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

28th September, 2016

To,
The National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051

Scrip Code No. VADILALIND-EQ

To
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400 001.

Scrip Code : 519156

Dear Sir,

Please find herewith annual report of the Company for the period of 2015-2016 pursuant to regulation 34 of SEBI (Listing obligation and disclosure requirement), 2015

Please take the same on record.

Thanking you,

Yours faithfully,

For **VADILAL INDUSTRIES LIMITED**

Ruchita Gurjar

Company Secretary & Compliance Officer

E-mail: shareslogs@vadilalgroup.com

Annual Report 2015-16

Vadilal®

VADILAL INDUSTRIES LTD.

Vadilal
Quick Treat
Feel the Flavor
Rich & Creamy
BUTTERSCOTCH ICE CREAM
RAJBHOG ICE CREAM
ALPHONSO MANGO ICE CREAM
ANJEER
100% Vegetarian

Contents

BOARD OF DIRECTORS :

Executive Directors
Rajesh R. Gandhi — Chairman & Managing Director
Devanshu L. Gandhi — Managing Director

Non-Executive & Non-Independent Directors
Deval D. Gandhi
Kalpit R. Gandhi (CFO)

Independent Directors
Kshitish M. Shah
Rohit J. Patel
Malay R. Mahadevia
Chetan M. Tamboli

COMPANY SECRETARY : Nikhil Patel (upto 31-12-2015)
Ruchita Gurjar (from 11-02-2016)

AUDITORS : M/s. Kantilal Patel & Co.
Chartered Accountants,
Ahmedabad
(A member Firm of Polaris International, USA)

BANKERS : Bank of Baroda
State Bank of India
State Bank of Travancore
Export-Import Bank of India (Exim Bank)
IDBI Bank Ltd.

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

SHARE DEPARTMENT : B/404, 4th Floor, "Time Square"
Building, C. G. Road,
Nr. Lal Bunglow Char Rasta,
Navrangpura, Ahmedabad - 380 009.
Phone : 079-30153188-89
Fax : 079-30153102

REGISTRAR & SHARE TRANSFER AGENT :
(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

FACTORIES :

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

Processed Foods Division
Dharampur, Dist. Valsad (Gujarat)

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

32nd ANNUAL GENERAL MEETING

Day - Tuesday

Date - 27th September, 2016

Time - 3.00 p.m.

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

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(Separate Sheet enclosed)

Email for Investor Grievances :
shareslogs@vadilalgroup.com

Vadilal Quick Treat
Juicy Fruity Treats
Alphonso Mango Slices
Mango Slices
Sapota Slices
Guava Pulp
Pink Guava Slices
White Guava Slices
Kesar Mango Pulp
Mango Pulp
Jamun
Alphonso Mango Pulp
Custard Apple Pulp
Pomegranate Seeds
Shortcut to Happiness

NOTICE

NOTICE is hereby given that the 32nd **ANNUAL GENERAL MEETING** of the members of **VADILAL INDUSTRIES LIMITED** will be held on Tuesday, 27th September, 2016 at 3.00 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 statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; and

   (b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2016.

2) To declare dividend on Equity Shares for the financial year ended on March 31, 2016.

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

4) To appoint a director in place of Mrs. Deval D. Gandhi (DIN: 00988905) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

5) To 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 :

6) To approve the Related Party Transactions under Section 188 of the Companies Act, 2013 and Rules made thereunder and Regulation 23(4) of SEBI (Listing Obligation and Disclosure Requirement), 2015 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 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 Regulation 23(4) of SEBI (Listing Obligation and Disclosure Requirement), 2015 the consent of the Members of the Company be and is hereby accorded to enter into and/or 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

DIN : 00009879

Registered Office :

Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169
Email : sharelogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 30153189

Dated : 8th August, 2016.

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 16th September, 2016 to 27th September, 2016 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

(b) Dividend of Re. 1.25/- per share (@12.50%) on Equity Shares for the year ended on 31st March, 2016 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 15th September, 2016, 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 15th September, 2016.

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, 2009, 31st March, 2010, 31st March, 2011, 31st March, 2012, 31st March, 2013, 31st March, 2014 and 31st March, 2015 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 31st October, 2016, 4th November, 2017, 1st November, 2018, 3rd November, 2019, 26th October, 2020, 29th October, 2021 and 1st November, 2022 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) At this Annual General Meeting, Mr. Rajesh R. Gandhi, Chairman & Managing Director of the Company and Mrs. Deval D. Gandhi, Director of the Company, shall retire by rotation and being eligible, offer themselves for re-appointment.

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

Mr. Rajesh R. Gandhi

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

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

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

Mrs. Deval D. Gandhi

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

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

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

Directorship :

- Vadilal Chemicals Limited
- Vadilal International Private Limited
- Byad Packaging Industries Private Limited
- Esveegee Wires and Metals Private Limited

Relationship between the Directors :-

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

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

15) Voting through electronic means:

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

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 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. 6

The Company in its ordinary course of business and/or on arm's length basis sells its Ice-cream, Frozen Desert, other milk and milk products, Dairy products and Processed Food 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 various products. In supersession of the existing agreement, it is proposed to enter into a fresh Agreement with Vadilal Enterprises Ltd. for sell of Ice-cream, Frozen Desert, other milk and milk products, Dairy products and Processed Food Products to Vadilal Enterprises Limited for a period of 10 years w.e.f. 1st October, 2016, subject to approval of the shareholders.

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 2(76) of the Companies Act, 2013 and Rules made thereunder and the regulation 2(zc) of SEBI (Listing Obligation and Disclosure Requirement), 2015.

The provisions of SEBI (Listing Obligation and Disclosure Requirement), 2015 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 SEBI (Listing Obligation and Disclosure Requirement), 2015 requires all material

related party transactions to be approved by the shareholders through a 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 an Ordinary resolution for entering into and/or continue to enter into transaction(s) of sale of Ice-cream, Frozen Desert and other milk and dairy products and other transactions with Vadilal Enterprises Limited upto a maximum amount as mentioned in the respective transactions from the financial year 2016-2017 and onwards.

All related parties shall abstain from voting on these resolutions.

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 for sell of Ice-cream, Frozen Desserts, Flavoured Milk and other Milk and Dairy products and Processed Food Products by the Company to VEL, to be executed for a period of 10 years w.e.f. 1st October, 2016.	- Sell of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products and Processed Food Products by the Company 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.	No advance paid or received	Price is determined by the Company and included as part of the agreement.
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 Rs.10000/- p.m. for Pundhra Factory, Rs.10000/- p.m. for Bareilly Factory and Rs. 5000/- for Dudheshwar Factory, for the period of 5 years from 2016-2017.	No	Rent is determined on general market rate.
Expenses on vehicle hire charges paid by VIL to VEL for amount not exceeding Rs. 25.00 lakhs for each financial year for a period of 5 Financial years from 2016-2017.	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.

4.	5.	6.	7.
Security Deposit of Rs. 5.40 Crores received/to be received from VEL repayable and renewal on demand for the period of 5 years from 2016-2017	VIl has received Security Deposit of Rs. 5.40 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 avail various credit facilities aggregating to sanctioned amount not exceeding Rs.50.00 Crores from various Banks/Financial Institutions/ Other persons and VIL has given Corporate Guarantee to secure the said Credit Facilities availed by VEL.	No.	No such criteria.
Sale of dry fruit and other products from VIL to VEL for amount not exceeding Rs. 10.00 lakhs upto 5 years from 2016-2017.	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 8th August, 2016 approved the aforesaid transactions with Vadilal Enterprises Limited.

The approval of the Members by way of an Ordinary 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 Regulation 23 of SEBI (Listing Obligation and Disclosure Requirement), 2015.

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. 6 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 proposed agreement will be available for inspection by any member at the Registered office of the company on all working days except saturdays during 2.00 pm to 4.00 pm.

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

For VADILAL INDUSTRIES LIMITED

RAJESH R. GANDHI
Chairman & Managing Director
DIN : 00009879

Registered Office :
Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169
Email : sharelogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 30153189
Dated : 8th August, 2016.

DIRECTORS' REPORT

To,
The Members,
VADILAL INDUSTRIES LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith the 32nd Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2016.

FINANCIAL HIGHLIGHTS : (Rs. in lakhs)

	Particulars		Year ended on 31-03-2016		Previous year ended on 31-03-2015
(a)	Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		5894.08		4400.33
(b)	Finance Cost		2144.88		2573.24
(c)	Depreciation and amortization expenses	1344.50		1308.23	
	Less : Recoupment from Revaluation Reserve / Deferred Government Grant	3.67	1340.83	3.42	1304.81
(d)	Profit before Exceptional and Extraordinary Items and Tax		2408.37		522.28
(e)	Exceptional ItemsLong term loans & advances written off (P.Y. Provision for diminution in the value of Long Term Investments)		0.00		196.93
(f)	Profit before Extraordinary Items and Tax		2408.37		325.35
(g)	Extraordinary Items		0.00		0.00
(h)	Profit before Tax		2408.37		325.35
(i)	Tax Expenses				
	(a) Current TaxLess : MAT Credit entitlement	576.11		58.50	
		0.00	576.11	(58.50)	0.00
	(b) Deferred Tax charge / (release)		393.80		137.16
	(c) Short/(Excess) Provision of Tax		3.01		(4.71)
			972.92		132.45
(j)	Profit for the year		1435.45		192.90
(k)	**Surplus in the Statement of Profit and Loss:**				
	Balance as per last Financial Statements		397.86		453.25
	Profit for the year		1435.45		192.90
	Less : Appropriations:				
	(a) Proposed final equity dividend (amount per share Rs. 1.00/- P. Y. amount per share Rs. 1.00/-)	89.85		71.88	
	(b) Tax on proposed equity dividend	18.29		14.63	
	(c) Transferred to General Reserve	1159.78		161.78	
	Total Appropriations		1267.62		248.29
	Net Surplus in the statement of Profit and Loss		565.69		397.86

STATE OF COMPANY'S AFFAIRS:

The Company has earned revenue from operations (gross) of Rs. 45538.21 lakhs during the year ended on 31st March, 2016 as against Rs. 41288.57 lakhs earned during the previous year ended on 31st March, 2015 giving a rise of 10.29% as compared to previous year. Out of the revenue from operations of Rs. 45538.21 lakhs earned by the Company during the year under review, Rs. 45320.92 lakhs represents sales turnover of Ice-cream, Frozen Desserts and Processed Food products, Rs. 7.77 lakhs represents the income from Money Changing business and Rs. 209.52 lakhs represents other operating revenues. The Company has also earned other income of Rs. 104.86 lakhs during the year under review as against Rs. 307.86 lakhs earned during the previous year.

The Company has earned the Profit before Tax of Rs. 2408.37 lakhs during the year ended on 31st March, 2016 as compared to Rs. 325.35 lakhs earned during the previous year ended on 31st March, 2015, showing a rise of 640.24%.

The Company has earned net Profit of Rs. 1435.45 lakhs for the year ended on 31st March, 2016 after providing Finance Cost and Depreciation and Amortisation expenses and after making Provision for Tax of Rs. 576.11 lakhs, Deferred Tax Charge of Rs. 393.80 lakhs and other adjustments, as compared to Profit of Rs. 192.90 lakhs earned by the Company during the previous year ended on 31st March, 2015.

After adding the Surplus in the Statement of Profit & Loss of Rs. 397.86 lakhs brought forward from the previous year to the profit of Rs. 1435.45 lakhs earned by the Company during the year under review, the total amount of Rs. 1833.31 lakhs is available for appropriation.

DIVIDEND :

The Directors have recommended dividend of Rs.1.25 per share (@12.50%) on 71,87,830 Equity Shares of Rs. 10/- each of the Company for the Financial Year ended on 31st March, 2016 as compared to Dividend of Rs.1.00 per share (@10.00%) declared for

the previous Financial Year ended on 31st March, 2015. This will absorb Rs.89.85 lakhs as against Rs.71.88 lakhs absorbed in the previous year. The corporate dividend tax payable by the Company on the said dividend will be Rs.18.29 lakhs as against Rs.14.63 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 Rs. 1159.48 lakhs to General Reserve and amount of Rs. 565.69 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 & Barelly in UP are also certified for **ISO-22000:2005, ISO 9001:2008 and BRC : Issue 6** for Food Safety Management System is another feather in the cap 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).

During the financial year 2015-2016, the Company has deposited unclaimed/ unpaid fixed deposit amount of Rs. 18164/- to Investor Education and Protection Fund - IEPF (with the Central Govt.), the details of which we have already forwarded to the Accounts Department of the Company.

During the Financial year – 2015-2016, the Company has also transferred Rs. 201562/- being amount of unpaid dividend for the year – 2007-2008 to Investor Education and Protection Fund, (with the Central Govt.), the details of which we have already forwarded to the Accounts Department of the Company.

DETAILS OF DEPOSITS:

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

i. Details of Deposit from Shareholders : (Rs. in lakhs)

(a)	Amount of existing deposits as at 1st April, 2015	:		751.16
(b)	Amount of deposits accepted or renewed during the year			
(i)	Secured deposits	:	0	
(ii)	Unsecured deposits	:	696.56	
	Total (b) :	:		696.56
(c)	Amount of deposits repaid during the year	:		385.09
(d)	Balance of deposits outstanding at the end of the year (a+b-c)			**1062.63**

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

(a) Amount of existing deposits as at 1st April, 2015	:		536.54
(b) Amount of deposits accepted or renewed during the year			
(i) Secured deposits	:	0	
(ii) Unsecured deposits	:	0	
Total (b) :	:		0
(c) Amount of deposits repaid during the year	:		250.85
(d) Balance of deposits outstanding at the end of the year (a+b-c)			**285.69**

b. As on 31st March, 2016, deposits of Rs. 15000/- was remained unpaid or unclaimed by the Company.

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

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

SUBSIDIARY COMPANY:

The Company is having a wholly-owned subsidiary company namely Vadilal Industries (USA) Inc., USA. 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 Directors Report. The Policy for determining material subsidiaries may be accessed on the Company's website viz www.vadilalgroup.com.

Pursuant to the provisions of Section 136 of the Act, separate Audited Accounts in respect of subsidiary company are available at the web-site of the Company viz. www.vadilalgroup.com.

CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to the requirements of Section 129(3) read with Schedule – III of the Companies Act, 2013 and Rules made thereunder, and Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement), 2015 and other applicable Accounting Standards, the Consolidated Financial Statements of the Company, its 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 31st March, 2016 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 SEBI (Listing Obligation and Disclosure Requirement), 2015 regarding Corporate Governance. A separate report on Corporate Governance for the year ended on 31st March, 2016 is attached herewith as a part of this Annual Report viz ***Annexure - D***. A certificate from Statutory Auditors of the Company regarding compliance of Corporate Governance as stipulated under Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirement), 2015 is obtained by the Company and annexed to the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

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

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

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

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

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

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

Particulars of loans given, investments made, guarantees given and securities provided by the Company under Section 186 of the Companies Act, 2013 are not provided, as during the year under review, the Company has not given any loan nor made any investment nor given any guarantee nor 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.

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:

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

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

During the year in review, Mr. Nikhil M. Patel has resigned from the office of Company Secretary and Compliance Officer of the Company w.e.f. 1st January, 2016 and in his place, the Company has appointed Mrs. Ruchita V. Gurjar as a Company Secretary and Compliance Officer of the Company w.e.f. 11th February, 2016.

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.

BOARD EVALUATION:

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

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

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

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

COMMITTEES OF DIRECTORS:

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Nomination and Remuneration Committee has at its meeting held on 13th August, 2015 recommended to the Board the modification in the policy on Nomination and Remuneration of Directors of the Company by incorporating changes in it by adding **Succession Plan for Appointment of Board of Directors and Senior Management** as PART D the in terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 17 (4) of SEBI (Listing Obligation and Disclosure Requirement), 2015 which was approved by the Board of Directors, at its meeting held on 13th August, 2015. The Policy on appointment and remuneration of Directors is enclosed with the Directors' report and marked as ***Annexure - F.***

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

The Securities Exchange Board of India has notified SEBI (Listing Obligation and Disclosure Requirement), 2015 on 2nd September, 2015 under which Company needs to formulate several policies and need to take certain measures for the purpose of effective Corporate Governance.

List of Policies formulated and measures taken approved by the Board of Director is as follows:

1. Policy on Related Party Transaction
2. Policy on determining Material Subsidiary
3. Whistle Blower Policy
4. Familiarization Programme for Independent Directors
5. Code of Conduct for the Board of Director

All of the above policy and measures are prepared on the line of Companies Act, 2013 as amended and SEBI (Listing Obligation and Disclosure Requirement), 2015 which is subject to amendment as per applicable law from time to time. To view above policies & measures visit http://vadilalgroup.com/

NUMBER OF BOARD MEETINGS:

During the year under review, four 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 regulation 17 of SEBI (Listing Obligation and Disclosure Requirement), 2015 regarding Corporate Governance (erstwhile Clause – 49 of the Listing Agreement), 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 towards Rs. 29.25 lakhs towards Corporate Social Responsibility during the year – 2014-2015 and 2015-2016. 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 laks 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.

