net)		40629.53	36730.72
	Other Income	19	315.33	156.40
	<b>Total Revenue (I)</b>		<b>40944.86</b>	<b>36887.12</b>
II	<b>Expenses :</b>			
	Cost of Materials Consumed	20	23678.08	20767.00
	Purchases of stock-in-Trade	21	44.69	698.88
	Changes in inventories of Finished goods and stock in trade	22	1008.23	(728.86)
	Employee Benefits expenses	23	2065.25	1963.46
	Other Expenses	24	9884.82	10017.27
	<b>Total (II)</b>		<b>36681.07</b>	<b>32717.75</b>
III	Earnings before Interest, Tax, Depreciation and amortisation (EBITDA) (I-II)		4263.79	4169.37
IV	Finance Cost	25	2573.23	2524.65
	Depreciation and amortization expenses	10	1319.65	1372.33
	Less : Recoupment from Revaluation reserve / Deferred Government grant		3.42	81.36
	<b>Sub Total</b>		<b>1316.23</b>	<b>1290.97</b>
	<b>Total (IV)</b>		<b>3889.46</b>	<b>3815.62</b>
V	Profit before Exceptional & extraordinary items and tax(III-IV)		374.33	353.75
VI	Exceptional Items		0.00	0.00
VII	Profit before extraordinary items and tax(V-VI)		374.33	353.75
VIII	Extraordinary items		0.00	0.00
IX	Profit before Tax(VII-VIII)		374.33	353.75
X	Tax Expenses			
	(a) Current Tax		2.42	10.66
	(b) Deferred Tax charge / (release)		137.16	128.98
	(c) Short / (Excess) Provision of Tax / Deferred Tax of earlier years (Net)		(4.71)	(13.07)
	<b>Total (X)</b>		<b>134.87</b>	<b>126.57</b>
XI	Profit for the period (IX – X)		239.46	227.18
XII	(Profits) / Losses applicable to Minority Interest		(0.26)	0.35
XIII	Share in Profit of Associate		4.45	2.32
XIV	Profit for the period (XI -XII + XIII)		243.65	229.85
XV	Earnings per equity share :(Refer Note 27.4)			
	Nominal Value of Share ₹ 10 (P.Y. ₹ 10)			
	Basic & Diluted			
	Computed on the basis of total profit for the year		3.39	3.20
	Summary of significant accounting policies	1		
	The accompanying notes are an integral part of the financial statements			

As per our report of even date

For KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No - 104744W

[ Mayank S Shah ]

Partner

Membership No - 44922

Place : Ahmedabad

Date : June 1, 2015

For and on behalf of the Board

Rajesh R Gandhi : Chairman & Managing Director  
Devanshu L Gandhi : Managing Director  
Kalpit R Gandhi : Director & Chief Financial Officer  
Nikhil Patel : Company Secretary

Place : Ahmedabad

Date : June 1, 2015

## CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

	For the year ended 31.03.2015 (₹ in Lacs)	For the year ended 31.03.2014 (₹ in Lacs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and Exceptional Items from continuing operations	374.33	353.75
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	1319.65	1372.33
Withdrawn From Revaluation Reserve /	(3.42)	(81.36)
Deferred Government Grant		
Loss / (Profit) on sale of Assets	(90.94)	(20.86)
Provision for Doubtful debts	9.69	3.18
Provision for Doubtful advances	24.80	31.63
Upfront Interest on restructuring of Loan	11.64	11.65
Diminution in value of Current Investments	0.01	(0.08)
Excess Provision written back	(86.73)	(46.11)
Dividend	(0.16)	(0.13)
Interest expenses	2573.23	2524.65
Interest Income	(48.44)	(43.76)
Exchange rate difference on consolidation	(8.60)	(29.48)
Operating Profit before working capital changes	4075.06	4075.39
Movements in working capital :		
Increase / (decrease) in trade payables	631.36	1922.06
Increase / (decrease) in long term provisions	18.11	44.09
Increase / (decrease) in short term provisions	17.70	8.78
Increase / (decrease) in other current liabilities	82.79	849.07
Decrease / (increase) in trade receivable	(40.56)	(254.18)
Decrease / (increase) in inventories	378.03	(1308.86)
Decrease / (increase) in long term loans and advances	35.40	282.83
Decrease / (increase) in short term loans and advances	(16.75)	(67.85)
Decrease / (increase) in other current assets	(40.32)	(27.54)
Cash Generated from / (used in) Operations	5140.82	5523.79
Direct taxes paid (net of refunds)	(143.23)	(38.47)
Cash flow before extraordinary items	4997.59	5485.32
Net Prior Year Expenses	0.00	0.00
Net Cash from / (used in) Operating Activities	4997.59	5485.32
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loans given (Net)	(34.28)	15.99
Purchase of fixed assets	(896.30)	(2178.15)
Sale of fixed assets	149.62	20.86
Purchase of Current Investments	(4.44)	(2.40)
Proceeds from Sale / maturity of Investments	0.00	0.00
Investments in bank deposits (having original maturity of more than three months)	(58.39)	(99.23)
Interest received	48.68	120.42
Dividend received	0.16	0.13
Deferred Government grant received	9.50	0.00
Net Cash flow from / (used in) Investing Activities	(785.45)	(2122.38)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term borrowings	437.62	2634.82
Repayment of Long Term Borrowings	(2208.37)	(1930.25)
Proceeds of Short Term borrowings	2772.86	2494.94
Repayment of Short Term Borrowings	(2414.15)	(3800.05)
Interest paid	(2585.60)	(2575.48)
Dividends paid on equity shares	(73.23)	(104.66)
Tax on equity dividend paid	(12.21)	(18.32)
Net Cash used in Financing Activities	(4083.08)	(3299.00)
Net Increase/(Decrease) in cash and Cash equivalents (A+B+C)	129.06	63.94
Op. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ Nil (P.Y. ₹ 0.01 lacs))	222.35	158.41
Cl. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ 0.16 (P.Y. ₹. Nil))	351.41	222.35
Major Components of Cash and Cash Equivalents as at	31.03.2015	31.03.2014
Cash and Cheques on hand	98.68	45.01
Balance With Banks		
On Current Accounts	49.87	75.01
On Unpaid Dividend Accounts *	18.37	19.72
On Fixed / Margin Money Deposit Accounts	184.49	82.61
(Includes ₹ 108.33 Lacs (P.Y. ₹ Nil) in Deposit Repayment Reserve Account)	351.41	222.35

Notes : 1. The above Cash Flow has been prepared under Indirect Method set out in AS 3, issued by Companies (Accounting Standard) Rules, 2006.  
2. Figures in brackets represents outflow.  
3. Previous Year figures have been restated wherever necessary to make them comparable with current year figures.  
\* The Company can utilise this balance only towards settlement of the unclaimed dividend

This is the Cash Flow Statement referred to in our report of even date  
For KANTILAL PATEL & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No - 104744W

[Mayank S Shah ]  
Partner  
Membership No - 44922

Place : Ahmedabad  
Date : June 1, 2015

For and on behalf of the Board

Rajesh R Gandhi : Chairman & Managing Director  
Devanshu L. Gandhi : Managing Director  
Kalpit R Gandhi : Director & Chief Financial Officer  
Nikhil Patel : Company Secretary

Place : Ahmedabad  
Date : June 1, 2015



**Note : 1**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :**

**A) ACCOUNTING CONVENTION :**

The consolidated financial statements have been prepared in accordance with Accounting standard (AS) 21 - "Consolidated Financial Statements" and Accounting standard (AS) 23 - "Accounting for investments in associates" issued by the Institute of Chartered Accountants of India.

**B) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements relate to "Vadilal Industries Ltd." (The parent Company), Vadilal Industries (USA) Inc., a subsidiary company, Vadilal Cold Storage (Partnership Firm) and Vadilal Forex and Consultancy Services Ltd (An Associate Company). The consolidated statements have been prepared on the following basis.

- The financial statements have been combined on a line -by-line basis by adding together the book values of like items of Assets, Liabilities, Income and Expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated .
- The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstance and are presented to the extent possible, in the same manner as the parent company's separate financial statements.
- The difference between the cost/carrying amount of investments over the net assets is recognised in financial statements as goodwill or capital reserve as the case may be.
- Minority interest's share of net profit/loss of consolidated for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders.
- In case of associates where the company holds more than 20 % of equity, investments in associates are accounted for using equity method in accordance with Accounting Standard - (AS 23) "Accounting for investments in associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India.
- The company accounts for its share in the change in the net assets of the associate, post Acquisition, after eliminating unrealised profit and losses resulting from transactions between the company and its associate to the extent of its share, through its profit and loss account to the extent such change is attributable to the associate's profit and loss account and through its reserves for the Balance, based on available information.
- The difference between the carrying amount of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the financial statements as goodwill or capital reserve as the case may be.
- In case of foreign subsidiary, being non-integral foreign operations,
  - Revenue items are translated into rupees at the average rate prevailing during the year, which is not as per requirements of AS-11, but having no material effect on the results of consolidated accounts.
  - All balance sheet items are translated into rupees using the year end exchange rate.
  - All resulting exchange differences are accumulated in a Foreign currency Translation Reserve Account.

- Investments other than in subsidiaries and associates have been accounted as per Accounting standard (AS) 13 on Accounting for Investments.

**D) OTHER SIGNIFICANT ACCOUNTING POLICIES :**

These are set out in the notes to financial statements under "Statement of accounting policies" of the financial statements of Vadilal Industries Ltd.

**NOTES TO CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS**

	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
<b>Share capital</b>		
Authorized shares	1500.00	1500.00
1,50,00,000 (31 March 2014: 1,50,00,000) equity shares of ₹ 10/- each	1500.00	1500.00
<b>Issued, subscribed and fully paid-up shares</b>		
<b>Issued and Subscribed :</b>		
71,88,230 (31 March 2014: 71,88,230) equity shares of Rs. 10/- each	718.82	718.82
<b>Total issued and subscribed share capital</b>	<b>718.82</b>	<b>718.82</b>
<b>Paid up :</b>		
71,87,830 (31 March 2014: 71,87,830) equity shares of Rs. 10/- each	718.78	718.78
<b>Total paid-up share capital</b>	<b>718.78</b>	<b>718.78</b>

<b>a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>				
	<b>31st March, 2015</b>		<b>31st March, 2014</b>	
	<b>Nos</b>	<b>₹ in Lacs</b>	<b>Nos</b>	<b>₹ in Lacs</b>
<b>Equity shares</b>				
<b>At the beginning of the period</b>	7187830	718.78	7187830	718.78
<b>Outstanding at the end of the period</b>	<u>7187830</u>	<u>718.78</u>	<u>7187830</u>	<u>718.78</u>
<b>b Terms / rights attached to equity shares</b>				
The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting				
During the year ended 31 March 2015, the amount of per share dividend recognized as distributions to equity shareholders is ₹ 1.00 (31 March 2014: ₹ 1.00).				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
<b>c Shares held by holding/ultimate holding company and/or their subsidiaries / associates</b>				
The Company does not have any holding company.				
<b>d Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:</b>				
Nil				
<b>e Details of shareholders holding more than 5% shares in the company</b>				
	<b>31st March, 2015</b>		<b>31st March, 2014</b>	
	<b>Nos</b>	<b>% holding in the class</b>	<b>Nos</b>	<b>% holding in the class</b>
Vadilal International Pvt. Ltd.	2809704	39.09%	2809704	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 both legal and beneficial ownerships of shares.				

	<b>As At 31.03.2015 (₹ in Lacs)</b>	<b>As At 31.03.2014 (₹ in Lacs)</b>
<b>NOTE – 3</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
Closing Balance	8.84	8.84
<b>Securities Premium Account</b>		
Closing Balance	487.27	487.27
<b>Revaluation Reserve</b>		
Balance as per last Financial Statements	6222.60	6300.77
Less : Amount transferred to the statement of profit and loss as reduction from depreciation	0.00	78.17
Less : Amount of Revaluation due to sale of Fixed Assets	74.13	0.00
Less : Depreciation to the extent on account of revaluation of fixed assets, transferred to General Reserve	79.76	0.00
Closing Balance	<u>6068.71</u>	<u>6222.60</u>
<b>General Reserve</b>		
Balance as per last Financial Statements	3600.00	3500.00
Add : Amount transferred from surplus balance in the statement of profit and loss	161.78	100.00
Add : Depreciation to the extent on account of revaluation of fixed assets transferred from Revaluation reserve	79.76	0.00
Less: Carrying Value of Assets whose life has been Completed (Net of Deferred Tax ₹ 21.39 Lacs)	41.54	0.00
Closing Balance	<u>3800.00</u>	<u>3600.00</u>
<b>Foreign Currency Translation Reserve</b>		
Balance as per last Financial Statements	(40.40)	(10.92)
Less : Current Year Transfer	8.60	29.48
Closing Balance	<u>(49.00)</u>	<u>(40.40)</u>



	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>Surplus / (Deficit) in the statement of profit and loss</b>		
Balance as per last Financial Statements	322.65	276.89
Profit for the year	243.65	229.85
Less : Appropriations Proposed final equity dividend (amount per share ₹ 1.00 (P.Y. amount per share ₹ 1.00))	71.88	71.88
Tax on proposed equity dividend	14.63	12.21
Transferred to General reserve	161.78	100.00
Total Appropriations	248.29	184.09
Net Surplus / (Deficit) in the statement of profit and loss	318.01	322.65
Total Reserves and Surplus	10633.83	10600.96

	Non – Current		Current Maturities	
	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 4</b>				
<b>LONG TERM BORROWINGS</b>				
Term Loans				
From Banks (Secured)	5180.94	6982.16	1894.03	1776.93
From Financial Institutions (Secured)	150.00	350.00	250.00	265.63
From Others (Unsecured)	81.24	71.99	133.33	31.91
	5412.18	7404.15	2277.36	2074.47
Deposits (Unsecured)				
Public Fixed Deposits	663.21	795.50	416.14	265.53
	6075.39	8199.65	2693.50	2340.00
The above amount includes :				
Secured borrowings	5330.94	7332.16	2144.03	2042.56
Unsecured borrowings	744.45	867.49	549.47	297.44
Less : Amount disclosed under the head "Other current Liabilities" Note – 9			(2277.36)	(2074.47)
Less : Amount disclosed under the head "Other current Liabilities" Note – 9			(416.14)	(265.53)
Net Amount	6075.39	8199.65	0.00	0.00

#### Repayment Schedule of Loans

	Sanctioned / Disbursed Amount	As at 31.03.2015	As at 31.03.2014	Rate of Interest	No of installment	Amount of installment
Term Loans From Banks						
IDBI Bank (Expansion Loan)	800.00	85.75	200.03	14.75%	2 Quarterly	28.57
					1 Quarterly	28.61
BOB	1000.00	350.00	550.00	13.00%	21 Monthly	16.67
BOB	1400.00	863.33	1143.33	13.00%	37 Monthly	23.33
BOB	2000.00	1888.88	2000.00	14.15%	67 Monthly	27.78
					1 Monthly	27.62
SBT	1000.00	514.50	715.25	13.75%	30 Monthly	16.75
					1 Monthly	11.75
SBT	1000.00	514.50	715.25	13.75%	30 Monthly	16.75
					1 Monthly	11.75
SBI (old loan)	775.00	11.04	129.40	14.45%	1 Monthly	11.04
SBI (Project)	1000.00	215.10	398.80	14.45%	12 Monthly	16.70
					1 Monthly	14.70
SBI (Project)	900.00	600.00	712.50	14.45%	16 Quarterly	37.50
SBI (Project)	2100.00	1934.25	2044.25	14.45%	25 Monthly	10.00
					32 Monthly	52.00
					1 Monthly	20.25



### Repayment Schedule of Loans

	Sanctioned / Disbursed Amount	As at 31.03.2015	As at 31.03.2014	Rate of Interest	No of installment	Amount of installment
Vehicle Loans						
HDFC	-	97.62	150.28	—	From 18 to 54 Monthly Installments*	-
From Financial Institutions						
Exim	1000.00	400.00	550.00	13.75%	8 Quarterly	50.00
Exim	525.00	0.00	65.63	13.00%		
Others						
IBM India	135.11	72.00	103.90	12.50%	7 Quarterly*	7.83
					9 Quarterly*	3.03
Magma Finance	150.00	142.57	0.00	16.10%	17 Monthly*	9.44
Total		7689.54	9478.62			
Fixed deposits		1079.35	1061.03	10.25 %to 13.00%	24 months to 36 months based on period of deposit	