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 and 2015-2016. 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 1st 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. 1st 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 – 2016-2017 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 31st March, 2016 :-

1. Regarding observation on Note No. 27.4 of the standalone financial statements, it is clarified that the trade receivables of Rs 290.56 lacs are outstanding at the year end from the wholly owned subsidiary are, in the opinion of the Board, realisable/ recoverable.
2. Regarding observation on Note No. 27.12 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. 68.68 Lacs (P.Y. Rs. 58.50 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.

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, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as ***Annexure – I*** to this Report.

The following clarification has been made by the Directors in respect of the observation made by the Secretarial Auditors in the Secretarial Audit Report for the year ended on 31st March, 2016 :-

i. There was a 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 as reported.

ii. In respect of observation for not spending amount towards CSR Expenditure during the year, necessary clarification has been provided in the Directors Report under "Corporate Social Responsibility" section.

iii. In respect of observation of late approving financial results for the year ended on 31-03-2015, it is clarified by the Board that the Company has implemented the Company has implemented SAP Project during the year 2014-2015 and the SAP system was not able to generate authenticated report related to financial results. Hence, the Company was not able to approve the Audited Financial Results within the statutory time limit.

iv. In respect of observation of short fall in depositing requisite amount to Deposit Repayment Reserve Account, it is clarified by the Board that the short fall was due to calculation error, which was duly ratified later on.

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 –2016-2017.

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.

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, 2016 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
DIN : 00009879

Place : Ahmedabad
Date : 8th August, 2016

ANNEXURE – A TO THE DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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/servicethe company	% to total turnover of
1	Ice-cream and Frozen Desert Product	1050	87.83%
2	Fruit Pulp, Frozen Fruits etc.	1030	10.90%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1	Vadilal Industries (USA) Inc., 44, Woodbrook Drive, Edison, New Jersey - 08820	N.A.	Wholly Owned Subsidiary	100%	2(87)(ii)
2	Vadilal Forex & Consultancy Services Limited, Vadilal House, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad – 380 009.	U93000GJ1995PLC026204	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-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(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	1060036	12658	1072694	14.92	1072201	12458	1084659	15.09	0.17
Sub Total(A)(1)	4629002	43218	4672220	65.00	4641167	43018	4684185	65.17	0.17

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
Individuals (Non-Residents Individuals/Foreign Individuals)	10896	0	10896	0.15	0	0	0	0	-0.15
Bodies Corporate	0	0	0	0.00	0	0	0	0	0.00
Institutions	0	0	0	0.00	0	0	0	0	0.00
Any Others(Specify)	0	0	0	0.00	0	0	0	0	0.00
Sub Total(A)(1)	10896	0	10896	0.15	0	0	0	0	-0.15
Total shareholding of Promoter (A)	4639898	43218	4683116	65.15	4641167	43018	4684185	65.17	0.02
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3603	7450	11053	0.15	1015	7450	8465	0.12	-0.04
b) Banks / FI	7482	1650	9132	0.13	0	1650	1650	0.02	-0.10
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	700	700	0.01	4000	700	4700	0.07	0.06
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	11085	9800	20885	0.29	5015	9800	14815	0.21	-0.08
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	449453	7996	457449	6.36	388620	7746	396366	5.51	-0.85
ii) Overseas									
b) Individuals									
i) Individual share-holders holding nominal share capital upto Rs. 1 lakh	895712	371630	1267342	17.63	989113	341528	1330641	18.51	0.88
ii) Individual share-holders holding nominal share capital in excess of Rs 1 lakh	555750	0	555750	7.73	667213	0	667213	9.28	1.55
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	52785	0	52785	0.73	38793	0	38793	0.54	-0.19
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0	0
Foreign Nationals	0	0	0	0.00	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% 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	0
Trusts	0	0	0	0.00	300	0	300	0.004	0
Foreign Bodies-D R	0	0	0	0.00	0	0	0	0	0
Hindu Undivided Families (HUF)	150494	9	150503	2.09	55508	9	55517	0.77	-1.32
Sub-total (B)(2):-	2104194	379635	2483829	34.56	2139547	349283	2488830	34.63	0.07
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2115279	389435	2504714	34.85	2144562	359083	2503645	34.83	-0.01
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0
Grand Total (A+B+C)	6755177	432653	7187830	100	6785729	402101	7187830	100	0

 # From Promoter Category 12146 Shares of 5 Shareholder at the end 31.03.2015 has been moved to Public category on 31.03.2016 as they are no more covered under the said category.

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2015)			Shareholding at the end of the year (31-3-2016)			% change in share-holding 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	Vadilal Marketing Pvt. Limited	10330	0.14	0	10330	0.14	0	0.00
5	Byad Packaging Pvt. Limited	10137	0.14	0	10137	0.14	0	0.00
6	Vortex Ice-Cream Pvt. Limited	9943	0.14	0	9943	0.14	0	0.00
7	Vadilal Enterprises Limited	150	0.00	0	150	0.00	0	0.00
8	Ramchandra R. Gandhi	10000	0.14	0	10000	0.14	0	0.00
9	Virendra R. Gandhi	160252	2.23	0	160252	2.23	0	0.00
10	Rajesh Ramchandra Gandhi	227721	3.17	0	227721	3.17	0	0.00
11	Devanshu Laxmanbhai Gandhi	340450	4.74	0	340450	4.74	0	0.00
12	Ila V. Gandhi	107931	1.50	0	107931	1.50	0	0.00
13	Mamta Rajesh Gandhi	122251	1.70	0	122251	1.70	0	0.00
14	Deval Devanshu Gandhi	59266	0.82	0	59266	0.82	0	0.00
15	Naynaben Surendrabhai Chokshi	8033	0.11	0	21637	0.30	0	0.19
16	Janmajay Virendrabhai Gandhi	14893	0.21	0	14893	0.21	0	0.00
17	Nitaaliashemali Piyush Surati	11558	0.16	0	11808	0.16	0	0.00
18	Ushaben Navinchandra Modi	9089	0.13	0	8450	0.12	0	-0.01
19	Virendra Ramchandra Gandhi (Huf)	119699	1.67	0	119699	1.67	0	0.00
20	Rajesh R. Gandhi - HUF	62411	0.87	0	62411	0.87	0	0.00
21	Laxman R. Gandhi (HUF)	4241	0.06	0	4241	0.06	0	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2015)			Shareholding at the end of the year (31-3-2016)			% change in share-holding 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	Manojkumar Vadilal Modi#	10896	0.15	0	0	0.00	0	-0.15
23	Piyushbhai Chandulal Surati#	500	0.01	0	0	0.00	0	-0.01
24	Pravinchandra Surti#	300	0.00	0	0	0.00	0	0.00
25	Nitaben Ramchandra Gandhi#	250	0.00	0	0	0.00	0	0.00
26	Piyushbhai C. Surati#	200	0.00	0	0	0.00	0	0.00
	Total	4683116	65.15	0	4684185	65.17	0	0.020

From Promoter Category 12146 Shares of 5 Shareholder at the end 31.03.2015 has been moved to Public category on 31.03.2016 as they are no more covered under the said category. There share holding represented as 0 as on 31.03.2016 in no way diluted.

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

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2015)		Cumulative Shareholding during the year (from 1-4-2015 to 31-3-2016)	
		No. of shares	% of totalshares of thecompany	No. of shares	% of totalshares of thecompany
	At the beginning of the year	4670970	64.99	4670970	64.99
	Increase / Decrease in Promoters Shareholding during the year due to Transfer	13215	0.18	4684185	65.17
	At the end of the year	4684185	65.17	4684185	65.17

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 beginningof 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	650586	9.05	650586	9.05
	Increase / Decrease in Top 10 shareholders' holding during the year due to Transfer	173268	2.48	823854	11.54
	At the end of the year	823854	11.54	823854	11.54

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

SN	Directors and Key Managerial Personnel	Shareholding at the beginningof 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
1.	**Mr. Rajesh R. Gandhi, Chairman and Managing Director**				
	At the beginning of the year	227721	3.17	227721	3.17
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	227721	3.17
	At the end of the year	227721	3.17	227721	3.17
2.	**Mr. Devanshu L. Gandhi, Managing Director**				
	At the beginning of the year	340450	4.74	340450	4.74
	Increase / Decrease in Promoters Shareholding during the year due to transmission	0	0	340450	4.74
	At the end of the year	340450	4.74	340450	4.74
3.	Mr. Deval D. Gandhi, Director				
	At the beginning of the year	59266	0.82	59266	0.82
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	59266	0.82
	At the end of the year	59266	0.82	59266	0.82
4.	**Mrs. Ruchita Gurjar, Company Secretary**				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	1	0	1	0

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12584.93	1319.83	1287.70	15192.46
ii) Interest due but not paid	55.46	0.00	33.14	88.60
iii) Interest accrued but not due	12	37.74	83.67	133.41
Total (i+ii+iii)	12652.39	1357.57	1404.51	15414.47
Change in Indebtedness during the financial year				
+ Addition	768.90	5500.53	765.35	7034.78
- Reduction	(3736.60)	(5639.08)	(752.75)	(10128.43)
Net Change	(2967.70)	(138.55)	12.60	(3093.65)
Indebtedness at the end of the financial year				
i) Principal Amount	9605.93	1218.06	1348.32	12172.31
ii) Interest due but not paid	59.01	0.00	0.00	59.01
iii) Interest accrued but not due	19.75	0.96	68.79	89.50
Total (i+ii+iii)	9684.69	1219.02	1417.11	12320.82

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
		Mr. Rajesh R. Gandhi, Chairman and Managing Director	**Mr. Devanshu L. Gandhi, Managing Director**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3600000	3600000	7200000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1967894	1943800	3911694
	(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…	5241000	5241000	0
5	Others, please specify: Contribution to Provident Fund	432000	432000	864000
	Total (A)	**11240894**	**11216800**	**22457694**
	Ceiling as per the Act			**10% of net profit**

B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors				Total Amount (Gross)
		Mr. Kshitish M. Shah	Mr. Rohit J. Patel	Mr. Chetan Tamboli	Mr. Malay Mahadeviya	
1	**Independent Directors**					
	Fee for attending board committee meetings	140000	107500	60000	0	307500.00
	Commission	0	0	0	0	0.00
	Others, please specify	0	0	0	0	0.00
	Total (1)	**140000**	**107500**	**60000**	**0**	**307500.00**
2	**Other Non-Executive Directors**	**Mrs. Deval D. Gandhi**				0.00
	Fee for attending board committee meetings	80000				80000.00
	Commission	0				0.00
	Others, please specify	0				0.00
	Total (2)	**80000**				**80000.00**
	Total Managerial Remuneration (1+2)					387500.00

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Kalpit R. Gandhi, Chief Financial Officer	Mr. Nikhil Patel, Company Secretary#	Mrs. Ruchita Gurjar, Company Secretary*	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2236878	582594	91510	2910982
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39600	16200	0	55800
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0		0	0
3	Sweat Equity	0		0	0
4	Commission				
	- as % of profit	0		0	0
	others, specify…	0		0	0
5	Others (Bonus, Insurance, Gratuity, Ex-gratia, Provident Fund)	103320	38269	3325	144914
	Total	2379798	637063	94835	3111696

Nikhil Patel was the Company Secretary & Compliance Officer in the Company till 31/12/2015

* Ruchita Gurjar appointed as Company Secretary & Compliance Officer from 11/02/2016

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

ANNEXURE B TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS (2015-2016)

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. Our communication and positioning is now focusing on Millennials, making sure that we become ₹The Best Part of Everyday'.

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's Ice Cream division has shown sustainable annual growth consistently and aims to maintain it further in the years to come.

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

Developments

The biggest development in 2016 has been the appointment of a brand ambassador for Vadilal Ice Creams. The famous movie actress - Parineeti Chopra has been chosen as the young new face of Vadilal Ice Creams and is all set to take the company to new heights of success.

Taking forward our tradition of introducing innovative products year on year, we have launched Badabite Select, rich chocolate bar covered with premium dark Belgian chocolate. Butterscotch flavor in Flingo, Indulge flavors in Party Pack, namely, Berry cake, Shahikalakand and Mango Choco as well as Cyclone in the Ice Trooper range.

Our new campaign for Badabite, Flingo& Gourmet with Parineeti Chopra has received a great response and high brand recall. Our Ice Trooper advertisement has also become very popular amongst children.

Along with newly launched flavours, our existing flavours and sub brands like Badabite, Flingo, Ice Trooper, FrootfulJuicees& Gourmet Tubs continue to show substantial movement in the market. The challenge of sustaining the innovation trend has been met 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. We have 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 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 in 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 lead the kids segment and has become a favorite 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 the 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.

Vadilal has two ice cream production facilities – one at Pundhra in Gandhinagar district, Gujarat and the other at Bareilly in Uttar Pradesh. To increase the production capacity and to have better automation, we had undertaken expansion-cum-modernisation projects at 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 – PistaHappinezz 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 growth potential. Vadilal already has strong backward integration with the farmer community for 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 flavors like "Kesar", "Elaichi", "Rose", and "Badam" . Other flavors are under development at the R&D department.

b) <u>Processed Food Division</u>

OVERVIEW:

Food undoubtedly is one of the most liked subjects among everyone. It tempts an individual by its look, aroma, taste and it also tempts marketers by its sheer lucrative values as a business. However, for organizations operating in the food industry, the path to success has never been easy.

The food industry has seen a lot of dynamism, as contributing elements like food suppliers, manufacturers, and retailers constantly strive to adapt themselves as per the consumer needs. The consumer on the other hand has become more demanding in terms of product range and quality. The retail-food sector is constantly working on innovations and newer format to keep the consumers' expectation fulfilled in terms of variety, affordability, safety, and quality. There has been an increase in the number of convenience and grocery stores apart from supermarkets and hyper markets. Moreover, this trend has been seen not only in India, but is witnessed globally.

Vadilal processed food division has been going aggressive with a focused approach of widening the product range i.e Vegetables, Indian Breads, Snacks, Curries and Paneer. A product range this strong and varied will help the brand to penetrate deeper in the existing markets and will also help in tapping the newer markets and consumer segments.

GLOBAL MARKET VIEW:

Global food retail sales are about $4 trillion annually, with supermarkets and hypermarkets accounting for the largest share of sales. Most of the leading global retailers are U.S. and European firms because, as large multinational retailers expand their presence in developing countries. The top 15 global supermarket companies account for more than 30 percent of world supermarket sales. With improved technologies and economies of size, these retailers enjoy operating cost advantages over smaller local retailers.

Similar to retailers, food manufacturers are reorienting their business strategies in response to consumer signals transmitted via retailers. Two common strategies are geographic expansion in developing countries and a greater emphasis on product category management. Although multinational manufacturers are rapidly expanding their operations, firm concentration in food manufacturing is not visible at the global level. Together, the top 50 food manufacturers' share of global packaged food retail sales account for less than 20 percent.

Growth opportunities:

Frozen food has been a well-accepted, tried and tasted phenomenon globally. However, with increasing ₹lack of time' life style, now, the consumer wants everything that he/she likes in frozen form. Hence, the key to growth for a company is its capabilities to keep adding offerings in its product basket.

While non-vegetarian food has been sold in frozen form since long, vegetarian food still has a lot of potential. Apart from ready meals, breads (parathas, naans etc.), curries, there are lot many food items that are still not available at a large level. For example sweets, region specific foods are still to be explored by companies.

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.

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

We are working on increasing the physical touch points with our consumers with an ever-increasing network of dealers, FOWs (Freezer On Wheels), POWs (Parlour On Wheels),E-cart and Ice Cream parlours.

Along with various ATL campaigns, we also plan various BTL activities to enhance the consumer experience with Vadilal. We plan to organize innovative cross promotional activities and use the digital space actively for the same. We also plan to increase branding activity at the retail level.

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 the national level supported fully by appropriate promotion and communication strategies.

b) Processed Food Division

One of the most remarkable growth contributors will be the launch of Vadilal Ice creams in the international markets. With Initial introduction of a wide range of 14 flavours in tubs, stick Kulfis and dollies, the brand aspires to capture a good market within the Indian Diaspora internationally.The portfolio will be growing gradually.

Vadilal Quick Treat, has focused on increasing the product offerings. While it has one of the biggest ₹IQF vegetables' range, the brand has now launched a range of potato based snacks as well. Additionally, fruits as a part of product portfolio have also seen some new offerings likeguava slices, Jaamun, and Pomegranate kernels.

Vadilal Quick Treat has been manufacturing and supplying Malai Paneer to the Gulf and USA. Vadilal also intends to increase the dairy products portfolio by introducing Ghee, Shreekhand and other milk based products. It can be believed that with focused and aggressive approach the brand is all set to explore the newer opportunities in the market.

3) HIGHLIGHTS OF FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE.