\*Includes Interest portion

- A 1) Existing Term loans from IDBI, SBI and Exim Bank aggregating to ₹ 21.00 Crores, New Term loan from BOB, SBI and Exim Bank aggregating to ₹ 30 crores, further term loan from BOB And SBT ₹ 34.00 Crores, Additional Term loan of ₹ 9 crores and ₹ 21 Crores from SBI and corporate loan of ₹ 20 crores from BOB are secured by English 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 :
- Dudheshwar, Ahmedabad (Icecream Plant) (1st Charge) (Owned property)
  - Dharampur, Dist.: Valsad (Canning Unit) (1st Charge) (Owned property)
  - Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st Charge) (Owned property)
  - Village Pundhra, Tal : Kalol, Dist. :Gandhinagar (Icecream Plant) (1st Charge) (Owned property)
  - Unit - I, Parsakhera Industrial Estate, Bareilly, U.P.(Icecream Plant) (1st Charge) (Leased property)
  - Dharampur, Dist.: Valsad (IQF Unit - excluding specific plant & machineries) (2nd charge) (Owned property)
  - Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd Charge) (Owned property)
  - Dharampur, Dist. : Valsad (New Land) (1st Charge) (Owned property)
  - Unit - II, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (Only on movable properties as 1st Charge) (Excluding specific plant & machineries)
  - Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 1st Charge)
  - Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) ( Only on movable properties as 1st Charge)
- 2) New Term Loans aggregating to ₹ 30 crores from BOB, SBI and Exim bank, further term loan aggregating to ₹ 34 crores from BOB and SBT, additional term loan of ₹ 9 crores and 21 Crores from SBI and corporate loan of ₹ 20 crores from BOB as above are also secured by way of mortgage and hypothecation on immovable and movable properties of the Company situated at Bareilly, Parsakhera Industrial Area, U.P. (New Land F-12) (Leased property)
- 3) The above Term Loans are also secured by way of Hypothecation on entire current assets of the Company on 2nd pari-passu charge basis
- 4) Vehicle Loans are secured by hypothecation of vehicles
- 5) The Term Loans are also secured by Personal Guarantee of some of the Directors of the Company and also guaranteed by Three Companies

	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 5</b>		
<b>DEFERRED TAX LIABILITY (NET)</b>		
Deferred Tax Liability		
Fixed assets : Impact of difference between tax Depreciation and depreciation / amortisation charged for the financial reporting	1759.39	1549.36
Others	7.05	10.58
	1766.44	1559.94
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	71.30	53.50
Unabsorbed depreciation	120.78	60.68
Others	39.00	26.17
	231.08	140.35
Deferred Tax Liability (Net)	1535.36	1419.59



	Long term		Short term	
	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 6</b>				
<b>PROVISIONS</b>				
<b>Employee Benefits :</b>				
Provision for Gratuity	116.17	98.06	51.06	47.36
Compensated absences	0.00	0.00	73.20	59.20
<b>Others :</b>				
Income Tax Less Advance Tax (Current Tax)	0.00	0.00	0.00	82.56
Proposed Equity Dividend	0.00	0.00	71.88	71.88
Provision for Tax on Proposed Equity Dividend	0.00	0.00	14.63	12.21
Other Provisions	0.00	0.00	16.65	16.65
	<u>116.17</u>	<u>98.06</u>	<u>227.42</u>	<u>289.86</u>

		As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>Note – 7</b>			
<b>SHORT TERM BORROWINGS</b>			
Loans Repayable on Demand			
From Banks			
Working Capital Loans (Secured)		5109.84	4982.24
Loans / Deposits from Related Parties (Unsecured) (Refer Note 27.2)		304.26	102.00
Deposits (Unsecured)			
Public Fixed Deposits	208.20		665.35
Inter Corporate deposits	<u>801.00</u>		<u>315.00</u>
		<u>1009.20</u>	<u>980.35</u>
		<u>6423.30</u>	<u>6064.59</u>
The above amount includes :			
Secured borrowings		5109.84	4982.24
Unsecured borrowings		1313.46	1082.35
		<u>6423.30</u>	<u>6064.59</u>

- A 1) Working Capital facilities from consortium banks namely BOB, SBI, SBT, IDBI and Exim Bank aggregating to Rs. 65.28 crores (enhanced from Rs. 45.25 crores) and additional working capital facilities aggregating to ₹ 5.75 crores from BOB are secured by way of English mortgage on Immovable properties and hypothecation on movable properties of the company situated at the following places by way of 1st & 2nd Charge on pari-passu basis :-
- Dudheshwar, Ahmedabad (Icecream Plant) (2<sup>nd</sup> Charge) (Owned property)
  - Dharampur, Dist. : Valsad (Canning Unit) (2<sup>nd</sup> Charge) (Owned property)
  - Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd Charge) (Owned property)
  - Village Pundhra, Taluka Kalol, Dist. : Gandhinagar (Icecream Plant) (2nd Charge) (Owned property)
  - Unit - I, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (2nd Charge) (Leased property)
  - Dharampur, Dist.: Valsad (IQF Unit - excluding specific plant & machineries) (1st charge) (Owned property)
  - Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st Charge) (Owned property)
  - 4 Flats No. 801 to 804, Maruti Centre, Gurukul, Drive-in Road, Ahmedabad (Flats) (1st Charge) (Owned property)
  - Unit - II, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (Only on movable properties as 2nd Charge) (Excluding specific plant & machineries)
  - Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 2nd Charge)
  - Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) ( Only on movable properties as 2nd Charge)
  - Dharampur, Dist : Valsad (New land) (2<sup>nd</sup> charge) (Owned property)
  - Bareilly, Parsakhera Industrial area, U.P. (New land – F-12) (2nd Charge) (Leased property)
- 2) 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.
- B Working Capital facilities are also secured by Personal Guarantee of some of the Directors of the Company and also guaranteed by Three Companies
- C The cash credit and working capital demand loan is repayable on demand and carries interest @ 13.00 % to 14.50 %
- D Loans and Advances from Related Parties are repayable on demand and carry interest @ 10.50 %
- E inter corporate deposits are repayable between 60 days to 90 days and carry Interest @ 11.00 % to 16.00 %
- F Fixed deposits are repayable for 12 months and carry interest @10.25 %

	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 8</b>		
<b>TRADE PAYABLES</b>		
Micro Small and Medium Enterprises	18.33	90.61
Others (Including acceptances of ₹ 2487.22 Lacs (P.Y. ₹ 1492.67 Lacs))	6504.01	5800.37
	<u>6522.34</u>	<u>5890.98</u>
<b>NOTE – 9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term debts (Refer Note 4)		
From Banks	1894.03	1776.93
From Financial Institutions	250.00	265.63
From Others	133.33	31.91
Public Deposits (Refer Note 4 & Note 26.8)	416.14	265.53
Interest Accrued but not due on borrowings	133.41	109.71
Interest Accrued and due on borrowings	55.46	91.53
Unclaimed Dividends *	18.36	19.72
Unclaimed Matured deposits and Interest accrued thereon * #	14.96	36.49
Book Overdraft in current account with Banks	34.18	0.00
Payable for Capital Goods	224.67	351.06
Other Payables -		
Statutory dues payable	373.01	380.10
Advance from Customers	43.32	32.12
Security Deposits from Customers	863.24	875.12
Others	200.85	87.66
	<u>4654.96</u>	<u>4323.51</u>

\* Does not include any amounts outstanding as on 31.03.2015 which are required to be credited to Investor Education and Protection Fund

# These figures includes ₹ 0.15 (P.Y. ₹ 0.15) due and outstanding as on date 31.03.2015, which is held in abeyance due to legal case pending

#### NOTE – 10

#### FIXED ASSETS

₹ in Lacs

Particulars	Land Freehold	Land Leasehold	Building	Lease hold Improvements	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
<b>I Cost or Valuation -</b>									
At 31st March, 2014	4378.67	1328.87	7611.34	17.13	18782.78	199.89	619.46	328.12	33266.26
Additions	0.00	0.00	90.75	0.00	918.63	1.66	47.52	20.61	1079.17
Disposals	0.00	0.00	83.04	0.00	402.40	0.79	144.73	22.44	653.40
At 31st March, 2015	4378.67	1328.87	7619.05	17.13	19299.01	200.76	522.25	326.29	33692.03
<b>II Depreciation -</b>									
At 31st March, 2014	0.00	47.00	2936.71	1.85	7174.32	124.53	341.44	161.96	10787.81
Additions	0.00	22.42	220.07	1.81	887.98	9.11	137.17	28.58	1307.14
Disposals	0.00	0.00	6.68	0.00	349.32	0.31	144.68	22.62	523.61
At 31st March, 2015	0.00	69.42	3150.10	3.66	7712.98	133.33	333.93	167.92	11571.34
<b>III Net Block</b>									
At 31st March, 2015	4378.67	1259.45	4468.95	13.47	11586.03	67.43	188.32	158.37	22120.69
At 31st March, 2014	4378.67	1281.87	4674.63	15.28	11608.46	75.36	278.02	166.16	22478.45
<b>II Intangible Assets</b>									
<b>Particulars</b>	<b>Software &amp; development Costs</b>		<b>Particulars</b>	<b>Software &amp; development Costs</b>					
<b>A Cost or Valuation -</b>			<b>III Capital Work In Progress</b>						
At 31st March, 2014	361.67		At 31st March, 2014	418.09					
additions	174.33		Additions	0.00					
deductions	2.83		Deductions	357.20					
At 31st March, 2015	533.17		At 31st March, 2015	60.89					
<b>B Amortisation -</b>									
At 31st March, 2014	26.17								
additions	75.62								
deductions	0.00								
At 31st March, 2015	101.79								
<b>C Net Block</b>									
At 31st March, 2015	431.38								
At 31st March, 2014	335.50								



## Notes

- 1 Land & Building includes ₹ 29.94 lacs (P.Y. ₹ 29.94 lacs) & ₹ 151.61 lacs (P.Y. ₹ 151.61 lacs) respectively in process of being transferred in the name of the company.
- 2 a Building includes House Building of ₹ 12.90 lacs (Gross) (P.Y. ₹ 12.90 lacs) acquired against loan which is yet to be transferred in the name of the company.  
b The Value of Building acquired against loan includes cost of documentation charges.
- 3 Borrowing cost capitalised during the year ₹ Nil (P.Y. ₹ 57.02 lacs) and shown in additions to fixed Assets ₹ Nil (P.Y. ₹ 57.02 Lacs).
- 4 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in case of certain assets as disclosed in Accounting policy on Depreciation, Amortisation and depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted (net of deferred tax ₹ 21.39 lacs) in the opening balance of General Reserve amounting to ₹ 41.54 Lacs
- 5 Capital Work in progress includes -  
₹ 60.89 Lacs (P.Y. ₹ 418.09 Lacs) on account of Construction materials and Plant & machinery under installation at site ₹ Nil (P.Y. ₹ Nil) on account of expenses incurred during Construction period as under :

	31.03.2015 ₹ in Lacs	31.03.2014 ₹ in Lacs
Opening Balance	0.00	68.88
Add :		
Expenses Incurred towards acquisition of Fixed assets	12.07	6.46
Interest Capitalised	0.00	57.02
Less :	12.07	63.48
Capitalised during the year	12.07	132.36
Closing Balance (Included in capital work in progress)	0.00	0.00

## NOTE – 11

### NON-CURRENT INVESTMENTS (LONG TERM)

#### Trade Investments (valued at cost unless stated otherwise)

##### Unquoted equity instruments

##### Others

72500 (P.Y. 72500) equity shares of ₹ 10 each fully paid up In Vadilal Forex and consultancy services Ltd (At cost less provision for other than temporary diminution ₹ 6.53 Lacs (P.Y. ₹ 6.53 Lacs))	0.72	0.72
Add : Accumulated Profits since 2012-13 onwards	9.38	4.93
	10.10	5.65

#### Non trade Investments (valued at cost unless stated otherwise)

##### Government and Trust Securities

##### Unquoted

7 Year National Saving Certificates (Lodged with Govt. Authorities)	0.28	0.28
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##### Other Investments

##### Equity Instruments

##### Unquoted

74100 (P.Y. 74100) equity shares of ₹ 10 each fully paid up In Majestic Farm House Ltd.	1.87	1.87
280 (P.Y. 280) equity shares of ₹ 10 each fully paid up In Padm Complex Pvt. Ltd.	0.03	0.03
280 (P.Y. 280) equity shares of ₹ 10 each fully paid up In Volute Construction Pvt Ltd.	0.03	0.03
4195 (P.Y. 4195) equity shares of ₹ 25 each fully paid In Textile Traders Coop Bank Ltd	1.05	1.05
3540 (P.Y. 3540) equity shares of ₹ 25 each fully paid In Siddhi Coop Bank Ltd	0.89	0.89
	14.25	9.80
Aggregate amount of unquoted investments	14.25	9.80

	Non – Current		Current	
	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 12</b>				
<b>LOANS AND ADVANCES</b>				
Unsecured, Considered good unless otherwise stated				
Capital Advances	57.00	91.99	0.00	0.00
Loans and Advances to related parties (Refer Note 27.2)	1.20	0.51	0.00	0.00
Advances recoverable in cash or in kind or for value to be received (Refer Note 27.2)				
Considered Good	0.00	0.00	452.06	438.43
Considered Doubtful	0.00	0.00	65.93	41.13
Less : Provided for	0.00	0.00	65.93	41.13
	0.00	0.00	0.00	0.00
	0.00	0.00	452.06	438.43
Other Loans and Advances				
Loans to employees	1.53	1.64	7.33	6.42
Prepaid Expenses	2.09	1.26	113.48	111.07
Deposits with Government Authorities	68.31	68.00	0.00	0.00
Advance Income Tax less Provisions	72.84	68.37	0.00	0.00
MAT Tax entitlement (Refer Note 26.7)	551.85	493.35	0.00	0.00
Other Trade / Security Deposits (Refer Note 27.2)	677.97	680.10	0.00	0.00
Loans in Current Account (Refer Note 26.4)	0.00	0.00	188.54	154.26
Inter Corporate Deposit	0.00	0.00	0.00	25.00
	1374.59	1312.72	309.35	296.75
	1432.79	1405.22	761.41	735.18
Loans and Advances to related parties include - Others	1.20	0.51	0.00	0.00
	1.20	0.51	0.00	0.00
<b>NOTE – 13</b>				
<b>Other Assets</b>				
Unsecured, Considered good unless otherwise stated				
Deposits with original maturity for more than 12 months (Refer Note No. 17)	65.40	57.67	0.00	0.00
Unamortised Borrowing cost	1.37	9.95	8.58	11.64
Interest Receivable	0.00	0.00	22.82	23.06
Export Benefits Receivable	0.00	0.00	84.02	82.50
Subsidy Receivable	0.00	0.00	138.20	99.40
	66.77	67.62	253.62	216.60
			As At 31.03.2014 (₹ in Lacs)	As At 31.03.2013 (₹ in Lacs)
<b>NOTE – 14</b>				
<b>CURRENT INVESTMENTS (Valued at lower of cost and fair value)</b>				
Quoted Equity Instruments				
400 (P.Y. 400) equity shares of ₹ 10 each fully paid-up In Aminex Chemicals Ltd.			0.04	0.04
15 (P.Y. 15) equity shares of ₹ 10 each fully paid-up In Century Enka Ltd.			0.06	0.06
60 (P.Y. 60) equity shares of ₹ 10 each fully paid-up In Essar Steel Ltd.			0.01	0.01
200 (P.Y. 200) equity shares of ₹ 10 each fully paid-up In Golden Agro Tech Industries Ltd.			0.02	0.02
100 (P.Y. 100) equity shares of ₹ 10 each fully paid-up In Great Eastern Shipping Co.Ltd.			0.04	0.04