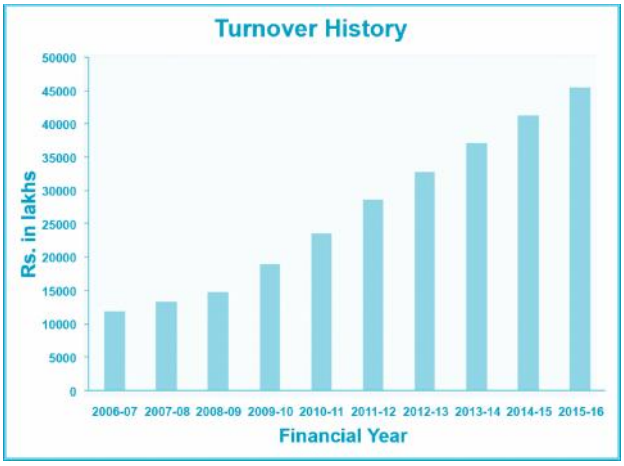
Inspite of tough competition in Ice-cream business, your Company has earned revenue from operations (gross) of Rs.45538.21 lakhs during the year ended on 31st March, 2016 as against Rs. 41288.57 earned during the previous year ended on 31st March, 2015, giving a rise of 10.29% as compared to previous year.

The Company has earned the Profit before Interest, Tax, Depreciation and Amortisation (EBITDA) of Rs. 2408.38 lakhs during the year ended on 31st March, 2016 as compared to Rs. 325.35 lakhs earned during the previous year ended on 31st March, 2015, showing a rise of 640.24%.

The Company has earned net Profit of Rs. 1435.45 lakhs for the year ended on 31st March, 2016 after providing Finance Cost and Depreciation and Amortisation expenses and after making Provision for Deferred Tax Charge of Rs. 398.80 lakhs and other adjustments, as compared to Profit of Rs. 192.90 lakhs earned by the Company during the previous year ended on 31st March, 2015.

After adding the Surplus in the Statement of Profit & Loss of Rs. 397.86 lakhs brought forward from the previous year to the profit of Rs. 1435.45 lakhs earned by the Company during the year under review, the total amount of Rs. 1833.31 lakhs is available for appropriation.

Turnover History	
Financial year	**Rs. in lakhs**
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
2015-16	45538.21



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, 2016		**(Rs. in lacs)**
Segment Revenue (Sales plus income from services)		
Ice-cream		39677.43
Processed Foods		5749.52
Others		182.22
Total:		45609.17
Less : Inter-segment revenue		0.00
Net Sales/Income from Operations		**45609.17**
Segment Results (PBIT)		
Ice-cream		5631.54
Processed Foods		(617.32)
Others		(3.28)
Total:		5010.94
Less : Interest Expenses (Net) & prior year adjustment	2145.47	
Other unallocable expenditure	421.11	2566.58
Total Profits (PBT)		**2444.36**
Capital employed in segments		
(Segment assets less liabilities) - as at 31st March, 2016		
Ice-cream		17261.51
Processed Foods		8561.07
Others		207.98
Total Capital employed in segments		26030.56
Add :Unallocable corporate assets less corporate liabilities		(13307.47)
Total Capital Employed		12723.09

5) RISKS AND CONCERNS

a) Ice Creams 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	31st March, 2016
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary	1 $ - Rs. 66.3329
4	Share capital	136.41
5	Reserves & surplus	-485.36
6	Total assets	262.00
7	Total Liabilities	262.00
8	Investments	Nil
9	Turnover	640.90
10	Profit / (Loss) before taxation	20.03
11	Provision for taxation	0.98
12	Profit / (Loss) after taxation	19.05
13	Proposed Dividend	Nil
14	% of shareholding	100.00%

Notes :

1. Names of subsidiaries which are yet to commence operations: - NA
2. 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	31st March, 2016
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 Diminuition 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	5.62
7	Profit for the year (after tax)	19.42
i	Considered in Consolidation	5.63
ii	Not Considered in Consolidation	13.79

Note : The Company does not have any Joint Ventures.

Notes :

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

ANNEXURE – D TO THE DIRECTORS' REPORT

Report on Corporate Governance for the year ended on 31st March, 2016 (2015-2016)

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

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

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

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

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

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

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

1) Board of Directors

(i) Composition and category of Directors :

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

The Board of Directors of the Company as on 31-03-2016 consists the following 8 Directors, out of which, majority Directors are Non-executive Directors and one half of the total Directors are Independent Directors :-

	Category		Name of the Directors
A.	Promoters and Executive Directors	1	Mr. Rajesh R. Gandhi, Chairman & Managing Director
		2	Mr. Devanshu L. Gandhi, Managing Director
B.	Promoters, 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 Mahadevia
		8	Mr. Chetan Jamboli

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

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

The Board met 4 times during the year under review on 1-6-2015, 13-8-2015, 9-11-2015 and 11-2-2016. 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 (4 Board Meetings) held during the year from 01-04-2015 to 31-03-2016, last Annual General Meeting (AGM) and number of Directorship and Chairmanship / Membership of Committee of each Director in various Companies as on 31-03-2016:

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

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

(iv) Relationship between the Directors :-

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

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

(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 and Regulation 25 of the SEBI (LODR) Regulation, 2015related to obligation of Independent Directors.

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

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 :-**

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

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.

- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Appointment, remuneration and resignation ofDirectors.
- Formation/reconstitution of Board Committees.
- Declaration of Independent Directors at the time ofappointment/annually
- Disclosure of Directors' interest and their shareholding
- Appointment or removal of the Key ManagerialPersonnel
- Appointment of Internal Auditors and SecretarialAuditors
- Quarterly / Annual Secretarial Audit reports submittedby Secretarial Auditors
- Dividend declaration
- Quarterly summary of all long-term borrowings made,bank guarantees issued and loans and investmentsmade
- Significant changes in accounting policies and internalcontrols
- Issue of securities including debentures
- Recommending appointment of and fixing ofremuneration of theAuditors as recommended by theAudit Committee
- Internal Audit findings and External Audit Reports(through the Audit Committee)
- Proposals for major investments, mergers,amalgamations and reconstructions

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

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

2) Remuneration to all Directors:

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

The aggregate value of salary, perquisites and other allowances paid including contribution towards Provident Fund to the two Managing Directors of the Company during the year ended on 31-03-2016 (i.e. from 01-04-2015 to 31-03-2016) are as follows:-

Amount (₹ in lacs)

Name of Managing Director	Salary	Perquisites/ Allowances	Commission	Contribution to PF	Total
Mr. Rajesh R. Gandhi	36.00	19.68	52.41	4.32	112.41
Mr. Devanshu L. Gandhi	36.00	19.44	52.41	4.32	112.17

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 31-03-2016.

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 31-03-2016:

Sr. No.	Name of the Director	Amount in Rs.
1	Mrs. Deval D. Gandhi	80000
2	Mr. Kalpit R. Gandhi*	0
3	Mr. Kshitish M. Shah	80000
4	Mr. Rohit J. Patel	60000
5	Mr. Malay Mahadeviya*	0
6	Mr. Chetan M. Tamboli	60000

* Mr. Kalpit R. Gandhi and Mr. Malay R. Mahadevia do 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 Audit Committee meetings, held during the year ended on 31-03-2016:-

Sr. No.	Name of the Director	Amount in Rs.
1	Mr. Rohit J. Patel	37500
2	Mr. Kshitish M. Shah	50000
3	Mr. Kalpit R. Gandhi *	0
4	Mr. Malay Mahadevia*	0

* Mr. Kalpit R. Gandhi and Mr. Malay R. Mahadevia do 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 31-03-2016 :-

Sr. No.	Name of the Director	Amount in Rs.
1	Mr. Kshitish M. Shah	10,000
2	Mr. Rohit J. Patel	10,000
3	Mr. Malay Mahadevia*	0
4	Mr. Chetan M. Tamboli	0

* Mr. Malay R. Mahadevia does not receive sitting fees for attending any meeting of the Board and any committee thereof.

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

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

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

3) Committees of the Board:

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

(a) Audit Committee

(b) Nomination and Remuneration Committee

(c) Stakeholders' Relationship Committee

(d) Corporate Social Responsibility Committee

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

(a) Audit Committee :

(i) Composition

As on 31-03-2016, 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 Mahadevia	Member	Independent Director

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

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 28-09-2015. All the queries related to financial results raised by the members present at the said meeting were duly replied.

Mrs. RuchitaGurjar, 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 1-6-2015, 11-8-2015, 9-11-2015 and 11-2-2016.

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	4
3	Mr. Kalpit R. Gandhi	4
4	Mr. Malay Mahadevia	2

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 29th May, 2015, are as under and they are in accordance with the provisions of Regulation 18 read with Part C of Schedule II of the SEBI (LODR) Regulation, 2015 and Section 177 of the Companies Act, 2013:

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

(b) Nomination and Remuneration Committee :

(i) Composition

The 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 29th May, 2014, pursuant to the provisions of Regulation 19 read with Part D Schedule II of the SEBI (LODR) Regulation, 2015and Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises the following Directors of the Company, as on 31st March, 2016, 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. Malay Mahadevia	Member	Independent Director
4	Mr. Chetan M. Tamboli	Member	Independent Director

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

(ii) Meeting and attendance :

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

During the year under review, the Nomination and Remuneration Committee met 1 time on 11-02-2016.

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	1
2	Mr. Rohit J. Patel	1
3	Mr. Malay Mahadevia	1
4	Mr. Chetan M. Tamboli	0

(iii) Terms of Reference :

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

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

(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 29th May, 2014, pursuant to the provisions of Regulation 20 read with Part D of Schedule II of the SEBI (LODR) Regulation, 2015and Section 178 of the Companies Act, 2013.

The Stakeholders' Relationship Committee comprises the following Directors of the Company, as on 31st March, 2016, namely:

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 Regulation 20 read with Part D of Schedule II of the SEBI (LODR) Regulation, 2015 and Section 178 of the Companies Act, 2013.

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

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

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

No. of Complaints outstanding as on 31-03-2015	-	Nil
No. of complaints received during the year under review	-	3
No. of complaints disposed off during the year under review	-	Nil
No. of complaints outstanding as on 31-03-2016	-	3

(iii) Name and designation of Compliance Officer :

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

(iv) Number of pending transfers :

No requests for transfer and dematerialisation were pending for approval as on 31st March, 2016.

(c) Risk Management Committee :

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

(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,—

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

(iii) Corporate Social Responsibility Policy:

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

4) General Body Meetings:

(i) Location and Time for last 3 Annual General Meetings (AGM) were :

Year	AGM	Location	Date	Time	Special Resolution Passed
2014-2015	31st	GICEA, Gajjar Hall, NirmanBhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	28-09-2015	2.00 p.m.	1. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 2. To approve the Related Party Transactions under Section 188 of the Companies Act, 2013 and Rules made thereunder and Clause – 49 of the Listing Agreement
2013-2014	30th	GICEA, Gajjar Hall, NirmanBhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	25-09-2014	2.00 p.m.	1. To re-appoint Mr. Rajesh R. Gandhi (DIN: 00009879) as a Managing Director designated as a "Chairman & Managing Director" for a period of 5 years and payment of remuneration for a period of 3 years

Year	AGM	Location	Date	Time	Special Resolution Passed
					2. To re-appoint Mr. Devanshu L. Gandhi (DIN: 00010146) as a Managing Director for a period of 5 years and payment of remuneration for a period of 3 years 3. To confirm the borrowing limit of the Company not exceeding 275 Crores 4. To confirm creation of charge within the borrowing limit of the Company 5. To insert new Article in the Articles of Association relating to Chairperson of the Company 6. To alter Articles of Association by inserting new Article relating Inspection and copy of Register & Index of Members and Annual Return 7. To keep Register and Index of Members at other place (With Share Transfer Agent MCS Limited) 8. To accept Fixed Deposit from the members
2012-2013	29th	GICEA, Gajjar Hall, NirmanBhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	21-09-2013	2.00 p.m.	1. Re-appointment of Mr. Rajesh R. Gandhi as Managing Director for a further period of 5 years w.e.f. 1st April, 2014 with payment of remuneration for a period of 3 years w.e.f. 1st April, 2014 to 31st March, 2017 2. Re-appointment of Mr. Devanshu L. Gandhi as Managing Director for a further period of 5 years w.e.f. 1st April, 2014 with payment of remuneration for a period of 3 years w.e.f. 1st April, 2014 to 31st March, 2017

(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 32ndAGM, no resolution is proposed to be passed through Postal Ballot.

5) Means of communication :

- **Annual Reports :**

The Company has total 12572 shareholders as on 31st March, 2016. The main channel of communication to the shareholders is through Annual Report, which includes inter alia, the Director's Report, Management Discussions & Analysis and Report on Corporate Governance and Audited Financial Results. The Annual Report is also posted on the web-site of the Company viz. www.vadilalgroup.com/reports.

- **Quarterly Results:**

The Unaudited Quarterly Results of the Company for the quarters ended on 30-06-2015 (1st Quarter), 30-09-2015 (2nd Quarter) and 31-12-2015 (3rd Quarter) and the Annual Audited Accounts for the year ended on 31-03-2016 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.

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

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

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

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

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

  BSE's Listing Centre viz. www.listing.bseindia.comis a web-based applicationdesigned for corporates. All periodical compliance filingslike shareholding pattern, corporate governance report,media releases, among others are also filed electronicallyon the Listing Centre.

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

  The investorcomplaints are processed in a centralised web-basedcomplaints redress system. The salient features of thissystem are Centralised database of all complaints, onlineupload of Action Taken Reports (ATRs) by concernedcompanies and online viewing by investors of actionstaken on the complaint and its current status.

- **Designated Exclusive email-id:**

  The Company hasdesignated email-id viz. shareslogs@vadilalgroup.com exclusively for resolving investorgrievance.

6) General Shareholder'information:

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

- Date & Time : Tuesday, 27th September, 2016 at 3.00 p.m.
- Venue : GICEA, Gajjar Hall, NirmanBhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.

(ii) Financial Calendar (from 01-04-2015 to 31-03-2016) (Tentative) :

- Results for quarter ended on 30-06-2016 : on or before 14th August, 2016
- Results for quarter ending on 30-09-2016 : On or before 14th November, 2016
- Results for quarter ending on 31-12-2016 : On or before 14th February, 2017
- Audited Results for the year ending on 31-03-2017 : On or before 30th May, 2017
- AGM for the year ending on 31-03-2017 : In the month of September, 2017

(iii) Book-closure date :

Book-closure shall be from 16th September, 2016 to 27th September, 2016 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2016.

(iv) Dividend payment date :

The Dividend of ₹1.25 per share (@ 12.50%) on Equity Shares for the year ended on 31st March, 2016, 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 –2016-2017 has already been paid to the above Stock Exchanges. The Annual Custody/Issuer fee for the year – 2016-2017 has also been paid by the Company to NSDL and CDSL.

(vi) Security Code No. :

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

(vii) Stock Market Data :

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

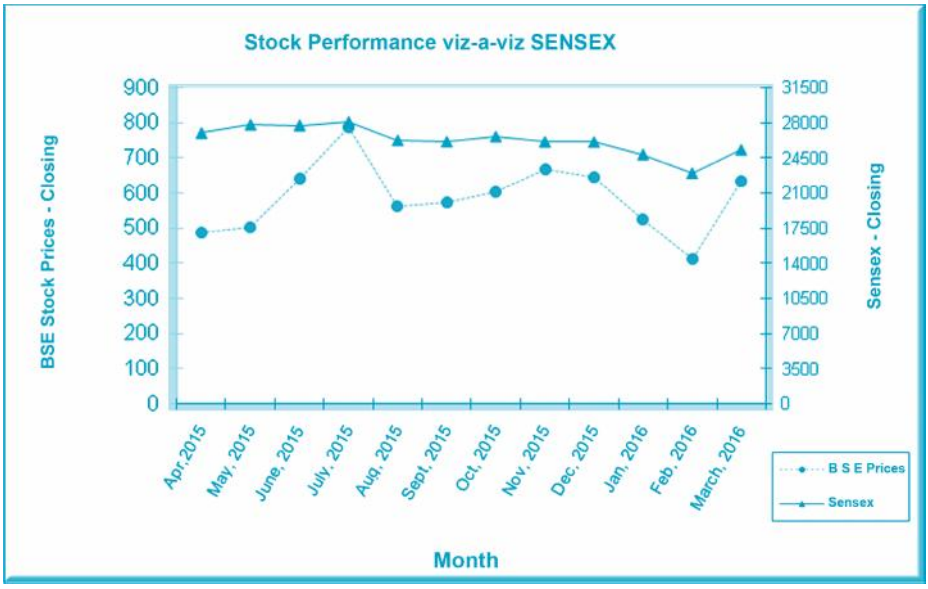
Months	BSE			NSE		
	High (₹)	Low (₹)	Volume No. of Shares	High (₹)	Low (₹)	Volume No. of Shares
April, 2015	522.00	265.00	12,35,753	519.00	265.05	39,92,216
May, 2015	544.00	451.20	5,68,747	543.50	452.10	16,94,602
June, 2015	657.50	477.00	11,74,554	657.00	477.00	33,44,872
July, 2015	883.50	640.00	14,58,452	883.55	645.00	46,84,548
August, 2015	828.50	493.00	9,19,771	831.90	490.00	26,98,718
September, 2015	611.25	451.25	5,73,317	611.00	455.00	20,26,841
October, 2015	657.50	560.00	4,08,549	657.00	565.95	15,14,634
November, 2015	688.00	563.00	5,61,670	687.90	565.00	19,38,015
December, 2015	705.00	557.50	2,70,977	705.40	557.50	11,22,864
January, 2016	659.00	480.00	95,548	655.60	480.00	4,19,317
February, 2016	588.00	400.00	72,647	588.00	398.00	3,05,787
March, 2016	672.30	416.10	9,15,228	671.70	411.00	40,41,579