	As At 31.03.2014 (₹ in Lacs)	As At 31.03.2013 (₹ in Lacs)
25 (P.Y. 25) equity shares of ₹ 10 each fully paid-up in Great Offshore Ltd.	0.01	0.01
25000 (P.Y. 25000) equity shares of ₹ 1 each fully paid-up In Interface Financial Services Ltd.	2.00	2.00
120 (P.Y. 120) equity shares of ₹ 2 each fully paid-up In Matrix Laboratories Ltd.	0.64	0.64
49000 (P.Y. 49000) equity shares of ₹ 1 each fully paid-up In Radhe Developers Ltd.	0.49	0.49
2500 (P.Y. 2500) equity shares of ₹ 10 each fully paid-up In Saket Projects Ltd.	0.25	0.25
900000 (P.Y. 900000) equity shares of ₹ 1 each fully paid-up In Sanara Media Ltd.	1.24	1.24
	<u>4.80</u>	<u>4.80</u>
Less : Diminution in value of Investments	3.66	3.65
Total (II)	<u>1.14</u>	<u>1.15</u>
Aggregate amount of quoted investments (Market value ₹ 1.56 Lacs(P.Y. ₹ 1.62 Lacs))	4.80	4.80
Aggregate provision for diminution in value of Investments	3.66	3.65
<b>NOTE – 15</b>		
<b>INVENTORIES</b>		
Stores & Spares	434.20	377.66
Raw Materials	3605.46	3240.62
(Includes Goods in Transit ₹ Nil (P.Y. ₹ 35.94 Lacs))		
Packing Materials	1508.31	1299.49
(Includes Goods in Transit ₹ Nil (P.Y. ₹ 30.47 Lacs))		
Finished Goods	4184.52	5192.75
(Includes Goods in Transit ₹ 14.45 (P.Y. ₹ 168.66 Lacs))		
	<u>9732.49</u>	<u>10110.52</u>
<b>NOTE – 16</b>		
<b>TRADE RECEIVABLES</b>		
Unsecured, Considered good unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	41.19	28.95
Considered Doubtful	13.23	3.55
Less : Provided for	<u>13.23</u>	<u>3.55</u>
	0.00	0.00
	<u>41.19</u>	<u>28.95</u>
Other receivables (Considered Good) (Refer Note 27.2)	1516.96	1498.32
	<u>1558.15</u>	<u>1527.27</u>
of the above debts (exceeding six months) -		
Secured Considered good	14.82	6.76
Unsecured Considered good	26.37	22.19
	<u>41.19</u>	<u>28.95</u>
of the above debts (other receivables) -		
Secured Considered good	650.00	650.00
Unsecured Considered good	866.96	848.32
	<u>1516.96</u>	<u>1498.32</u>



	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 17</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with Banks		
On Current Accounts	49.87	75.01
On Deposit Repayment Reserve Account	108.33	0.00
Deposits / Margin Money Deposits with original maturity of less than three months	76.16	82.61
On Unpaid Dividend a/c	18.37	19.72
Cheques, Drafts on hand	34.66	27.79
Cash Balance on hand	64.02	17.22
	<u>351.41</u>	<u>222.35</u>
<b>Other Bank Balances</b>		
Deposits with original maturity for more than three months	156.12	104.66
(Includes Security deposit with banks Rs 154.60 Lacs P. Y. Rs 96.99 Lacs)		
Margin Money deposit (towards guarantee and LC issued by banks)	65.56	58.63
	<u>221.68</u>	<u>163.29</u>
	<u>573.09</u>	<u>385.64</u>
Less : Deposits with original maturity of more than 12 months	65.40	57.67
Amount disclosed under non-current assets (Refer Note 13)		
	<u>507.69</u>	<u>327.97</u>
<b>NOTE – 18</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products (Refer Note below)		
Finished Goods	41195.87	37133.08
Sale of Services	6.35	5.48
Income from Money Changing Business		
Other Operating Revenues		
Export Licences / DEPB	146.67	157.78
Miscellaneous Sales	82.48	89.23
Others	143.60	153.95
	<u>41574.97</u>	<u>37539.52</u>
<b>Details of Products sold</b>		
Finished Goods		
Ice Cream & Frozen Desserts	35186.91	30377.19
Fruit Pulp, Frozen Fruits, Vegetables & Ready to eat / serve	6008.96	6755.89
	<u>41195.87</u>	<u>37133.08</u>
<b>Note -</b>		
The Company is engaged in the manufacturing and trading of selected Fruit Pulp, Frozen Fruits, Vegetables & Ready to eat / serve Products. Due to complexities, it is not possible to segregate the information regarding Sales, consumption and inventories of such products into Finished goods and traded goods		
<b>NOTE – 19</b>		
<b>OTHER INCOME</b>		
Interest Income	48.44	43.78
Dividend Income		
On Long Term Investments	0.16	0.13
Net gain / (Loss) on foreign currency translation and transaction	76.12	0.00
Profit on Sale of Fixed Assets	90.94	20.86
Excess Provision written back	86.73	46.11
Miscellaneous Income	12.94	45.44
Diminution in Value of Current Investments	0.00	0.08
	<u>315.33</u>	<u>156.40</u>



	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 20</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Inventory at the beginning of the year	4540.11	3968.73
Add : Purchases	24251.74	21338.38
	28791.85	25307.11
Less : Inventory at the end of the year	5113.77	4540.11
Cost of Materials consumed	23678.08	20767.00
<b>Details of Materials consumed -</b>		
Milk and Milk Products	6996.98	5815.80
Dry Fruits, Fresh Fruits & Vegetables	3514.84	3885.04
Packing Materials	5157.03	5290.99
Others	8009.23	5775.17
	23678.08	20767.00
<b>Details of Inventory -</b>		
Milk and Milk Products	2131.53	2290.04
Dry Fruits, Fresh Fruits & Vegetables	844.97	205.27
Packing Materials	1508.31	1299.49
Others	628.96	745.31
	5113.77	4540.11
<b>NOTE – 21</b>		
<b>PURCHASE OF TRADED GOODS</b>		
Ready to eat / serve	0.00	234.04
Fruit Pulp, Frozen Fruits & Vegetables	38.93	457.15
Others	5.76	7.69
	44.69	698.88
<b>NOTE – 22</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE</b>		
<b>Opening Stock :</b>		
Finished Goods	5192.75	4463.89
	5192.75	4463.89
<b>Closing Stock :</b>		
Finished Goods	4184.52	5192.75
	4184.52	5192.75
<b>Net Changes in Inventories</b>	1008.23	(728.86)
<b>Details of Inventory -</b>		
<b>Finished Goods</b>		
Ice Cream & Frozen Desserts	2238.87	2417.51
Fruit Pulp, Frozen Fruits & Vegetables	1945.65	2775.24
	4184.52	5192.75
<b>NOTE – 23</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages, Allowances & Bonus, etc	1758.50	1680.91
Contribution to Provident & other funds	144.44	134.48
Staff Welfare Expenses	162.31	148.07
	2065.25	1963.46

	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2014 (₹ in Lacs)
<b>NOTE – 24</b>		
<b>OTHER EXPENSES</b>		
Job Charges	1896.92	1865.18
Power & Fuel	2805.12	2968.57
Stores & Spares Consumption	51.30	65.14
Repairs		
Building	60.52	41.93
Machinery	285.48	289.88
Excise Duty Others	(2.34)	65.15
Rent	806.21	769.15
Rates & Taxes	23.89	41.24
Insurance	65.17	76.68
Payment to Auditors	26.45	27.15
Freight, Forwarding and other distribution expenses	2080.76	1952.43
Provision for Doubtful Advances	24.80	31.63
Provision for Doubtful Debts	9.69	3.18
Bad Debts	0.00	0.24
Diminution in Value of Short Term Investments	0.01	0.00
Net loss on Foreign Currency Translation and Transactions	0.00	37.52
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery, etc)	1750.84	1782.20
	<u>9884.82</u>	<u>10017.27</u>
<b>NOTE – 25</b>		
<b>FINANCE COST</b>		
Interest Expenses	2475.42	2376.87
Other Borrowing Cost	87.61	129.23
Amortisation of ancilliary borrowing costs	10.20	10.20
Net (Gain) / Loss on foreign currency transaction and translation	0.00	8.35
	<u>2573.23</u>	<u>2524.65</u>

## 26) Additional Information to the Financial Statements

26.1) Subsidiary company considered in the consolidated financial statements are :

Name	Country of Incorporation	Proportion of ownership interest	
Vadilal Industries Inc.*	USA	100.00 %	
Statement of Financial Information of Vadilal Industries (USA) Inc. a wholly owned Subsidiary Company as on 31st March, 2015 as per General Circular No. 2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs.			
Sr.No	Particulars	Amt (In ₹)	Amt (In USD)
1	Capital*	13640634	225000
2	Reserve**	(47619236)	(760802.48)
3	Total Assets**	35401798	565607.06
4	Total Liabilities**	35401798	565607.06
5	Details of Investments (Except in case of investment in the subsidiary)	NIL	NIL
6	Turnover***	40724063	666001.55
7	Profit/Loss Before Tax***	(14324548)	(234263.74)
8	Provision for Income Tax***	91721	1500
9	Profit/Loss After Taxation***	(14416269)	(235763.74)
10	Proposed Dividend	NIL	NIL
11	Country	New Jersey(USA) San Francisco (USA)	

\* Rate of Exchange (Initial) 1 USD = ₹ 60.63

\*\* Rate of Exchange 1 USD = ₹ 62.5908 (Closing Rate)

\*\*\*Rate of Exchange 1 USD = ₹ 61.1471 (Average Rate)



**26.2) I) Enterprises considered in the consolidated financial statements are :**

Name	Country of Incorporation	Proportion of ownership interest
Vadilal Cold Storage	India	98.00 %

**II) The associate considered in the consolidated financial statements are :**

Name	Country of Incorporation	Proportion of ownership interest
Vadilal Forex and Consultancy Services Ltd.	India	29.00 %

**26.3) CONTINGENT LIABILITIES NOT PROVIDED FOR :**

	C. Year	( ₹ in Lacs ) P. Year
I) Guarantees given by the company against Term Loans given to companies in which Directors are interested is ₹ 1809 Lacs (P.Y. ₹ 1809 Lacs). Outstanding against this as at 31.03.2015	426.25	758.91
II) <b>i) For Excise -</b>		
a) Related to a matter decided in favor of the company, against which the Excise department has preferred an appeal. Gross ₹ 8.86 Lacs (P.Y. ₹ 8.86 Lacs) Net of Tax	5.99	5.99
<b>ii) For Income Tax -</b>		
a) which is disputed by the company and against which company has preferred appeal, based on the demand notices raised by Income Tax Dept. and received by the company.	4.49	4.49
b) Against which Income Tax department has preferred appeal	166.65	166.65
c) In respect of erstwhile Vadilal Financial Services Limited (VFSL) Income Tax Demand (including interest) for which the company has preferred appeal.	1.93	1.93
<b>iii) For Sales Tax -</b>		
Disputed by the company and against which company has preferred an appeal. Gross ₹ 87.09 Lacs ( P.Y. ₹ 87.09 Lacs ) Net of Tax	58.83	58.83
iv) For other Matters - Gross ₹ 11.69 Lacs (P.Y. ₹ 11.69 Lacs) Net of Tax	7.90	7.90
v) Differential amount of custom/excise duty in respect of machinery purchased under EPCG scheme.	648.92	824.59
III) Other Money for which the Company is contingently liable		
i) Liability in respect of Bills	2512.45	4102.19
ii) Liabilities in respect of Foreign Bills Purchased by Banks	0.00	62.84

- Note : a) Future cash outflows in respect of (II) (i) to (iv) above depends on ultimate settlement / conclusions with the relevant authorities.
- b) Future cash outflows in respect of (II) (v) above depends if company is unable to fulfill export obligations between 2019-20 to 2023-24 of ₹ 3917.36 Lacs (P.Y. ₹ 4971.39 Lacs), for import made between the year of 2009-10 to 2014-15. The fulfillment of export obligation is considered on the basis of license claimed at the time of export.
- c) Future cash outflows in respect of (III) above depends if Vendors are unable to fulfill the liability.

26.4) Short term Loans & Advances includes ₹ 188.54 Lacs given by Vadilal Cold Storage to Individual for which Confirmation is pending.

**26.5) PARTICULARS OF DERIVATIVE INSTRUMENTS :**

- a) Derivative contracts entered into by the company and outstanding as on 31st March, 2015.
- i) All derivative and financial instruments acquired by the company are for hedging.
- ii) Foreign currency exposure that are hedged by derivative instruments as on 31st March, 2015 -

PARTICULARS	C.Year	P.Year
Number of Buy Contract	6	4
Aggregate Amount	US \$ 681106.70	US \$ 666493.50
	CAD 33700.00	
	GBP 26500.00	
	₹ 467.42 Lacs	₹ 419.65 Lacs

iii) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2015

PARTICULARS	C.Year		P.Year	
	PAYABLE	RECEIVABLE	PAYABLE	RECEIVABLE
US \$	24243.00	734564.20	48753.80	653833.86
EURO	0.00	0.00	0.00	30681.97
GBP	0.00	9.50	2900.00	439.09
TOTAL ₹ (IN LACS)	15.17	459.77	32.20	418.73

**26.6)** The company has written down the inventories to net realisable value during the year by ₹ 40.74 Lacs (Previous year ₹ 72.47 Lacs).

**26.7) MAT CREDIT ENTITLEMENT :**

On the basis of the projection for future profit, the company projects to pay normal income tax within the specified period. Based on this assumption, the company has taken MAT Credit of ₹ 58.50 Lacs (P.Y. ₹ 89.94 Lacs) and shown as MAT credit entitlement of total amounting to ₹ 551.85 Lacs as on 31.3.15 (P.Y. ₹ 493.35 Lacs).

**26.8)** Pursuant to Section 74(1) of the Companies Act 2013, The Company has to repay the amount of such deposits along with interest thereon, if any, within 1 year from such commencement or from the date on which such payment are due, whichever is earlier. The company has repaid all the deposits which are due up to 31.03.2015. Moreover for the deposits which remain undue as on 31.03.2015, the company has filed the petition under section 74(2) of the companies act, 2013 and awaiting for the reply.

**27) Disclosure under Accounting Standards**

**27.1) SEGMENT INFORMATION :**

**A PRIMARY SEGMENT - BUSINESS SEGMENT :**

[ ₹ in Lacs ]

SR. NO.	PARTICULARS	ICE CREAM	PROCESSED FOODS	OTHERS	ELIMI-NATION	TOTAL
a)	SEGMENT REVENUE					
	External Sales	34048.21	6431.37	149.96	0.00	40629.54
		(29,328.94)	(7,242.35)	(159.43)	(0.00)	(36730.72)
	Inter segment		0.00		0.00	0.00
			(109.44)		(-109.44)	0.00
	Other segment Income	120.24	146.33	0.14	0.00	266.71
		(72.71)	(39.79)	(0.00)	(0.00)	(112.50)
	Total segment revenue	34168.45	6577.70	150.10	0.00	40896.25
		(29401.65)	(7391.58)	(159.43)	(-109.44)	(36843.22)
b)	SEGMENT RESULTS	3411.86	(-199.24)	8.40	0.00	3221.02
		(3,102.44)	(1.13)	(-19.92)	0.00	(3083.65)
	Unallocated Expenditure					273.45
	net of unallocated income					(205.25)
	Operating profit					2947.57
						(2878.40)
	Interest Expense					2573.24
						(2,524.65)
	Taxation for the year					2.42
	- Current /MAT Tax					(10.66)
	- Deferred Tax					137.16
						(128.98)
	- Short/Excess provision of					(4.71)
	I.Tax of earlier years					(-13.07)
	- Minority Interest					0.26
						(-0.35)
	- Share of Profit in Associate					4.45
						(2.32)
	Net Profit/ (Loss)					243.65
						(229.85)



SR. PARTICULARS NO.	ICE CREAM	PROCESSED FOODS	OTHERS	ELIMI- NATION	TOTAL
c) SEGMENT ASSETS	25849.76	9513.90	212.54	0.00	35576.20
	(26607.48)	(9401.64)	(186.31)	0.00	(36195.43)
Unallocated Assets					1335.83
					(1437.93)
Total Assets					36912.03
					(37633.36)
d) SEGMENT LIABILITIES	7847.41	695.34	29.20	0.00	8571.95
	(6943.90)	(881.97)	(8.78)	0.00	(7834.65)
Unallocated liabilities					16987.47
					(18478.97)
Total Liabilities					25559.42
					(26313.62)
e) Cost incurred during the period to acquire segment fixed assets	1054.65	182.62	16.23		1253.50
	(2832.24)	(667.91)	(4.20)		(3504.35)
f) Depreciation/Amortisation	1090.79	213.08	8.27		1312.14
	(1050.74)	(229.05)	(7.08)		(1286.87)
g) Non cash expenses other than depreciation/amortisation	22.90	11.58	0.00		34.48
	(34.19)	(0.62)	(0.00)		(34.81)

Note : Figures in brackets relate to previous year.

**B SECONDARY SEGMENT - GEOGRAPHICAL SEGMENT :**

Segment revenue by geographical area based on geographical location of customers : ₹ in Lacs]

Sr No	Geographical Area	Current Year	Previous Year
1	India	35832.07	31448.05
2	Outside India	4797.47	5282.67
		40629.54	36730.72

**C OTHER DISCLOSURES**

a) Inter segment revenue

Inter segment transfers have been recognized at cost price.

b) Business Segment

Ice Cream : Ice Cream & Frozen Dessert

Processed Food : Mango Pulp, Frozen Fruit, Pulp, vegetable & Ready to eat/serve food

Others : Forex management, Money changing and Cold Storage

c) The company's manufacturing facilities are located in India.