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

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

Months	BSE Closing (₹)	SENSEX Closing (₹)
April, 2015	484.50	27,011.31
May, 2015	500.80	27,828.44
June, 2015	642.00	27,780.83
July, 2015	788.00	28,114.56
August, 2015	563.00	26,283.09
September, 2015	572.75	26,154.83
October, 2015	603.25	26,656.83
November, 2015	666.25	26,145.67
December, 2015	643.75	26,117.54
January, 2016	524.00	24,870.69
February, 2016	410.75	23,002.00
March, 2016	632.10	25,341.86

Price Chart :

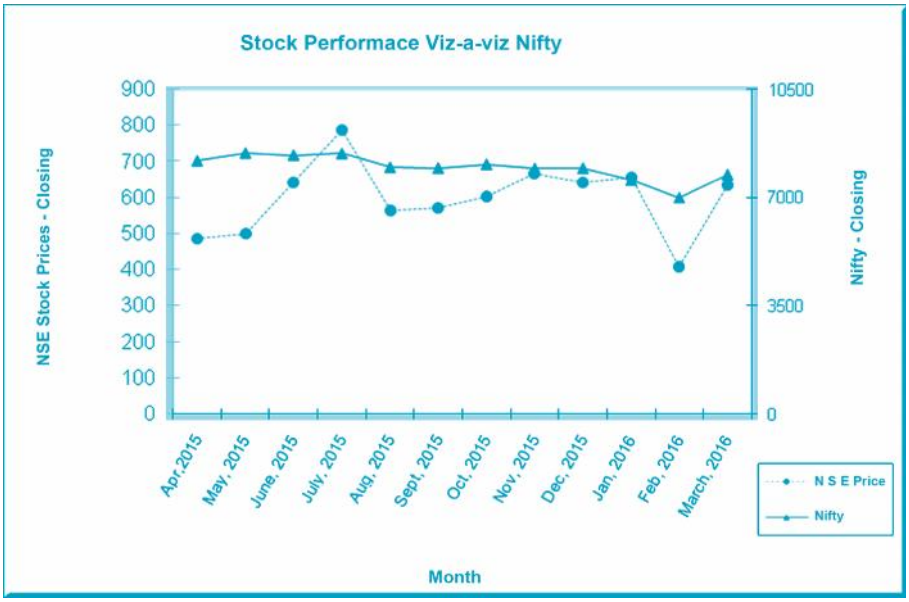


(ix) Vadilal Industries Limited NSE Share Price versus the NSE NIFTY

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

Months	NSE Closing (₹)	Nifty Closing (₹)
Months	Closing (Rs.)	Closing (Rs.)
April, 2015	487.45	8181.50
May, 2015	501.05	8433.65
June, 2015	643.10	8368.50
July, 2015	788.90	8421.80
August, 2015	562.80	7971.30
September, 2015	572.90	7948.90
October, 2015	603.10	8065.80
November, 2015	666.05	7935.25
December, 2015	641.65	7946.35
January, 2016	655.60	7563.55
February, 2016	407.50	6987.05
March, 2016	635.55	7738.40

Price Chart:



(x) Registrar and Transfer Agent:

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2002, dated 27-12-2002, the Company has assigned all work related to Share Registry in terms of both physical and electronic to MCS Share Transfer Agent Ltd., Ahmedabad, by entering into an Agreement with the said R&T Agent to that effect. Hence, all Shareholders are requested to send/deliver the documents/ correspondence including complaints relating to the Company's share transfer/demat/remat activity to MCS Share Transfer Agent Ltd. at 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380 009.

(xi) Share Transfer system:

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

(xii) Share Reconciliation Audit:

Mr. Ashish C. Doshi, a practicing Company Secretary carried out Share Reconciliation audit in each of the quarter in the Financial Year –2015-2016, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

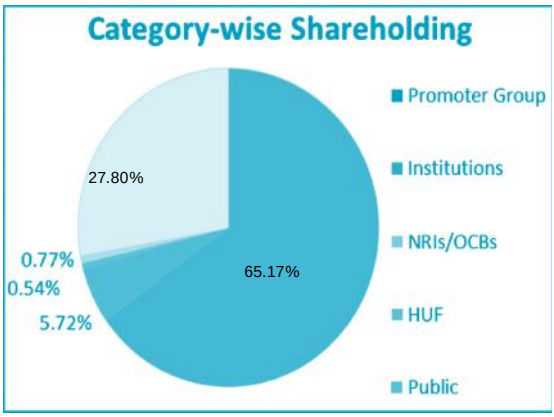
Pursuant to SEBI Cir. D&CC/FITTC/CIR-16/2002 dated December, 2002 , certificates, on half-yearly basis, have been issued by Mr. Ashish C. Doshi, a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

(xiii) Shareholding Details:

(a) Distribution of Shareholding as on 31st March, 2016:

No. of Equity Shares held	No. of Share holders	No. of Shares	% of Shares
1-500	12077	805171	11.20
501-1000	232	177003	2.46
1001-2000	130	193909	2.70
2001-3000	41	102810	1.43
3001-4000	20	73660	1.02
4001-5000	11	50986	0.71
5001-10000	25	187196	2.60
10001- 50000	20	353449	4.92
50001-100000	3	216729	3.02
100001 & above	13	5026917	69.94
Total:	**12572**	**7187830**	**100.00**

(b) Categories of Shareholders as on 31st March, 2016 :



Category of Shareholder	No. of Equity Shares held	% to total Paid-up Capital
A : Promoters and Promoters' Group :		
Directors and Relatives	1084659	15.09
Group Companies	3413175	47.49
HUFs	186351	2.59
Total (A) :	**4684185**	**65.17**
B : Public :		
Institutions	411181	5.72
NRIs/OCBs	38793	0.54
HUF	55517	0.77
Public	1998154	27.80
Total (B) :	**2503645**	**34.82**
Total	**7187830**	**100.00**

(xiv) Dematerialisation of Shares :

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

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

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

Total 6785729 Equity Shares of the Company representing 94.40% of the total paid-up capital of the Company have been dematerialisedupto 31-03-2016. Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by SEBI.

(xv) Dividend History for last 10 years :

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

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

Not Applicable

(xvii) Plant locations :

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

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

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

(xviii) Investor Correspondence:

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

1) MCS Share Transfer Agent Limited, (Unit : Vadilal Industries Limited), 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 Bunglow Char Rasta, Navrangpura, Ahmedabad - 380 009.
Contact person : Mrs. RuchitaGurjar, Company Secretary, Tel. Nos. : (079) 30153184, Fax No. : (079) 30153102

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

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

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

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

(xx) Nomination facility :

Your Company has already offered the facility of nomination to the members. Individual Shareholders can avail of the facility of nomination and may submit to the Company the prescribed 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 contract **at the Share Department** of the Company at B/404, 4th Floor, "Time Square" Building, C.G. Road, Nr. Lal Bunglow Char Rasta, Navrangpura, Ahmedabad - 380 009. Tel. Nos.:(079)30153184 Fax No.:(079)30153102.

7) Other 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, 2016, 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.

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

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

(iii) Risk Management :

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

(iv) CEO/CFO Certification :

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

(v) Management:

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

Pursuant to the provisions of Regulation 26(5) of the SEBI (LODR) Regulation, 2015 the Senior Management has made disclosures to the Board that during the year ended on 31st March, 2016, they have not entered into any material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company.

(vi) Code of Conduct :

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel. The said Code has been communicated to all the Directors and members of Senior Management. They have also affirmed to the Company about the compliance of the said Code during the Financial Year ended on 31st March, 2016. The Code has also been posted on the Company's website - www.vadilalgroup.com The Certificate received from Managing Directors of the Company, affirming compliance of the said Code of Conduct by all the Board Members and the Senior Management Personnel is annexed separately to this Report.

(vii) Whistle Blower policy / Vigil Mechanism:

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

(viii) Policy on Directors' appointment and remuneration:

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

(ix) Policy on determining ₹material' subsidiary:

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

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

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

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

8) Disclosure of Compliance with Corporate Governance requirements:

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

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

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

10) Compliance of discretionary requirements:

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

v **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 SEBI LODR , is attached to this Report.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of the Regulation 26 of SEBI (Listing Obligation and Disclosure Requirement) regulations, 2015 regarding Corporate Governance, we hereby confirm that all Board Members and Senior Management Personnel of Vadilal Industries Limited have affirmed the compliance of Code of Business Conduct and Ethics during the year ended on 31st March, 2016.

By order of the Board of Directors

RAJESH R. GANDHI
Chairman and Managing Director
DIN : 00009879

Place : Ahmedabad
Date : 8th August, 2016

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

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

We the undersigned, certify that:

(a) We have reviewed financial statements and the cash flow statement of Vadilal Industries Limited for the year ended 31st March, 2016 that to the best of their knowledge and belief:

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

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

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

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

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

Place: Ahmedabad
Date: 8th August, 2016

Kalpit Gandhi
Chief Financial Officer

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** (₹the company'), for the year ended on **31st March 2016**, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

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

Mayank S. Shah
Partner
Membership No.: 44922

Date : 8th August, 2016
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. : **NIL**
2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vadilal Enterprises Limited (VEL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives
b)	Nature of contracts/arrangements /transaction	Agreement between VIL and VEL to sell Ice-cream, Frozen Desserts, Flavoured Milk and other Milk and Dairy products by VIL to VEL.
c)	Duration of the contracts/arrangements/transaction	Agreement executed on 28-7-2007, which is valid for a period of 10 years w.e.f. 1st October, 2007.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	- Sale of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products by VIL to VEL on Principal to Principal basis and on credit basis. All matters related to marketing including marketing expenses will be decided and born by VEL. - Payment shall be made by VEL within 180 days from the last date of month in which the Company has supplied the products to VEL. VEL shall be liable to pay interest @15% at the discretion of the Company on all outstanding amount due to the Company, beyond the said credit period of 180 days
e)	Date of approval by the Board	19-02-2015and at every quarterly Audit Committee Meetings.
f)	Amount paid as advances, if any	No.

ANNEXURE – F TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY OF VADILAL INDUSTRIES LIMITED

(As revised on 13th August, 2015)

Introduction:

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

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Ice-cream industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee at its meeting held on 14th August, 2014 and adopted by the Board of Directors at its meeting held on 14th August, 2014.

Effective Date:

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

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of the existing Remuneration Committee of the Company by renaming it as Nomination and Remuneration Committee on 29thMay, 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 mean Directors of the Company.
3. Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
4. Company means Vadilal Industries Limited.
5. Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
6. Key Managerial Personnel (KMP) means-
   (i) Chief Executive Officer and / or Managing Director;
   (ii) Whole-time Director;
   (iii) Chief Financial Officer;
   (iv) Company Secretary;

(v) Such other officer as may be prescribed under the applicable statutory provisions /regulations.

7. Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:

The Policy is applicable to :

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

General:

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

PART – A

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

The Committee shall:

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

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 upto 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.

PART – D

Succession Plan for Appointment of Board of Directors and Senior Management

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

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

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

Applicability of Succession Plan

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

Succession Plan for Director and Senior Management

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

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

Review of the Policy

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

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

ANNEXURE – G TO THE DIRECTORS' REPORT

[Information under Section 134(3)(m) of the Companies Act, 2013 and Rules made thereunder and forming part of the Directors' Report for the year ended on 31st March, 2016]

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:

- Installed new slant conveyer in cold room area, which will give benefits of fast material transfer and dispatch of finished goods and also manpower saving.
- Installed another 50 KVA bio gas power generator set in ETP which will supply the power for cold room lighting.
- Installed steam flow meter on Boiler main steam header and started monitoring of the steam consumption.
- Modified the Refrigeration plant condenser and cooling tower piping for improving the efficiency of condenser and cooling tower.
- Improved the capacity of PHE brine chiller by add the plates and modification in piping which will increase the production capacity of candy machines
- Made new RCC storage tank of capacity 300 kL, for fire hydrant system.
- Installed new atlas copco make GA90 with bigger air receiver with E6 energy saver.
- Installed chocolate making machine
- Purchase HDPE welding machine and started using broken crates after welding.
- Operated Ahmedabad operation with less inventory by keeping one cold store closed.

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 :

- Energy source for Kitchen Cooking shifted from LPG to CNG. Shifted to cleaner energy and savings.
- Spiral gravity conveyor installed at packing room to convey the material from second floor to ground floor. Hence saving in electricity and minimize the temp loss of product and energy saving.
- Kitchen area expanded to meet project quantity and for product flow.

b) Capital investments on energy conservation equipments:

Ice-cream Division :

- The Company is planning to install Fire alarm system in entire factory.

- The Company is planning to install VFD drives for our finished good cold storage.
- The Company is planning to install Facility for butter milk production

Processed Food Division:

- Anti-rooms for all cold store are proposed to avoid ice formation and energy saving
- For FG movement from packing to dispatch cold store & from cold store to container, conveyors to be installed to minimize the manual handling, damage the product & temp. loss hence energy saving
- Cooling conveyor for Paratha cooling to be installed to minimize the product damage
- Samosa Patti sheeter to be installed to minimize the man-power & improve the quality
- Thawing conveyor to be installed to minimize the plate freezer product damage
- Flow wrap machine to be installed to minimize the packing material use & minimize the manpower
- Pick fill & seal machine to be installed for our preformed pouches and minimize the manpower

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 :

- Over all Company will save 10.72% power cost/kg of ice cream, save 18 % fuel cost, 8% power at Ahmedabad operation, Rs 10 Lacs for additional bio gas generator
- Increase efficiency of candy and cone manufacturing by installation of air receiver and brine chiller.
- Company is saving 20% in cost of chocolate by installing chocolate line

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 ₹ 21.07 lakhs towards Research of Development.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

As against Foreign Exchange Earnings of ₹ 4453.24 lacs for the previous year ended on 31st March, 2015, the Company has earned Foreign Exchange of ₹ 3620.79 lacs for Export of Goods on FOB value for the year ended on 31st March, 2016.

As against Foreign Exchange Outgo of ₹ 792.14 lacs for the previous year, the Outgo during the year under review was ₹ 1303.21 lacs.

ANNEXURE- H TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-2016

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Refer Section on Corporate Social Responsibility in Directors' Report
2.	Composition of CSR Committee	1. Mr. Kshitish M. Shah – Chairman 2. Mr. Rajesh R. Gandhi 3. Mr. Devanshu L. Gandhi
3.	Average net profit of the Company for last three financial years	Rs. 655.00 lakhs
4.	Prescribed CSR expenditure(two percent of the amount mentioned in item 2 above)	Rs. 13.10 lakhs
5.	Details of CSR spent during the financial year:	
	a. Total amount to be spent for the financial year	Rs. 13.10 lakhs
	b. Amount unspent, if any	Rs. 13.10 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 2015-2016 :

1	2	3	4	5	6	7	8
Sr. No.	CSR projector ActivityIdentified	Sector in whichthe 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 projectsor programs was undertaken	Amount Outlay (Budget) Project or Programwise (₹ in crore)	on the Projectsor Programs Sub Heads: (1) Direct Expenditureon Projects or Programs (2)Overheads (₹ in crore)	Cumulative Expenditure upto the reporting period i.e. FY 2015-2016 (₹ in crore)	Amount Spent Director through 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 and 2015-2016. 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
DIN : 00009869

Sd/-
KSHITISH M. SHAH
Chairman of CSR Committee
Vadilal Industries Limited
DIN : 00563191

Place : Ahmedabad
Date : 8th August, 2016.

Annexure – I to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 ofThe 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 as "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 returnsfiled and other records maintained by the Company and also the information provided bythe 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 31st March, 2016 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 -A for the Financial Year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(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 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with BSE Limited and the National Stock Exchange of India Limited and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

As per Clause 41 of the Listing Agreement, every listed company shall submit audited financial results within sixty days of the end of the financial year and the annual audited financial results shall be approved by the Board of Directors of the company i.e. on or before 30th May, 2015. However, The Company has approved the audited financial results for the financial Year ended on 31st March, 2015 at the Board Meeting held on 01st June,2015.

VI. We further report that having regard to the compliance managing system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has compliance management system for the sector specific laws applicable specifically to the Company:

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 sector specific laws applicable to the Company. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other sector specific laws applicable to the Company and regulations applicable to the Company and verification of documents and records on test check basis.

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 which have been shown in contingent liabilities at Note No. 27.1 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 advise of legal counsel from time to time in the matter of disputes under other commercial and tax laws.

The company has formed CSR Committee and as per section 135 (5) of The companies Act, 2013 the company is required to spend 2% of average net profit of the company made during the three immediately preceding financial years amounting to Rs. 13.10 lacs towards Corporate Social Responsibility as per CSR Policy. However it has been noted that the company has not spent any amount on CSR activities as required under the provisions of The Act during the year under report.

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. 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 has filled an application for withdrawal of the petition. The outcome of withdrawal application is awaited.