**27.2) RELATED PARTY DISCLOSURES :**

A) Name of related party and description of the relationship with whom transactions taken place.

1) Associate : Vadilal Forex and Consultancy Services Ltd.

2) Key Management Personnel :

i) Rajesh R Gandhi

ii) Devanshu L Gandhi

3) Enterprises owned or significantly influenced by key management personnel or their relatives :

i) Vadilal Enterprises Ltd.

ii) Vadilal International Pvt. Ltd.

iii) Veronica Construction Pvt.Ltd.

iv) Padm Complex Ltd.

v) Majestic Farm House Ltd.

vi) Ambica Dairy Products

vii) Volute Construction Ltd.

4) Relative of key Management Personnel :

i) Mamta R Gandhi

ii) Kalpit R Gandhi

iii) Aastha R Gandhi



Transaction with Related Parties :					(₹ in Lacs)
Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10%	Associates	Key Management Personnel/Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
<b>1</b>	<b>Sales :</b>				
	i) Vadilal Enterprises Ltd.	— (—)	— (—)	35251.33 (30951.61)	35251.33 (30951.61)
	ii) Others		— (—)	131.56 (105.04)	131.56 (105.04)
<b>2</b>	<b>Purchase :</b>				
	i) Ambica Dairy Products	— (—)	— (—)	— (245.74)	— (245.74)
	ii) Majestic Farm House Ltd.	— (—)	— (—)	— (22.20)	— (22.20)
<b>3</b>	<b>Rent Income :</b>				
	Vadilal Enterprises Ltd.	— (—)	— (—)	0.90 (1.98)	0.90 (1.98)
<b>4</b>	<b>Interest paid :</b>				
	i) Veronica Construction P. Ltd	— (—)	— (—)	3.67 (9.12)	3.67 (9.12)
	ii) Byad Packaging Industries Pvt. Ltd.	— (—)	— (—)	2.70 (—)	2.70 (—)
	iii) Devanshu L. Gandhi	— (—)	18.30 (—)	— (—)	18.30 (—)
<b>5</b>	<b>Salary paid :</b>				
	i) Mamta R. Gandhi	— (—)	5.29 (5.61)	— (—)	5.29 (5.61)
	ii) Kalpit R. Gandhi	— (—)	20.72 (5.34)	— (—)	20.72 (5.34)
	iii) Aastha R. Gandhi	— (—)	5.26 (4.61)	— (—)	5.26 (4.61)
<b>6</b>	<b>Interest Income :</b>				
	i) Vadilal International Pvt.Ltd.	— (—)	— (—)	6.00 (6.00)	6.00 (6.00)
	ii) Vadilal Forex and Consultancy Services Ltd.	— (—)	— (—)	(0.70) (0.05)	(0.70) (0.05)
	iii) Padm Complex Ltd.	— (—)	— (—)	(0.09) (0.03)	(0.09) (0.03)
<b>7</b>	<b>Royalty paid/payable :</b>				
	i) Vadilal International Pvt.Ltd.	— (—)	— (—)	20.46 (22.14)	20.46 (22.14)
<b>8</b>	<b>Intercompany Deposit Given:</b>				
	i) Vadilal Forex and Consultancy Services Ltd.	— (25.00)	— (—)	— (—)	— (25.00)
<b>9</b>	<b>Loan / Deposit Received/returned</b>				
	i) Veronica Construction P. Ltd	— (—)	— (—)	151.95 (188.50)	151.95 (188.50)
	ii) Byad Packaging Industries Pvt. Ltd.	— (—)	— (—)	47.00 (—)	47.00 (—)
	iii) Devanshu L. Gandhi	— (—)	227.00 (—)	— (—)	227.00 (—)
	vi) Padm Complex Ltd			1.20 (0.40)	1.20 (0.40)
	v) Vadilal Forex and Consultancy Services Ltd.	— (—)	— (—)	25.00 (—)	25.00 (—)



Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10%	Associates	Key Management Personnel/Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
<b>10</b>	<b>Intercompany Deposit Re-paid</b>				
i)	Veronica Construction P. Ltd	—	—	227.00	227.00
		(—)	(—)	(1311.00)	(1311.00)
<b>11</b>	<b>Security Deposit Received:</b>				
i)	Vadilal Enterprises Ltd.	—	—	—	—
		(—)	(—)	(650.00)	(650.00)
<b>B</b>	<b>Balance outstanding at year end :</b>				
<b>a)</b>	<b>Investments :</b>				
i)	Majestic Farmhouse Ltd	—	—	—	—
		(—)	(—)	(1.87)	(1.87)
ii)	Vadilal Forex and Consultancy Services Ltd.	0.72	—	—	0.72
		(0.72)	(—)	(—)	(0.72)
<b>b)</b>	<b>Receivable :</b>				
	<b>Trade Receivable</b>				
i)	Vadilal Enterprises Ltd.*	—	—	666.20	666.20
		(—)	(—)	(739.96)	(739.96)
ii)	Others	—	—	—	—
		(—)	(—)	(4.15)	(4.15)
	<b>Loans and Advances Given</b>				
i)	Vadilal International Pvt.Ltd.	—	—	600.00	600.00
		(—)	(—)	(600.00)	(600.00)
ii)	Vadilal Forex and Consultancy Services Ltd.	—	—	—	—
		(25.00)	—	—	(25.00)
iii)	Padm Complex Ltd	—	—	21.88	21.88
		(—)	(—)	(21.19)	(21.19)
	<b>Advance given to supplier</b>				
i)	Ambica Dairy Products	—	—	—	—
		(—)	(—)	(0.55)	(0.55)
ii)	Majestic Farm House Ltd.	—	—	—	—
		(—)	(—)	(0.60)	(0.60)
<b>c)</b>	<b>Payable :</b>				
	<b>Loan / Deposit Taken</b>				
i)	Veronica Construction P. Ltd	—	—	30.26	30.26
		(—)	(—)	(102.00)	(102.00)
ii)	Byad Packaging Industries Pvt. Ltd.	—	—	47.00	47.00
		(—)	(—)	(—)	(—)
iii)	Devanshu L. Gandhi	—	227.00	—	227.00
		(—)	(—)	(—)	(—)
	<b>Security Deposit Taken</b>				
i)	Vadilal Enterprises Ltd.	—	—	650.00	650.00
		(—)	(—)	(650.00)	(650.00)
	<b>Advance from Customers</b>				
i)	Veronica Construction P. Ltd	—	—	23.61	23.61
		(—)	(—)	(—)	(—)
<b>d)</b>	<b>Against corporate guarantee given :</b>				
i)	Vadilal Enterprises Ltd.	—	—	1809.00	1809.00
		(—)	(—)	(1809.00)	(1809.00)
<b>e)</b>	<b>Against corporate guarantee taken :</b>				
i)	Vadilal Enterprises Ltd.	—	—	800.00	800.00
		(—)	(—)	(800.00)	(800.00)
ii)	Padm Complex Ltd & Volute Construction Ltd	—	—	9878.00	9878.00
		(—)	(—)	(9303.00)	(9303.00)

Notes : a) Transaction of sales are shown net of VAT & CST and Outstanding of Trade Receivables are inclusive of VAT/CST.

b) \*Outstanding balances are shown net of Acceptance.

c) Figures in brackets relate to previous year.

### 27.3) Operating Lease:-

i) The company has taken various residential, office and godown premises under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months and 36 months under leave and license or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free Security deposits under certain agreements.

ii) Lease payments are recognised as expense in the Profit & Loss Statement on a straight line basis over the lease term under "Rent" in Note 24 "Other Expenses."

iii) The future minimum estimated operating lease payments under non cancellable operating lease: (₹ in Lacs)

Particulars	Not later than one year	later than one & not later than five years
Total of minimum	9.50	—
Lease Payments	(11.40)	(9.50)

Note: Figures in brackets relate to previous year.

### 27.4) Earning Per Share (EPS) :

The following reflect the profit and share data used in the basic and diluted EPS computation

	( ₹ in Lacs )	
	Current Year	Previous Year
Total Operation for the year Profit/(loss)after Tax	<u>243.65</u>	<u>229.85</u>
Net Profit/(loss) for calculating basic/diluted EPS	243.65	229.85
Weighted Average Number of Equity shares in calculating Basic/Diluted EPS	7187830	7187830

27.5) The figure of the subsidiary company and partnership firm are considered on the basis of its unaudited financial statements.