Pursuant to provisions of section 73 (2)(c) of the Companies Act, 2013 read with Rule 13 of the Companies (Acceptance of Deposit Rules) , 2014 the company was required to deposit such sum which shall not be less than 15% of the amount of deposits maturing during the financial year and financial year next following, and keep in a scheduled bank in a separate bank account to be called deposit repayment reserve account. However it is observed that there was short fall in depositing requisite amount as required under the provisions of the law.

Moreover, as per the information made available to us, the Company had made representation before various authorities by taking legal recourse as per advise 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:

Name of practicing C S : Ashish C. Doshi, Partner
SPANJ & ASSOCIATES
Company Secretaries

Place : Ahmedabad — ACS/FCS No. : F3544

Date : 8thAugust, 2016 — 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

4 Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.

5 Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act .

6 Intimations received from Directors under The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 , The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

7 E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act and attachments thereof during the period under report.

8 Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.

9 Documents related to payments of dividend made to its Members during the period under report.

10 Communications/ Letters issued to and acknowledgements received from the Independent directors for their appointment.

11 Various policies framed by the Company from time to time as required under the Act as well as the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time.

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 31st March, 2016

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:

Name of practicing C S : Ashish C. Doshi, Partner

SPANJ & ASSOCIATES

Company Secretaries

Place : Ahmedabad

Date : 8thAugust, 2016

ACS/FCS No. : F3544

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 employeesof 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
Mr. Rajesh R. Gandhi, Chairman and Managing Director	1 : 36	11%
Mr. Devanshu L. Gandhi, Managing Director	1 : 36	11%
Mr. Kalpit R. Gandhi, Chief Financial Officer	N.A.	0%
Mr. Nikhil M. Patel, Company Secretary (Upto 31st December, 2015)	N.A.	0%
Mrs. Ruchita V. Gurjar, Company Secretary (W.e.f. 11th February, 2016)	N.A.	N.A.

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: 5.20 %

c. The number of permanent employees on the rolls of Company: 590

d. 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 12%. The individual increments varied from 6% to 18%, based on individual performance.

Increase in the managerial remuneration for the year was 11 %.

e. Affirmation:

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

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

INDEPENDENT AUDITORS' REPORT

Independent Auditor's 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 March 2016, the statement of profit and loss and 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 stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 March 2016 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

a. Attention is invited to Note No. 27.4 of the financial statements, where in as per the reasons stated by the management, Trade receivables of ₹ 290.56 lakhs outstanding at the year end from Company's Overseas Subsidiary are considered realisable/ recoverable.

b. Attention is invited to Note no. 27.12 of the financial statements, whereas the company has utilized MAT Credit of ₹ 68.68 lakhs out of MAT Credit taken of ₹ 551.85 lakhs up to 31.03.2015.

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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A," a statement on the matters specified in the paragraph 3 and 4 of the order.

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 it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss and the 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 the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company, refer to our separate report in "Annexure B"; and

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

i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27.1 to the financial statements;

ii. the Company 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 Company except ₹ 0.15 Lakhs which is held in abeyance due to legal case pending.

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

[Mayank S. Shah]
Partner
Membership No.: 44922

Place : Ahmedabad
Date : May 28, 2016

ANNEXURE - A TO AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except **(a)** Land & Building(Gross) includes ₹ 29.94 lakhs & ₹ 151.61 lakhs respectively in process of being transferred in the name of the company **(b)** Building includes House Building of ₹ 12.90 lakhs (Gross) acquired against loan which is yet to be transferred in the name of the company.

(ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventory lying with third parties, inventories have been confirmed by them.

(iii) The Company has not granted loans to any bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (₹the Act'). Thus, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loan, making investments and providing guarantees and securities, as applicable.

(v) The company has accepted deposits from public during the year under audit the directives issued by Reserve Bank of India and provisions of sections 73 & 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under have been generally complied with.

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) The maintenance of cost records has not been specified by Central Government under section 148(1) of the companies Act, 2013.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of excise, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, and on the basis of our examination of the records of the company, the detail of disputed amounts in respect of sales Tax, income 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
1	Central Sales Tax Act and Sales Tax Act of various states	23.24	Sales Tax and Penalty	1998-99	High Court
		12.49	Additional Tax demand	2000-01	Jt. Comm.
		15.74	Sales Tax demand	2000-01	Dy. Comm.
		1.55	Sales Tax demand	2001-02	Dy. Comm.
		0.6	Sales Tax demand	2002-03	Tribunal
		2.39	Sales tax asst dues	2003-04	Jt. Comm.
		16.62	Purchase Tax & Penalty	2003-04	Jt. Comm.
		4.02	Sales Tax and Penalty	2004-05	Tribunal
		16.81	Sales Tax and Penalty	2010-11	Tribunal
		93.46			
2	INCOME TAX	1.93	Income tax	1996-97	ITAT
		1.37		2006-07	A. O.
		0.39		2011-12	CIT(A)-8
		1.74		2012-13	CIT(A)-8
		5.43			
3	Others Nayab Nirnayak Adhikari	0.75	Food safety penalty	1998-2011 High Court	Allahabad
		0.75			

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
1	EXCISE DUTY	4.58	Demand for duty on good received	1988-89	Asst. Comm.
		4.28	MODVAT on capital goods	2003-04	Asst. Comm.
		8.86			
2	INCOME TAX	50.46	Income Tax	1992-93	ITAT
		31.1		1993-94	ITAT
		7.84		1994-95	High Court
		14.06		1995-96	High Court
		16.03		1996-97	High Court
		41.55		1997-98	ITAT
		0.51		2001-02	High Court
		5.1		2002-03	High Court
		3.12		1999-00	High Court
		169.77			

(viii) In our opinion and according to information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to the banks/ financial institutions. The company does not have any loans or borrowings from government and has not issued any debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans was applied for the purpose for which the loan was obtained.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

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

[Mayank S. Shah]
Partner
Membership No.: 44922

Place : Ahmedabad
Date : May 28, 2016

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Vadilal Industries Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

[Mayank S. Shah]
Partner
Membership No.: 44922

Place : Ahmedabad
Date : May 28, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

			NOTE	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
I.	**EQUITY AND LIABILITIES**				
1	**Shareholders' funds**				
	(a)	Share capital	3	718.78	718.78
	(b)	Reserves and surplus	4	12,090.00	10,762.69
		Sub Total		**12,808.78**	**11,481.47**
2	**Deferred Government Grants (Refer L on Note 2.1)**			21.59	25.26
3	**Non-current liabilities**				
	(a)	Long-term borrowings	5	4,555.36	6,125.39
	(b)	Deferred tax liabilities (Net)	6	1,929.16	1,535.36
	(c)	Long-term provisions	7	133.06	116.17
		Sub Total		**6,617.58**	**7,776.92**
4	**Current liabilities**				
	(a)	Short-term borrowings	8	5,397.85	6,423.42
	(b)	Trade payables	9		
		Total outstanding dues of Micro Enterprises and Small Enterprises		11.57	18.33
		Total outstanding dues of Creidtors other than Micro Enterprises and Small Enterprises		7,007.20	6,480.39
	(c)	Other current liabilities	10	4,358.53	4,512.89
	(d)	Short-term provisions	7	357.79	227.42
		Sub Total		**17,132.94**	**17,662.45**
		TOTAL		**36,580.89**	**36,946.10**
II.	**ASSETS**				
1	**Non-current assets**				
	(a)	Fixed assets	11		
		(i) Tangible assets		21,890.57	21,997.72
		(ii) Intangible assets		461.63	431.38
		(iii) Capital work-in-progress		51.54	60.89
		Sub Total		22,403.74	22,489.99
	(b)	Non-current investments	12	146.23	146.23
	(c)	Long-term loans and advances	13	1,487.74	1,620.21
	(d)	Other non-current assets	14	52.40	66.77
		Sub Total		**24,090.11**	**24,323.20**
2	**Current assets**				
	(a)	Current investments	15	1.10	1.14
	(b)	Inventories	16	9,270.55	9,605.28
	(c)	Trade receivables	17	2,292.05	1,738.52
	(d)	Cash and bank balances	18	390.92	469.87
	(e)	Short-term loans and advances	13	292.50	554.47
	(f)	Other current assets	14	243.66	253.62
		Sub Total		**12,490.78**	**12,622.90**
		TOTAL		**36,580.89**	**36,946.10**
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 : May 28, 2016

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
Ruchita Gurjar	:	Company Secretary

Place : Ahmedabad
Date : May 28, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

		NOTE	Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
I	Revenue from operations (Gross)	19	45,538.21	41,288.57
	Less: Excise duty		1,090.57	945.44
	Revenue from operations (Net)		44,447.64	40,343.13
	Other income	20	104.86	307.86
	Total Revenue (I)		**44,552.50**	**40,650.99**
II	Expenses:			
	Cost of materials consumed	21	24,936.80	23,678.08
	Purchase of Stock-in-trade	22	18.19	5.76
	Changes in inventories of finished goods and Stock-in-trade	23	(222.32)	992.82
	Employee benefits expenses	24	2,424.37	1,989.70
	Other expenses	25	11,501.38	9,584.30
	Total (II)		**38,658.42**	**36,250.66**
III	Earnings before Interest, Tax, Depreciation and amortisation (EBITDA) (I-II)		5,894.08	4,400.33
IV	Finance costs	26	2,144.88	2,573.24
	Depreciation and amortization expenses	11	1,344.50	1,308.23
	Less : Recoupment from Deferred Government Grant		3.67	3.42
	Sub Total		**1,340.83**	**1,304.81**
	Total (IV)		**3,485.71**	**3,878.05**
V	Profit before Exceptional & extraordinary items and tax(III-IV)		2,408.37	522.28
VI	Exceptional Items			
	Long term Loans & Advances written off		0.00	196.93
VII	Profit before extraordinary items and tax(V-VI)		2,408.37	325.35
VIII	Extraordinary items		0.00	0.00
IX	Profit before Tax(VII-VIII)		2,408.37	325.35
X	Tax Expenses (Refer H on Note 2.1)			
	(a) Current tax		576.11	58.50
	Less : MAT Credit entitlement (Refer Note 27.12)		0.00	(58.50)
			576.11	0.00
	(b) Deferred tax benefit / (expenses)		393.80	137.16
	(c) Short / (Excess) Provision of Tax of earlier years		3.01	(4.71)
			972.92	132.45
XI	**Profit for the year (IX – X)**		**1,435.45**	**192.90**
XII	Earnings per equity share (Refer Note 28.5)			
	Nominal Value of Share ₹ 10 (P.Y. ₹ 10)			
	Basic & Diluted		19.97	2.68
	Computed on the basis of total profit for the year			
	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 : May 28, 2016

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
Ruchita Gurjar : Company Secretary

Place : Ahmedabad
Date : May 28, 2016

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

		(₹ in Lacs)	For the year ended 31.03.2016 (₹ in Lacs)	(₹ in Lacs)	For the year ended 31.03.2015 (₹ in Lacs)
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax and Exceptional Items from continuing operations		2408.37		522.28
	Non-cash adjustments to reconcile profit before tax to net cash flows				
	Depreciation and amortisation expense	1344.50		1308.23	
	Withdrawn From Deferred Government Grant	(3.67)		(3.42)	
	Loss / (Profit) on sale of Assets	(28.81)		(90.94)	
	Loss / (Profit) on Partnership Firms (Net)	3.62		(12.86)	
	Provision for bad debts	10.66		24.80	
	Provision for Doubtful Advances	9.83		9.69	
	Upfront Interest on restructuring of Loan	8.58		11.64	
	Diminution in value of Current Investments	0.04		0.01	
	Excess Provision written back	(2.48)		(86.74)	
	Profit on Sale off Investment	(8.67)		0.00	
	Dividend	(0.13)		(0.16)	
	Interest expenses	2144.88		2573.24	
	Interest Income	(38.89)		(28.11)	
	Operating Profit before working capital changes	5847.83		4227.66	
	Movements in working capital :				
	Increase / (decrease) in trade payables	520.05		613.90	
	Increase / (decrease) in long term provisions	16.89		18.11	
	Increase / (decrease) in short term provisions	28.34		17.71	
	Increase / (decrease) in other current liabilities	312.60		(4.45)	
	Decrease / (increase) in trade receivable	(564.19)		(96.89)	
	Decrease / (increase) in inventories	334.73		362.61	
	Decrease / (increase) in long term loans and advances	16.23		8.95	
	Decrease / (increase) in short term loans and advances	252.15		(15.90)	
	Decrease / (increase) in other current assets	(13.25)		(40.32)	
	Cash Generated from / (used in) Operations	6751.38		5091.38	
	Direct taxes paid (net of refunds)	(386.11)		(138.27)	
	Cash flow before extraordinery items	6365.27		4953.11	
	Net Cash from / (used in) Operating Activities		6365.27		4953.11
B	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets	(1258.41)		(878.22)	
	Sale of fixed assets	28.97		149.62	
	Purchase of Current Investments	(1790.00)		0.00	
	Investments in bank deposits (having original maturity of more than three months (Net)	33.93		(58.38)	
	Sale of Investment	1798.67		0.00	
	Interest received	54.89		28.33	
	Dividend received	0.13		0.16	
	Deferred Government grant received	0.00		9.50	
	Net Cash flow from / (used in) Investing Activities		(1131.82)		(748.99)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term borrowings	654.97		437.62	
	Repayment of Long Term Borrowings	(2649.55)		(2208.37)	
	Proceeds from Short Term borrowings	6231.30		2772.98	
	Repayment of Short Term Borrowings	(7256.87)		(2414.15)	
	Interest paid	(2185.24)		(2585.60)	
	Dividends paid on equity shares	(71.45)		(73.23)	
	Tax on equity dividend paid	(14.63)		(12.21)	
	Net Cash used in Financing Activities		(5291.47)		(4082.96)
	Net Increase/(Decrease) in cash and Cash equivalents (A+B+C)		(58.02)		121.16
	Op. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ 0.16 Lacs (P.Y. ₹ Nil)		313.59		192.43
	Cl. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ Nil (P.Y. ₹. 0.16 Lacs)		255.57		313.59
	Major Components of Cash and Cash Equivalents as at		31.03.2016		31.03.2015
	Cash and Cheques on hand		30.83		63.33
	Balance With Banks				
	On Current Accounts		39.79		47.40
	On Unpaid Dividend Accounts*		18.79		18.37
	On Fixed / Margin Money Deposit Accounts		166.16		184.49
	(Includes ₹ 90.59 Lacs (P.Y. ₹ 108.33) in Deposit Repayment Reserve Account)				
			255.57		313.59

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 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 : May 28, 2016

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
Ruchita Gurjar : Company Secretary

Place : Ahmedabad
Date : May 28, 2016

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,Other Dairy Products and processing & 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.