28) Previous year figures have been restated wherever necessary to make them comparable with current year's figures.

Signatures to Notes 1 to 28

For KANTILAL PATEL & CO.

Chartered Accountants

Firm Registration No.104744W

Mayank S. Shah

Partner

Membership No.:44922

Place : Ahmedabad

Date : June 1,2015

For and on behalf of the Board

Rajesh R. Gandhi

Devanshu L. Gandhi

Kalpita R. Gandhi

Nikhil Patel

: Chairman & Managing Director

: Managing Director

: Director & Chief Financial Officer

: Company Secretary

Place : Ahmedabad

Date : June 1,2015



## VADILAL INDUSTRIES LIMITED

Share Department: B/404, Time Square Building, 4<sup>th</sup> Floor, Near Lal Bungalow Char Rasta, C.G. Road, Navrangpura, Ahmedabad – 380009  
CIN: L91110GJ1982PLC005169, Web: www.vadilalgroup.com, Email: shareslogs@vadilalgroup.com, Tel: +91 079 30153189

### E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository or with Share Transfer Agent.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of Vadilal Industries Limited to contribute to the cause of Green Initiative.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode.

**Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.**

Best Regards,

**Nikhil Patel**  
Company Secretary

### E-COMMUNICATION REGISTRATION FORM

Folio No. / DP ID and Client ID : \_\_\_\_\_

Name of the 1st Registered Holder : \_\_\_\_\_

Name of the Joint Holder[s] : \_\_\_\_\_

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

E-mail ID (to be registered) : \_\_\_\_\_

I / We Shareholder(s) of Vadilal Industries Limited agree to receive communication from the Company in electronic mode. Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date : \_\_\_\_\_

Signature \_\_\_\_\_

**Note:** Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

**VADILAL INDUSTRIES LIMITED**

Share Department: B/404, Time Square Building, 4<sup>th</sup> Floor, Near Lal Bungalow Char Rasta, C.G. Road, Navrangpura, Ahmedabad – 380009  
CIN: L91110GJ1982PLC005169, Web: www.vadilalgroup.com, Email: sharelogs@vadilalgroup.com, Tel: +91 079 30153189

**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE SLIP ON REQUEST.

Name	Regd Folio No. *DP ID No. and Client ID No.	No. of Shares held
Shareholder _____		
Proxy _____		

I hereby record my presence at the 31st Annual General Meeting of the members of the Company on Monday, the 28th September, 2015, at 2.00 p.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006.

\* Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
Signature of Shareholder(s)/Proxy



Tear here

**VADILAL INDUSTRIES LIMITED**

Share Department: B/404, Time Square Building, 4<sup>th</sup> Floor, Near Lal Bungalow Char Rasta, C.G. Road, Navrangpura, Ahmedabad – 380009  
CIN: L91110GJ1982PLC005169, Web: www.vadilalgroup.com, Email: sharelogs@vadilalgroup.com, Tel: +91 079 30153189

**Form No. MGT-11**

**FORM OF PROXY**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) _____
Registered Address : _____
E-mail ID _____ Folio No. / DP ID and Client ID _____

I/We, being the Member(s) of \_\_\_\_\_ Equity Shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

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

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

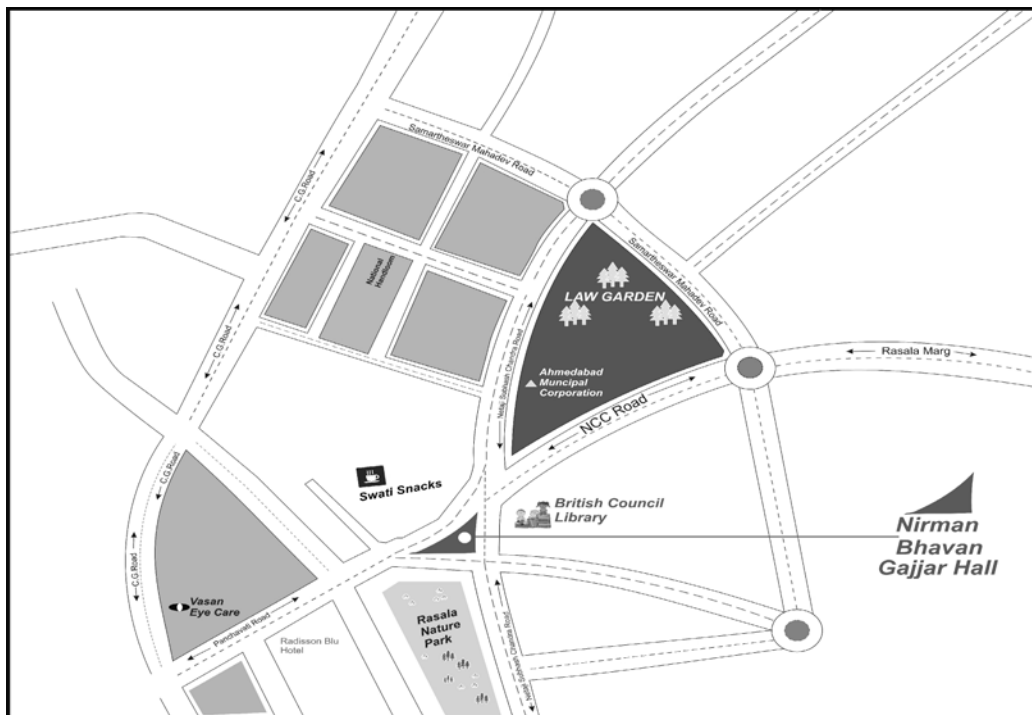
2. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

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

Signature: \_\_\_\_\_

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held on Monday, the 28th day of September, 2015 at 2.00 p.m. at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006 and at any adjournment thereof in respect of such resolutions as are indicated overleaf :

**See overleaf**



Tear here

Resolution No.	Description
1.	Adoption of Annual Accounts and Reports of Directors and Auditors thereon for the financial year ended 31 <sup>st</sup> March, 2015.
2.	Declaration of Dividend on Equity Shares for the year ended 31 <sup>st</sup> March, 2015.
3.	Re-appointment of Mr. Devanshu L. Gandhi as a Director retiring by rotation.
4.	Appointment of M/s. Kantilal Patel & Co., as Statutory Auditors of the Company and to fix their remuneration.
5.	Appointment of Mrs. Devalben D. Gandhi as a Non-Excusive & Non-Independent Director of the Company liable to retire by rotation.
6.	Appointment of Mr. Kalpit R. Gandhi as a Non-Excusive & Non-Independent Director of the Company liable to retire by rotation.
7.	Appointment of Mr. Malay R. Mahadevia as an Independent Director of the Company for a term of five consecutive years.
8.	Appointment of Mr. Chetan M. Tamboli as an Independent Director of the Company for a term of five consecutive years.
9.	To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013
10.	To approve the Related Party Transactions under Section 188 of the Companies Act, 2013 and Rules made thereunder and Clause - 49 of the Listing Agreement.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature.....

Affix  
Revenue  
Stamp

**Notes:**

1. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
2. This form of Proxy, to be effective, should be deposited at the Share Department of the Company at B/404, Time Square Building, 4<sup>th</sup> Floor, Near Lal Bungalow Char Rasta, C.G. Road, Navrangpura, Ahmedabad - 380 009, not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.





## Widest Range of Frozen Treats

### Indian Breads



*Aloo Paratha*



*Garlic Butter Naan*



*Veg Stuffed Kulcha*



*Malabar Paratha*

### Snacks



*Veg Spring Rolls*



*Mutter Paneer Cocktail Samosa*



*Mixed Veg Cocktail Samosa*



*Aloo Mutter Cocktail Samosa*

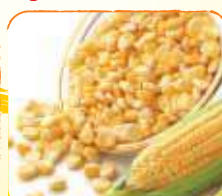
### Fruits & Vegetables



*Mango Pulp*



*Green Peas*



*Sweet Corn*



*Mixed Vegetable*





Creating



Possibilities



Endless





PREMIUM ICE CREAM TUBS

528  
KI  
TUB

NEW



Frootful  
Juicee

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MADE WITH REAL FRUIT

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VADILAL INDUSTRIES LIMITED

Regd. Office : Vadilal House, Shrimali Society

Nr. Navrangpura, Ahmedabad - 380009

[www.vadilalgroup.com](http://www.vadilalgroup.com)