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 to-gether 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 31st March, 2016 is ₹ 6028.20 Lacs (Previous Year ₹ 6068.71 Lacs).Consequent to the said revaluation there is an additional charge of depreciation of ₹ 40.52 Lacs (Previous Year ₹ 79.76 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
Building	
1) Factory Building	28 years
2) Others-RCC Structured	58 years
Plant & Machinery	
1) Continuous Process	18 years
2) Plastic Crates	5 years
3) Others	20 years
Vehicles	
Motor 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 render 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 recoginse the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefits plans are recoginsed 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 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE - 3		
SHARE CAPITAL		
Share capital		
Authorized shares		
1,50,00,000 (31 March 2015 : 1,50,00,000) equity shares of ₹10/- each	1500.00	1500.00
	1500.00	**1500.00**
Issued, subscribed and fully paid-up shares		
Issued and Subscribed :		
71,88,230 (31 March 2015 : 71,88,230) equity shares of ₹ 10/- each	718.82	718.82
Total issued and subscribed share capital	**718.82**	**718.82**
Paid up :		
71,87,830 (31 March 2015 : 71,87,830) equity shares of ₹ 10/- each	718.78	718.78
Total paid-up share capital	**718.78**	**718.78**

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

	31st March, 2016		31st March, 2015	
	(Nos)	(₹ in Lacs)	(Nos)	(₹ in Lacs)
Equity shares				
At the beginning of the period	7187830	718.78	7187830	718.78
Outstanding at the end of the period	7187830	718.78	7187830	718.78

b) Right 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 2016, the amount of per share dividend recognized as distribution to equity shareholders is ₹ 1.25 (31 March 2015 : ₹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

	As at 31st March, 2016		As at 31st March, 2015	
	(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 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 4		
RESERVES & SURPLUS		
Capital Reserve		
Closing Balance	8.84	8.84
Securities Premium		
Closing Balance	487.27	487.27
Revaluation Reserve		
Opening Balance	6,068.72	6,222.60
Less : Amount of revaluaion due to sale of fixed assets	-	74.12
Less : Depreciation to the extent on account of revaluation of fixed assets transferred to General Reserve	40.52	79.76
Closing Balance	6,028.20	6,068.72
General Reserve		
Opening Balance	3,800.00	3,600.00
Add : Amount transferred from surplus balance in the statement of Profit and Loss	1,159.48	161.78
Add : Depreciation to the extent on account of revaluation of fixed assets transferred to General Reserve	40.52	79.76
Less : Carrying value of Assets whose life has been completed C Y ₹ Nil (P Y Net of deffered tax ₹ 21.39 Lacs)	-	41.54
Closing Balance	5,000.00	3,800.00
Surplus in the Statement of Profit and loss		
Opening Balance	397.86	453.25
Add: Profit for the year	1,435.45	192.90
Less : Appropriations		
Proposed final equity dividend	89.85	71.88
(Amount per share ₹ 1.25 (P.Y. amount per share ₹ 1.00))		
Tax on proposed equity dividend	18.29	14.63
Transferred to General reserve	1,159.48	161.78
Total Appropriations	1,267.62	248.29
Net Surplus in the Statement of Profit and loss	565.69	397.86
Total Reserves and Surplus	**12,090.00**	**10,762.69**

	Non – Current		Current Maturities	
	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 5				
LONG TERM BORROWINGS				
Term Loans :-				
From Banks (Secured)	3,806.53	5,180.94	1,560.40	1,894.03
From Financial Insitution (Secured)	-	200.00	200.00	200.00
From Others (Unsecured)	2.93	81.24	78.31	133.33
	3,809.46	5,462.18	1,838.71	2,227.36
Deposits (Unsecured)				
Fixed Deposits	745.90	663.21	380.24	416.14
Total	**4,555.36**	**6,125.39**	**2,218.95**	**2,643.50**
The above amount includes :				
Secured borrowings	3,806.53	5,380.94	1,760.40	2,094.03
Unsecured borrowings	748.83	744.45	458.55	549.47
Less : Amount disclosed under the head "Other current Liabilities" Note – 10			(1,760.40)	(2,094.03)
Less : Amount disclosed under the head "Other current Liabilities" Note – 10			(458.55)	(549.47)
Net Amount	**4,555.36**	**6,125.39**	**-**	**-**

Repayment Schedule of Loans (₹ in Lacs)

	Sanctioned / Disbursed Amount	As at 31.03.2016	As at 31.03.2015	Rate of Interest	No of installment	installment Amount
Term Loans						
From Banks						
IDBI Bank (Expansion Loan)	800.00	0.00	85.75	14.75%	-	
BOB	1000.00	150.00	350.00	12.65%	9 Monthly	16.67
BOB	1400.00	583.33	863.33	12.65%	25 Monthly	23.33
BOB	2000.00	1555.55	1888.88	13.80%	55 Monthly	27.78
					1 Monthly	27.62
SBT	1000.00	313.50	514.50	12.90%	18 Monthly	16.75
					1 Monthly	11.75
SBT	1000.00	313.50	514.50	12.90%	18 Monthly	16.75
					1 Monthly	11.75
SBI (old loan)	775.00	0.00	11.04	14.75%		
SBI (Project)	1000.00	0.00	215.10	14.75%		
SBI (Project)	900.00	450.00	600.00	14.75%	12 Quarterly	37.50
SBI (Project)	2100.00	1804.25	1934.25	14.75%	12 Monthly	10.00
					32 Monthly	52.00
					1 Monthly	20.25
Vehicle Loans						
HDFC	-	196.80	97.62	-	From 17 to 54 Monthly Installments *	-
From Financial Institutions						
Exim	1000.00	200.00	400.00	13.75%	4 Quarterly	50.00
Others						
IBM India	135.11	35.90	72.00	12.50%	3 Quarterly *	7.83
					4 Quarterly *	3.10
Magma Finance	150.00	45.34	142.57	16.10%	5 Monthly *	9.08
Total		5648.17	7689.54			
Fixed deposits		1126.14	1079.35	10.25 % to 11.00%	24 months to 36 months based on period of deposit	

*Includes Interest portion

A1) New Term Loan from BOB, SBI and Exim Bank aggregating to Rs. 30 crores, further Term Loan from BOB and SBT aggregating to Rs. 34 crores, additional Term Loan of Rs. 9 crores and Rs. 21 crores from SBI and Corporate Loan of Rs. 20 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 and 2nd charge on pari-passu basis :-

- i Dudheshwar, Ahmedabad (Ice-cream Plant) (1st charge) (Owned Property)
- ii Dharampur, Dist.: Valsad (Canning Unit) (1st charge) (Owned Property)
- iii Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge) (Owned Property)
- iv Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (1st charge) (Owned Property)
- v Unit – I, Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge) (Leased Property)
- vi Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries) (2nd charge) (Owned Property)
- vii Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge) (Owned Property)
- viii Dharampur, Dist.: Valsad (New land) (1st charge) (Owned Property)
- ix Unit – II, Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries)
- x Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (only on movable properties as 1st charge)
- xi Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) (only on movable properties as 1st charge)

2) New Term Loan aggregating to Rs. 30 crores from BOB, SBI and Exim Bank, further Term Loan aggregating to Rs. 34 crores from BOB and SBT, additional Term Loan of Rs. 9 crores and Rs. 21 crores from SBI and Corporate Loan of Rs. 20 crores from BOB as above are also secured by mortgage and hypothecation on immovable and movable properties of the Company situated at Bareilly, Parsakhera Industrial Area, U.P. (New Land - F-12) (Leased Property)

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 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 6				
DEFERRED TAX LIABILITY (NET)				
Deferred Tax Liability				
Fixed assets : Impact of difference between tax Depreciation and depreciation / amortisation charged for the financial reporting	2,041.10	1,759.39		
Others	0.59	7.05		
	2,041.69	1,766.44		
Less: Deferred tax Assets				
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	97.25	71.30		
Unabsorbed Depreciation	0.00	120.78		
Others	15.28	39.00		
	112.53	231.08		
Deferred Tax Liability (Net)	**1,929.16**	**1,535.36**		
NOTE – 7				
PROVISIONS				
Employee Benefits :				
Gratuity (Refer Note 28.1)	133.06	116.17	54.18	51.06
Compensated Absences	-	-	86.42	73.20
Others				
Income tax less Advance Tax (Current Tax)	-	-	80.40	0.00
Proposed Equity Dividend	-	-	89.85	71.88
Provisions for Tax on Proposed Equity Dividend	-	-	18.29	14.63
Other provisions (Refer Note 28.6)	-	-	28.65	16.65
Total	**133.06**	**116.17**	**357.79**	**227.42**

	(₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
Note – 8			
SHORT TERM BORROWINGS			
Loans Repayable on Demand :			
From Banks			
Working Capital Loans (Secured)		3,989.64	5,109.96
Foreign Currency Loan (Buyers Credit) (Secured)		49.36	0.00
Loans from Related Parties (Refer Note 28.3)		151.07	304.26
Deposits (Unsecured)			
Public Fixed Deposits		222.03	208.20
Inter Corporate Deposits		985.75	801.00
		1,207.78	1,009.20
Total		**5,397.85**	**6,423.42**
The above amount includes :			
Secured borrowings		4,039.00	5,109.96
Unsecured borrowings		1,358.85	1,313.46
Total		**5,397.85**	**6,423.42**

A1) 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 Rs. 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 and 2nd charge on pari-passu basis :-

i Dudheshwar, Ahmedabad (Ice-cream Plant) (2nd charge) (Owned Property)

ii Dharampur, Dist.: Valsad (Canning Unit) (2nd charge) (Owned Property)

iii Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge) (Owned Property)

iv Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (2nd charge) (Owned Property)

v Unit – I, Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream 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. (Ice-cream Plant) (only on movable properties as 2nd charge) (excluding specific plant & machineries)

x Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (only on movable properties as 2nd charge)

xi Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) (only on movable properties as 2nd charge)

xii Dharampur, Dist: Valsad (New Land) (2nd 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 @ 12.25% to 13.25%

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 15.00 %

F Fixed deposits are repayable for 12 months and carry interest @10.25 %

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 9		
TRADE PAYABLES		
Micro, Small and Medium Enterprises (Refer Note 27.6)	11.57	18.33
Others (Including acceptances of ₹ 2453.12 Lacs (P.Y. ₹ 2487.22 Lacs))	7,007.20	6,480.39
Total	**7,018.77**	**6,498.72**
NOTE – 10		
OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer note 5)		
From Banks (Secured)	1,560.40	1,894.03
From Financial Insitution (Secured)	200.00	200.00
From Others (Unsecured)	78.31	133.33
Public Fixed Deposits (Refer Note 5)	380.24	416.14
Interest accrued but not due on borrowings	89.50	133.41
Interest accrued and due on borrowings	59.01	55.46
Unclaimed Dividends*	18.79	18.36
Unclaimed Deposits and Interest accured thereon*#	15.82	14.96
Book Overdraft in current account with Banks	29.45	34.18
Payable for Capital Goods	376.37	224.67
Other Liabilities		
Statutory dues payable	534.56	400.46
Advances from customers	26.80	42.82
Security Deposits from Customers (Refer Note 28.3)	864.89	863.74
Other Liabilities	124.39	81.33
Total	**4,358.53**	**4,512.89**

* Does not include any amounts outstanding as on 31.03.2016 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 31.03.2016, 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
I	Tangible Assets									
A	Cost or Valuation -									
	At 31st March, 2015	4378.67	1285.25	7521.20	17.13	19091.03	196.76	517.65	316.38	33324.07
	Additions	8.82	0.00	127.01	0.00	841.40	2.54	44.94	101.06	1125.77
	Disposals	0.00	0.00	0.00	0.00	28.33	0.00	0.22	0.00	28.55
	At 31st March, 2016	4387.49	1285.25	7648.21	17.13	19904.10	199.30	562.37	417.44	34421.29
B	Depreciation -									
	At 31st March, 2015	0.00	69.42	3086.21	3.66	7549.02	131.20	328.83	158.01	11326.35
	Additions	0.00	22.43	210.70	1.80	868.13	13.87	77.72	38.11	1232.76
	Disposals	0.00	0.00	0.00	0.00	28.33	0.00	0.06	0.00	28.39
	At 31st March, 2016	0.00	91.85	3296.91	5.46	8388.82	145.07	406.49	196.12	12530.72
C	Net Block									
	At 31st March, 2016	4387.49	1193.40	4351.30	11.67	11515.28	54.23	155.88	221.32	21890.57
	At 31st March, 2015	4378.67	1215.83	4434.99	13.47	11542.01	65.56	188.82	158.37	21997.72

II Intangible Assets **(₹ in Lacs)**

	Particulars	Software & development Costs
A	Cost or Valuation -	
	At 31st March, 2015	533.17
	additions	141.99
	deductions	0.00
	At 31st March, 2016	675.16
B	Amortisation -	
	At 31st March, 2015	101.79
	additions	111.74
	deductions	0.00
	At 31st March, 2016	213.53
C	Net Block	
	At 31st March, 2016	461.63
	At 31st March, 2015	431.38

	Particulars	
III	Capital Work In Progress	
	At 31st March, 2015	60.89
	Additions	95.92
	Deductions	105.27
	At 31st March, 2016	51.54

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 Capital Work in progress includes -

₹ 51.54 Lacs (P.Y. ₹ 60.89 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 :

		As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
Opening Balance		0.00	0.00
Add :			
Expenses Incurred towards acquisition of Fixed assets	0.00		12.07
Interest Capitalised	0.00		0.00
Less :		0.00	12.07
Capitalised during the year		0.00	12.07
Closing Balance (included in capital work in progress)		0.00	0.00

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ 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 subsidiaries:		
2250 (P.Y. 2250) equity shares of US $ 100 each fully paid up In Vadilal Industries (Inc) U S A (Refer Note No 27.4)	136.41	136.41
Less : Provision for diminuition in the value of investments	135.05	135.05
	1.36	1.36
Others		
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 diminuition in the value of investments	6.53	6.53
	0.72	0.72
Investment in Partnership Firm		
(Refer details below)		
Vadilal Cold Storage	140.00	140.00
Non Trade Investments (valued at cost unless stated otherwise)		
Government and Trust securities:		
Unquoted		
7 Year National Saving Certificates	0.28	0.28
(Lodged with Government authorities)		
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. 280l) 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
Total	**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
Details of Investment in Partnership Firm -		
Investment in Vadilal Cold Storage		
Name of the partner and share in profits (%)		
M/S Vadilal Industries Limited	98.00%	98.00%
M/S Vadilal Chemicals Limited	2.00%	2.00%
Total Capital of the Firm (₹)	142.90	142.90

	Non – Current		Current	
	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 13				
LOANS AND ADVANCES				
Unsecured, Considered good unless otherwise stated				
Capital advances	20.60	57.00	-	-
Loans and advances to related parties	177.93	182.76	-	-
Advances recoverable in cash or in kind or for value to be received (Refer Note 28.3)				
Considered Good	-	-	205.06	433.66
Considered doubtful	-	-	20.21	65.93
Less Provided for	-	-	20.21	65.93
	0.00	0.00	0.00	0.00
Sub-Total	0.00	0.00	205.06	433.66
Other Loans and Advances				
Loans to employees	2.32	1.53	9.02	7.33
Prepaid Expenses	1.26	2.09	78.42	113.48
Deposits with Government Authorities	92.00	81.09	-	-
Advance Income Tax less Provisions	26.28	70.21	-	-
MAT Credit entitlement (Refer Note 27.12)	483.17	551.85	-	-
Other Trade / Security Deposits (Refer Note 28.3)	684.18	673.68	-	-
Total	**1,487.74**	**1,620.21**	**292.50**	**554.47**
Loans and Advances to related parties include -				
Loan to Subsidiary (Refer Note 27.4)	-	-		
Balance with Firm in which company is a partner	177.93	181.56		
Others	-	1.20		
	177.93	**182.76**		
NOTE – 14				
Other Assets				
Unsecured, Considered good unless otherwise stated				
Deposits with original maturity of more than 12 months (Refer Note 18)	52.40	65.40	-	-
Unamortised Borrowing cost (Refer G (ii) & (iii) on Note 2.1))	-	1.37	1.37	8.58
Interest Receivable	-	-	6.82	22.82
Export Benefits Receivable	-	-	78.29	84.02
Subsidy Receivable	-	-	157.18	138.20
Total	**52.40**	**66.77**	**243.66**	**253.62**

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 15		
CURRENT INVESTMENTS (Valued at lower of cost and fair value)		
(Refer C on Note 2.1)		
Quoted:		
Investments in 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

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
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
Nil (P.Y. 120) equity shares of ₹ 2 each fully paid-up in Mylan Laboratories Ltd	-	0.64
4900 (P.Y. 4900) equity shares of ₹ 10 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
Total	4.16	4.80
Less : Diminution in value of Investments	3.06	3.66
Total	**1.10**	**1.14**
Aggregate amount of quoted investments (Market Value - ₹ 1.83 Lacs P.Y. ₹1.56 Lacs)	4.16	4.80
Aggregate provision for diminution in value of Investments	3.06	3.66
NOTE - 16		
INVENTORIES		
(Refer D on Note No 2.1)		
Stores, Spares and Consumables	424.16	434.21
Raw Materials	3,107.18	3,605.46
Packing Materials	1,459.59	1,508.31
Finished goods	4,279.62	4,057.30
Total	**9,270.55**	**9,605.28**
NOTE - 17		
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
Outstanding for a year exceeding six months from the date they are due for payment		
Considered good	41.41	298.11
Considered doubtful	23.64	13.23
Less : Provided for	23.64	13.23
	-	-
	41.41	298.11
Other receivables		
Considered good	2,250.64	1,440.41
Considered doubtful	0.25	-
Less : Provided for	0.25	-
	-	-
	2250.64	1440.41
Total	**2,292.05**	**1,738.52**
of the above debts (exceeding six months) -		
Secured Considered good	10.13	14.82
Unsecured Considered good	31.28	283.29
	41.41	298.11
of the above debts (Other receivables) -		
Secured Considered good	560.00	650.00
Unsecured Considered good	1,690.64	790.41
Total	**2,250.64**	**1,440.41**

₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE - 18		
CASH AND BANK BALANCES		
Cash and cash equivalents:		
Balances with banks		
On Current Accounts	39.79	47.40
On Deposit Repayment Reserve Account	90.59	108.33
Deposits / Margin Money Deposits with Original Maturity of less than three months	75.57	76.16
On Unpaid Dividend a/c	18.79	18.37
Cheques, Drafts on hand	-	34.66
Cash balance on hand	30.83	28.67
Total	**255.57**	**313.59**
Other bank balances:		
Deposits with original maturity for more than three months	135.67	156.12
(Includes Security deposit with banks ₹ 134.84 lacs (P.Y. ₹ 154.60 Lacs)		
Margin Money deposit (towards guarantee and L C issued by banks)	52.08	65.56
	187.75	221.68
Total	**443.32**	**535.27**
Less : Deposits with Original Maturity of more than 12 months		
Amount disclosed under Non - Current Assets (Refer Note 14)	52.40	65.40
Total	**390.92**	**469.87**
NOTE - 19		
REVENUE FROM OPERATIONS (GROSS)		
(Refer E on Note 2.1)		
Sale of products (Refer Note below)		
Finished goods	45,320.92	41,053.07
Sale of Services		
Income from Money Changing Business	7.77	6.35
Other operating revenues:		
Export Licences	139.86	146.67
Miscellaneous Sales.	69.66	82.48
Revenue from operations (Gross)	45,538.21	41,288.57
Less: Excise duty	1,090.57	945.44
Revenue from operations (Net)	**44,447.64**	**40,343.13**
Details of Products Sold (Gross)		
Finished Goods		
Icecream and Frozen Desserts	39,803.13	34,982.86
Fruit Pulp, Frozen Fruits, Vegetables & Ready to Eat / Serve	4,939.69	5,866.16
Other Dairy Products	578.10	204.05
Total	**45,320.92**	**41,053.07**
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 seggregate the information regarding Sales, consumption and inventories of such products into Finished goods and traded goods		
NOTE - 20		
OTHER INCOME		
(Refer E on Note 2.1)		
Interest income:	38.89	28.11
Dividend income		
On Long Term Investments	0.13	0.16

	Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
Net gain on Foreign Currency translations and transactions	24.62	76.12
Share of Profit of Partnership Firm #	-	12.86
(CY ₹ Nil (PY Net of P.Y. Profit of ₹ 16.68 Lacs))		
Profit on sale of investment	8.67	-
Other Income		
Profit on sale of fixed assets (net)	28.81	90.94
Excess Provision written back	2.48	86.73
Miscellaneous Income	1.26	12.94
Total	**104.86**	**307.86**

Amount of share of profit in partnership firm have been accounted on the basis of unaudited financial statements of the partnership firm

NOTE – 21

COST OF MATERIALS CONSUMED

(Also Refer Note 27.8)

Inventory at the beginning of the year	5,113.77	4,540.11
Add: Purchases	24,389.80	24,251.74
	29,503.57	28,791.85
Less : Inventory at the end of the year	4,566.77	5,113.77
Cost of Materials consumed	**24,936.80**	**23,678.08**
Details of Materials consumed -		
Milk and Milk Products	10,202.83	8995.34
Dry Fruits, Fresh Fruits & Vegetables	3,471.95	3514.84
Packing Materials	7,509.35	5157.03
Others	3,752.67	6010.87
Total	**24,936.80**	**23,678.08**
Details of Inventory		
Milk and Milk Products	1,262.60	2,131.53
Dry Fruits, Fresh Fruits & Vegetables	879.72	844.97
Packing Materials	1,459.59	1,508.31
Others	964.86	628.96
Total	**4,566.77**	**5,113.77**

NOTE – 22

PURCHASE OF TRADED GOODS

Others	18.19	5.76
Total	**18.19**	**5.76**

NOTE - 23

CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

Opening Stock		
Finished Goods	4,057.30	5,050.12
	4,057.30	5,050.12
Closing Stock		
Finished Goods	4,279.62	4,057.30
	4,279.62	4,057.30
Net Changes in inventories	**(222.32)**	**992.82**
Details of Inventory -		
Finished Goods		
Ice Cream & Frozen Desserts	2,521.43	2,238.86
Fruit Pulp,Frozen Fruits & Vegetables	1,758.19	1,818.44
Total	**4,279.62**	**4,057.30**

	Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
NOTE - 24		
EMPLOYEE BENEFIT EXPENSES		
(Refer F on Note 2.1)		
Salary, Wages, Allowances & Bonus, etc	2,095.59	1,689.18
Contribution to Provident & other funds (Refer Note 28.1)	146.71	138.35
Staff Welfare Expenses	182.07	162.17
Total	**2,424.37**	**1,989.70**
NOTE - 25		
OTHER EXPENSES		
Job Charges	2,448.65	1,896.92
Power & Fuel	2,871.37	2,692.68
Stores and Spares Consumption (Also Refer Note 27.9)	89.97	48.44
Repairs		
to buildings	86.80	57.24
to plant and machinery	420.97	281.23
Excise Duty Others	17.13	(2.34)
Rent	868.16	732.08
Rates and taxes	27.71	23.12
Insurance	61.38	59.59
Freight and forwarding charges	2,350.41	2,050.87
Provision for Doubtful Debts	10.66	24.80
Provision for Doubtful Advances	9.83	9.69
Share of Loss of Partnership Firm #	3.62	-
₹ 13.90 Lacs (PY ₹ Nil))		
Diminuition in Value of Current Investments	0.04	0.01
Payment to Auditors (Refer Note below)	32.56	26.15
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery, etc)	2,202.12	1,683.82
Total	**11,501.38**	**9,584.30**
# Amount of share of Loss / profit in partnership firm have been accounted on the basis of Audited financial statements of the partnership firm		
Payment to Auditors		
As Auditor		
Audit Fees	14.50	12.00
Tax Audit Fees	6.00	5.00
Limited Review	1.95	1.69
In Other Capacity		
Taxation matters	2.11	1.82
Other services (certification fees)	7.20	4.92
Reimbursement of expenses	0.80	0.72
Total	**32.56**	**26.15**
NOTE – 26		
FINANCE COST		
(Refer G on Note 2.1)		
Interest Expenses	1,991.31	2,475.42
Other Borrowing Cost	146.42	87.62
Amortisation of ancilliary borrowing costs	7.15	10.20
Total	**2,144.88**	**2,573.24**

NOTE - 27 Additional Information to the Financial Statements

27.1)[A] CONTINGENT LIABILITIES NOT PROVIDED FOR :

			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 ₹ 2009 Lacs (P.Y. ₹ 1809 Lacs).			
	Outstanding against this as at 31.03.2016		670.12	426.25
II)	i)	For Excise -		
	a)	Related to a matter decided in favour of the company, against which the Excise department has preferred an appeal.	8.86	8.86
	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.	3.50	4.49
	b)	Against which Income Tax department has preferred appeal	169.77	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)	For Sales Tax -		
		Disputed by the company and against which company has preferred an appeal.	116.42	87.09
	iv)	For other Matters	11.69	11.69
	v)	Differential amount of custom/excise duty in respect of machinery purchased under EPCG scheme.	461.24	648.92
III)	Other Money for which the Company is contingently liable			
	i)	Liability in respect of Bills Discounted with Third Party	1924.47	2512.45

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 ₹ 3280.07 Lacs (P.Y. ₹ 3917.36 Lacs), for import made between the year of 2009-10 to 2015-16. 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, 2016, 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
(i) FOR SALES TAX ASSESSMENT DUES				
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
	Asst. dues	16.81 (0.00)	2010-11	S.Tax Tribunal
	Total	76.95 (60.14)		

Name of Statute	Nature of dues	Amount	Period of which the amount relates	Forum where dispute is pending
(ii) FOR INCOME TAX				
	Asst.dues	1.93 (1.93)	1996-97	ITAT
	Asst.dues	1.37 (1.37)	2006-07	Assessing Officer
	Asst.dues	0.00 (3.12)	1999-00	High Court
	Asst.dues	0.39 (0.00)	2011-12	CIT(A)
	Asst.dues	1.74 (0.00)	2012-13	CIT(A)
	Total	5.43 (6.42)		
(iii) FOR Other Matters				
	Demand	0.75 (0.75)	2013-14	High Court
	Total	0.75 (0.75)		
(II) Decided in favour of the company but the department has preferred appeals.				
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
		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	ITAT
		3.12 (0.00)	1999-00	High Court
	Total	169.77 (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 31st March,2016:

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
Tangible Assets	113.68	62.50
Intangible Assets	0.00	17.16
	113.68	79.66
b) Letter of credits and bank guarantees issued by banks and outstanding as on 31st March, 2016	925.31	683.94

27.3) The company has written down the inventories to net realisable value during the year by ₹ 297.19 Lacs (Previous year ₹ 40.74 Lacs).

27.4) Disclosure as required under regulation 34(3) read with schedule V of SEBI LODR:

Loans/Advances and Investments of the company :

Particulars	O/S.as at 31.03.2016 (₹ in Lacs)	Maximum O/S. during the year (₹ in Lacs)
(I) SUBSIDIARY COMPANY		
Vadilal Industries (USA) Inc.		
- Investments #	1.36	1.36
	(1.36)	(1.36)
- Loan & Advance*#	—	—
	—	(196.93)
(II) PARTNERSHIP FIRMS WHERE SHARE IS MORE THAN 51 %		
Vadilal Cold Storage		
- Investments	140.00	140.00
	(140.00)	(140.00)
- Loans & Advances	177.93	177.93
	(181.56)	(181.56)
(III) Associates:		
Vadilal Forex and Consultancy Services Ltd.		
- Investments	0.72	0.72
	(0.72)	(0.72)
- Loans & Advances	—	—
	—	(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 ₹ 136.41 Lacs (Value after diminution ₹ 1.36 lacs)and by way of loans ₹196.93 Lacs which is written of in the F.Y.2014-15.During the year Subsidiary Company has incurred gain of ₹ 25.74 Lacs(Accumulated losses ₹ 354.23 Lacs). In view of long term involvement and expected increase in business of subsidiary, the company considers that the exposure and Trade Receivable for ₹ 290.56 Lacs will be fully realisable.

Note: Figures in bracket relate to previous year.

27.5) PARTICULARS OF DERIVATIVE INSTRUMENTS :

a) Derivative contracts entered into by the company and outstanding as on 31st March, 2016:

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, 2016 -

PARTICULARS	C.Year	P.Year
Number of Buy Contract	2	6
Aggregate Amount	US $ 0.00	US $ 681106.70
	CAD 75272.50	CAD 33700.00
	GBP 0.00	GBP 26500.00
	₹ 38.43 Lacs	₹ 467.42 Lacs

iii) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2016 -

PARTICULARS	C.Year		P.Year	
	PAYABLE	RECEIVABLE	PAYABLE	RECEIVABLE
US $	23748.00	807267.28	24243.00	734564.20
EURO	65857.28	0.00	0.00	0.00
GBP	3102.65	26864.60	0.00	9.50
TOTAL ₹ (IN LACS)	68.15	561.00	15.17	459.77

27.6) 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.

	C.YEAR (₹ in Lacs)	P.YEAR (₹ in Lacs)
Principal amount due and remaining unpaid	4.11	10.73
Interest due on above and the unpaid interest	0.07	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	-	-

27.7) MANAGERIAL REMUNERATION

Salaries, Wages, Allowances, Bonus etc. includes ₹ 229.14 Lacs towards Managing Director's remuneration as per details given below.

	C.YEAR (₹ in Lacs)	P.YEAR (₹ in Lacs)
Salary	72.00	64.80
Commission #	104.82	0.00
Contribution to P.F.	8.64	7.78
Other perquisites in cash or kind	39.12	35.16
Total....	224.58	107.74

27.8) Consumption of Raw and Packing Materials :

	C.YEAR (₹ in Lacs)	%age	P.YEAR (₹ in Lacs)	%age
1) Imported	696.23	2.79	149.53	0.63
2) Indigenous	24240.57	97.21	23528.55	99.37
	24936.80	100.00	23678.08	100.00

27.9) STORES AND SPARES CONSUMED:

	C.YEAR (₹ in Lacs)	%age	P.YEAR (₹ in Lacs)	%age
1) Imported	14.44	16.05	4.29	8.86
2) Indigenous	75.53	83.95	44.15	91.14
	89.97	100.00	48.44	100.00

	C.YEAR (₹ in Lacs)	P.YEAR (₹ in Lacs)
27.10) A) C.I.F.VALUE OF IMPORTS:-		
a) Raw Materials and Packing Materials	773.49	247.21
b) Stores and Spares	18.70	31.69
c) Capital Goods	124.24	92.55
B) EXPENDITURE IN FOREIGN CURRENCY: (on accrual basis)		
i) Sales Promotion and Commission	13.49	15.87
ii) Travelling	52.54	53.97
iii) Freight	304.19	344.24
iv) Others	16.56	6.61
C) EARNINGS IN FOREIGN CURRENCY:-		
Export of Goods (F.O.B.Value)	3620.79	4453.24

27.11) REMITTANCE OF FOREIGN CURRENCIES FOR DIVIDENDS :

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

	C.YEAR	P.YEAR
Year to which dividend relates	2014-15	2013-14
Number of non-resident shareholders	7	3
Number of shares held by them on which dividend is due	1785	2750
Amount remitted to bank accounts in India of non-resident shareholders - ₹ in Lacs	0.01	0.03

27.12) MAT CREDIT ENTITLEMENT :

The company has utilized MAT Credit of Rs.68.68 Lacs out of MAT Credit Taken of Rs.551.85 Lacs up to 31.03.2015.Balance amount of MAT Credit as on 31.03.2016 of Rs.483.17 lacs will be utilized on the basis of the projection for future profit.

28) <u>Disclosure under Accounting Standards</u>

28.1) (i) Defined Contribution Plans:

Amount of ₹ 89.51 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 01.04.15	283.04	230.17
Service Cost	20.89	16.82
Interest Cost	22.50	21.29
Actuarial Losses (Gains)	20.96	24.28
Losses (Gains) on		
Curtailments	–-	(5.59)
Liabilities extinguished on settlements	—	—
Benefits Paid	(28.40)	(3.93)
Closing defined benefit obligation as at 31.03.2016	318.99	283.04

(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 01.04.2015	115.81	84.75
Expected return	9.21	7.37
Actuarial gains(Losses)	(2.06)	(4.58)
Assets distributed on Settlements	—	—
Contribution by employer	37.20	32.20
Benefits paid	(28.40)	(3.93)
Closing balance of fair value of plan Assets as at 31.03.2016	131.76	115.81

(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	131.76	115.81
- Unfunded	187.23	167.23
Total	318.99	283.04
Less: Fair Value of Plan Assets	131.76	115.81
- Unrecognised Past Service Costs	—	—
- Amount to be recognised as Liability	187.23	167.23
B) Amount Reflected in the Balance Sheet		
Liabilities	187.23	167.23
Assets	—	—
Net Liability/(Asset)	187.23	167.23

(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	20.89	16.82
2. Interest cost	13.29	13.92
3. Expected return on plan assets	—	—
4. Net Actuarial Losses (Gains) recognised in yr.	23.02	23.27
5. Past service cost	—	—
6. Losses (gains) on Curtailments and Settlement	—	—
Total included in Employees expenses	57.20	54.01
Actual return on plan assets	7.15	2.79

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

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
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 (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
Discount rate	7.80%	7.95 %
Expected return on plan assets	7.80%	7.95 %
Proportion of employees opting for early retirement/ Attrition rate	8.00%	6.00 %
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 2015-16	Previous Years 2014-15	2013-14	2012-13
Defined benefit Obligation	318.99	283.04	230.17	181.20
Plan assets	131.76	115.81	84.75	84.55
Surplus / (Deficit)	(187.23)	(167.23)	(145.42)	(96.65)
Experience adjustment on plan Liabilities	16.52	(5.59)	42.07	3.36
Experience adjustment on plan Assets	(2.06)	(4.58)	(0.15)	(0.34)

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

(h) The company expects to fund ₹ 50.00 Lacs(P.Y.₹ 53.00 Lacs)towards gratuity plan and ₹ 37.39 Lacs(P.Y.₹ 37.73 Lacs) towards provident fund plan during the year 2016-17.

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:

i) Vadilal Industries (USA) Inc. : Subsidiary Company
ii) Vadilal Cold Storage : Partnership firm where share is more than 51 %
iii) 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 :

i) Rajesh R Gandhi
ii) Devanshu L Gandhi

2) 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.

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

i) Mamta R Gandhi

ii) Kalpit R Gandhi

iii) Aastha R Gandhi

C) 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
A	**Transaction with related parties :**						
1	**Sales :**						
	i) Vadilal Enterprises Ltd.	—	—	—	—	45413.33	45413.33
		(—)	(—)	(—)	(—)	(35251.33)	(35251.33)
	ii) Vadilal Industries (USA) Inc	289.18	—	—	—	—	289.18
		(279.51)	(—)	(—)	(—)	(—)	(279.51)
	iii) Others	—	—	—	—	131.78	131.78
		(—)	(—)	(—)	(—)	(131.36)	(131.36)
2	**Purchase :**						
	ii) Majestic Farm House Ltd.	—	—	—	—	2.77	2.77
		(—)	(—)	(—)	(—)	(—)	(—)
3	**Hire Charges/Rent paid :**						
	i) Vadilal Cold Storage	—	30.68	—	—	—	30.68
		(—)	(8.40)	(—)	(—)	(—)	(8.40)
4	**Rent Income :**						
	Vadilal Enterprises Ltd.	—	—	—	—	0.90	0.90
		(—)	(—)	(—)	(—)	(0.90)	(0.90)
5	**Interest paid :**						
	i) Veronica Construction P. Ltd	—	—	—	—	3.18	3.18
		(—)	(—)	(—)	(—)	(3.67)	(3.67)
	ii) Byad Packaging Industries Pvt Ltd	—	—	—	—	5.19	5.19
		(—)	(—)	(—)	(—)	(2.70)	(2.70)
	iii) Devanshu L Gandhi	—	—	—	19.32	—	19.32
		(—)	(—)	(—)	(18.30)	(—)	(18.30)
6	**Salary paid :**						
	i) Mamta R.Gandhi	—	—	—	5.43	—	5.43
		(—)	(—)	(—)	(5.29)	(—)	(5.29)
	ii) Kalpit R. Gandhi	—	—	—	20.88	—	20.88
		(—)	(—)	(—)	(20.72)	(—)	(20.72)
	iii) Aastha R. Gandhi	—	—	—	1.31	—	1.31
		(—)	(—)	(—)	(5.26)	(—)	(5.26)
7	**Interest Income :**						
	i) Vadilal International Pvt.Ltd.	—	—	—	—	6.00	6.00
		(—)	(—)	(—)	(—)	(6.00)	(6.00)
	ii) Vadilal Forex and Consultancy Services Ltd.	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(0.70)	(0.70)
	iii) Padm Complex Ltd.	—	—	—	—	0.13	0.13
		(—)	(—)	(—)	(—)	(0.09)	(0.09)
8	**Share of profit/(loss) in Partnership Firm**						
	Vadilal Cold Storage	—	-3.62	—	—	—	-3.62
		(—)	(12.86)	(—)	(—)	(—)	(12.86)
9	**Royalty paid/payable :**						
	Vadilal International Pvt.Ltd.	—	—	—	—	17.90	17.90
		(—)	(—)	(—)	(—)	(20.46)	(20.46)

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
10	**Loan / Deposit Received / Returned**						
i)	Veronica Construction P. Ltd	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(151.95)	(151.95)
ii)	Byad Packaging Industries Pvt Ltd	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(47.00)	(47.00)
iii)	Devanshu L Gandhi	—	—	—	—	—	—
		(—)	(—)	(—)	(227.00)	(—)	(227.00)
ii)	Padm Complex Ltd	—	—	—	—	1.80	1.80
		(—)	(—)	(—)	(—)	(1.20)	(1.20)
iii)	Vadilal Forex and Consultancy Services Ltd.	—	—	—	—	—	—
		(—)	(—)	(25.00)	(—)	(—)	(25.00)
11	**Loan / Deposit Re-paid**						
i)	Veronica Construction P. Ltd	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(227.00)	(227.00)
ii)	Devanshu L Gandhi	—	—	—	—	197.00	197.00
		(—)	(—)	(—)	(—)	(—)	(—)
12	**Security Deposit Repaid**						
i)	Vadilal Enterprises Limited	—	—	—	—	650.00	650.00
		(—)	(—)	(—)	(—)	(—)	(—)
13	**Security Deposit Received:**						
i)	Vadilal Enterprises Ltd.	—	—	—	—	560.00	560.00
		(—)	(—)	(—)	(—)	(—)	(—)
B	**Balance outstanding at year end :**						
a)	**Investments :**						
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)
iiii)	Others	—	—	0.72	—	1.87	2.59
		(—)	(—)	(0.72)	(—)	(1.87)	(2.59)
b)	**Receivable :**						
i)	Vadilal Enterprises Ltd.*	—	—	—	—	1570.94	1570.94
		(—)	(—)	(—)	(—)	(666.20)	(666.20)
ii)	Vadilal Industries (USA) Inc	290.56	—	—	—	—	290.56
		(356.70)	(—)	(—)	(—)	(—)	(356.70)
	Loans & Advances Given:						
i)	Vadilal International Pvt.Ltd.	—	—	—	—	600.00	600.00
		(—)	(—)	(—)	(—)	(600.00)	(600.00)
ii)	Vadilal Cold Storage	—	208.40	—	—	—	208.40
		(—)	(181.56)	(—)	(—)	(—)	(181.56)
iii)	Padm Complex Ltd	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(21.88)	(21.88)
	Advance given to supplier:						
i)	Ambica Dairy Products	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(—)	(—)
ii)	Majestic Farm House Ltd.	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(—)	(—)

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
c)	**Payable :**						
	Loan / Deposit taken						
i)	Veronica Construction P. Ltd	—	—	—	—	33.12	33.12
		(—)	(—)	(—)	(—)	(30.26)	(30.26)
ii)	Byad Packaging Industries Pvt Ltd	—	—	—	—	54.11	54.11
		(—)	(—)	(—)	(—)	(47.00)	(47.00)
iii)	Devanshu L Gandhi	—	—	—	63.85	—	63.85
		(—)	(—)	(—)	(227.00)	(—)	(227.00)
	Security Deposit Taken :						
i)	Vadilal Enterprises Ltd.	—	—	—	—	560.00	560.00
		(—)	(—)	(—)	(—)	(650.00)	(650.00)
	Trade Payables:						
i)	Vadilal Cold Storage	—	—	—	—	—	—
		(—)	(7.66)	(—)	(—)	(—)	(7.66)
	Advance from customers						
ii)	Others	—	—	—	—	6.17	6.17
		(—)	(—)	(—)	(—)	(23.61)	(23.61)
d)	**Against corporate guarantee given :**						
	Vadilal Enterprises Ltd.	—	—	—	—	2009.00	2009.00
		(—)	(—)	(—)	(—)	(1809.00)	(1809.00)
e)	**Against corporate guarantee taken:**						
i)	Vadilal Enterprises Ltd.	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(800.00)	(800.00)
ii)	Padm Complex Ltd & Volute Construction Ltd	—	—	—	—	9878.00	9878.00
		(—)	(—)	(—)	(—)	(9878.00)	(9878.00)
f)	**Personal guarantee taken:**						
iii)	Directors	—	—	—	12480.00	—	12480.00
		(—)	(—)	(—)	(14273.00)	(—)	(14273.00)

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	-	-
Lease Payments	(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 after Tax	1435.45	192.90
Net Profit for calculating basic/diluted EPS	1435.45	192.90
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 01.04.2015	16.65
2)	Additional provision during 2015-16	12.00
3)	Provision used during 2015-16	00.00
4)	Provision reversed during 2015-16	00.00
5)	Balance as at 31.03.2016	28.65

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

Mayank S.Shah
Partner
Membership No.-44922

Place : Ahmedabad
Date : May 28,2016

For and on behalf of the Board

Rajesh R.Gandhi : Chairmen & Managing Director
Devanshu L.Gandhi : Managing Director
Kalpit R.Gandhi : Director & Chief Financial Officer
Ruchita Gurjar : Company Secretary

Place : Ahmedabad
Date : May 28,2016

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** (₹the Holding Company'), its subsidiary, Associate and partnership firm (the holding company, its subsidiary, Associate, partnership firm together referred to as "the Group") which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and 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 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 and presentation of these consolidated 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 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 state of affairs of the Company as at 31 March 2016 and its profit and its 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 ₹ 170.62 lakhs 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 utilized MAT Credit of ₹ 68.68 Lakhs out of MAT Credit Taken of ₹ 551.85 Lakhs up to 31.03.2015.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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.

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

(c) the balance sheet, the statement of profit and loss and the 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 as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of

Section 164 (2) of the Act;

(f) with respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its associate incorporated in India, refer to our separate report in **"Annexure A";**

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Lakhs which is held in abeyance due to legal case pending.

Other Matters

(a) We did not audit the financial statements of Partnership firm and Subsidiary whose financial statements reflect total assets (net) of ₹ 661.03 lakhs as at 31st March, 2016, total revenues of ₹ 816.97 Lakhs and net cash outflows amounting to ₹ 6.56 Lakhs 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.

(b) 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 : May 28, 2016

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Vadilal Industries Limited** ("the Holding Company and its associate which are companies incorporated in India") as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to explanations given to us, Holding Company and its associate have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

[Mayank S. Shah]
Partner
Membership No.: 44922

Place : Ahmedabad
Date : May 28, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Sr. No.	Particulars	Note	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
I	**EQUITY AND LIABILITIES**			
(1)	**Shareholders' Funds:**			
(a)	Share Capital	2	718.78	718.78
(b)	Reserves & Surplus	3	11989.70	10633.83
	Sub Total		**12708.48**	**11352.61**
(2)	**Minority Interest**		34.89	34.96
(3)	**Deferred Government Grant**		21.59	25.26
(4)	**Non-Current Liabilities**			
(a)	Long Term borrowings	4	4555.36	6125.39
(b)	Deferred tax liabilities(Net)	5	1929.16	1535.36
(c)	Long term provisions	6	133.06	116.17
	Sub Total		**6617.58**	**7776.92**
(5)	**Current Liabilities**			
(a)	Short term borrowings	7	5397.85	6423.42
(b)	Trade payables	8		
	Total Outstanding dues of Micro Enterprises and Small Enterprises		11.57	18.33
	Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		7070.18	6476.01
(c)	Other current liabilities	9	4381.38	4632.71
(d)	Short term provisions	6	357.79	227.42
	Sub Total		**17218.77**	**17777.89**
	TOTAL ->		**36601.31**	**36967.64**
II	**ASSETS**			
(1)	**Non-Current Assets**			
(a)	Fixed Assets :	10		
	i) Tangible assets		22018.86	22120.69
	II) Intangible Assets		461.63	431.38
	III) Capital Work - In - Progress		51.54	60.89
	Sub Total		**22532.03**	**22612.96**
(b)	Non-current Investments	11	19.88	14.25
(c)	Long-term loans and advances	12	1336.27	1459.04
(d)	Other non-current assets	13	52.40	66.77
	Sub Total		**23940.58**	**24153.02**
(2)	**Current Assets**			
(a)	Current Investments	14	1.10	1.14
(b)	Inventories	15	9350.23	9732.49
(c)	Trade receivables	16	2158.05	1558.15
(d)	Cash & Bank balances	17	422.30	507.81
(e)	Short term Loans & Advances	12	485.39	761.41
(f)	Other Current Assets	13	243.66	253.62
	Sub Total		**12660.73**	**12814.62**
	TOTAL ->		**36601.31**	**36967.64**
	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 : May 28, 2016

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
Ruchita Gurjar : Company Secretary

Place : Ahmedabad
Date : May 28, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Sr. No.	Particulars	Note	Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
I	Revenue From Operations (Gross)	18	46064.22	41574.97
	Less : Excise Duty		1090.57	945.44
	Revenue From Operations (Net)		44973.65	40629.53
	Other Income	19	106.64	315.33
	Total Revenue (I)		**45080.29**	**40944.86**
II	**Expenses :**			
	Cost of Materials Consumed	20	24936.80	23678.08
	Purchase of stock-in-Trade	21	65.29	44.69
	Changes in inventories of Finished goods and stock in trade	22	(174.78)	1008.23
	Employee Benefits expenses	23	2508.80	2065.25
	Other Expenses	24	11802.70	9884.82
	Total (II) Sub Total		**39138.81**	**36681.07**
III	Earnings before Interest, Tax, Depreciation and amortisation (EBITDA) (I-II)		5941.48	4263.79
IV	Finance Cost	25	2145.47	2573.23
	Depreciation and amortization expenses	10	1355.32	1319.65
	Less : Recoupment from Deferred Government grant		3.67	3.42
			1351.65	1316.23
	Total (IV) Sub Total		**3497.12**	**3889.46**
V	Profit before Exceptional & extraordinary items and tax(III-IV)		2444.36	374.33
VI	Exceptional Items		0.00	0.00
VII	Profit before extraordinary items and tax(V-VI)		2444.36	374.33
VIII	Extraordinary items		0.00	0.00
IX	Profit before Tax(VII-VIII)		2444.36	374.33
X	Tax Expenses			
	(a) Current Tax		577.09	2.42
	(b) Deferred Tax charge / (release)		393.80	137.16
	(c) Short / (Excess) Provision of Tax / Deferred Tax of earlier years (Net)		3.01	(4.71)
			973.90	134.87
XI	Profit for the period (IX – X)		1470.46	239.46
XII	(Profits)/Losses applicable to Minority Interest		0.07	(0.26)
XIII	Share in Profit of Associate		5.63	4.45
XIV	**Profit for the period (XI -XII + XIII)**		**1476.16**	**243.65**
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		20.46	3.33
	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 : May 28, 2016

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
Ruchita Gurjar : Company Secretary

Place : Ahmedabad
Date : May 28, 2016

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

		For the year ended 31.03.2016 (₹ in Lacs)	(₹ in Lacs)	For the year ended 31.03.2015 (₹ in Lacs)	(₹ in Lacs)
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax and Exceptional Items from continuing operations	2444.36		374.33	
	Non-cash adjustments to reconcile profit before tax to net cash flows				
	Depreciation and amortisation expense	1355.32		1319.65	
	Withdrawn From Deferred Government Grant	(3.67)		(3.42)	
	Loss / (Profit) on sale of Assets	(28.81)		(90.94)	
	Provision for Doubtful debts	10.66		24.80	
	Provision for Doubtful advances	9.83		9.69	
	Upfront Interest on restructuring of Loan	8.58		11.64	
	Diminution in value of Current Investments	0.04		0.01	
	Excess Provision written back	(2.48)		(86.73)	
	Profit on sale of Investments	(8.67)		0.00	
	Dividend	(0.13)		(0.16)	
	Interest expenses	2145.47		2573.23	
	Interest Income	(40.67)		(48.44)	
	Exchange rate difference on consolidation	(12.15)		(8.60)	
	Operating Profit before working capital changes	5877.68		4075.06	
	Movements in working capital :				
	Increase / (decrease) in trade payables	587.41		629.86	
	Increase / (decrease) in long term provisions	16.89		18.11	
	Increase / (decrease) in short term provisions	28.34		17.70	
	Increase / (decrease) in other current liabilities	215.63		106.10	
	Decrease / (increase) in trade receivable	(610.56)		(40.56)	
	Decrease / (increase) in inventories	382.26		378.03	
	Decrease / (increase) in long term loans and advances	15.56		9.15	
	Decrease / (increase) in short term loans and advances	248.27		(16.75)	
	Decrease / (increase) in other current assets	(13.25)		(40.32)	
	Cash Generated from / (used in) Operations	6748.23		5136.38	
	Direct taxes paid (net of refunds)	(392.49)		(143.23)	
	Cash flow before extraordinery items	6355.74		4993.15	
	Net Prior Year Expenses	0.00		0.00	
	Net Cash from / (used in) Operating Activities		6355.74		4993.15
B	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Loans given (Net)	17.92		(34.28)	
	Purchase of fixed assets	(1274.55)		(896.30)	
	Sale of fixed assets	28.97		149.62	
	Purchase of Current Investments	(1790.00)		0.00	
	Investments in bank deposits (having original maturity of more than three months (Net)	33.93		(58.39)	
	Proceeds from Sale / maturity of Investments	1798.67		0.00	
	Interest received	56.67		48.68	
	Dividend received	0.13		0.16	
	Deferred Government grant received	0.00		9.50	
	Net Cash flow from / (used in) Investing Activities		(1128.26)		(781.01)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term borrowings	654.97		437.62	
	Repayment of Long Term Borrowings	(2649.55)		(2208.37)	
	Proceeds of Short Term borrowings	6231.30		2772.98	
	Repayment of Short Term Borrowings	(7256.87)		(2414.15)	
	Interest paid	(2185.83)		(2585.60)	
	Dividends paid on equity shares	(71.45)		(73.23)	
	Tax on equity dividend paid	(14.63)		(12.21)	
	Net Cash used in Financing Activities		(5292.06)		(4082.96)
	Net Increase/(Decrease) in cash and Cash equivalents (A+B+C)		(64.58)		129.18
	Op. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ 0.16 lacs (P.Y. ₹ Nil))		351.53		222.35
	Cl. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ Nil (P.Y. ₹. 0.16 lacs))		286.95		351.53
	Major Components of Cash and Cash Equivalents as at		31.03.2016		31.03.2015
	Cash and Cheques on hand		37.15		98.68
	Balance With Banks				
	On Current Accounts		64.85		49.99
	On Unpaid Dividend Accounts *		18.79		18.37
	On Fixed / Margin Money Deposit Accounts (Includes ₹ 90.59 Lacs (P.Y. ₹ 108.33) in Deposit Repayment Reserve Account)		166.16		184.49
			286.95		351.53

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 : May 28, 2016

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
Ruchita Gurjar : Company Secretary

Place : Ahmedabad
Date : May 28, 2016

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.

a) 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.

b) 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.

c) 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.

d) 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.

e) 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.

f) 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.

g) 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.

h) In case of foreign subsidiary, being non-integral foreign operations,

1) 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.

2) All balance sheet items are translated into rupees using the year end exchange rate.

3) All resulting exchange differences are accumulated in a Foreign Currency Translation Reserve Account.

C) 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 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE - 2		
SHARE CAPITAL		
Share capital		
Authorized shares	1500.00	1500.00
1,50,00,000 (31 March 2015: 1,50,00,000) equity shares of ₹. 10/- each		
	1500.00	**1500.00**
Issued, subscribed and fully paid-up shares		
Issued and Subscribed :		
71,88,230 (31 March 2015: 71,88,230) equity shares of ₹ 10/- each	718.82	718.82
	718.82	**718.82**
Paid up :		
71,87,830 (31 March 2015: 71,87,830) equity shares of ₹ 10/- each	718.78	718.78
Total paid-up share capital		
	718.78	**718.78**

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

	31st March, 2016		31st March, 2015	
	Nos	₹ in Lacs	Nos	₹ in Lacs
Equity shares				
At the beginning of the period	7187830	718.78	7187830	718.78
Outstanding at the end of the period	**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 2016, the amount of per share dividend recognized as distribution to equity shareholders is ₹ 1.25 (31 March 2015 : ₹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, 2016		31st March, 2015	
	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 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 3		
RESERVES & SURPLUS		
Capital Reserve		
Closing Balance	8.84	8.84
Securities Premium Account		
Closing Balance	487.27	487.27
Revaluation Reserve		
Balance as per last Financial Statements	6068.71	6222.60
Less : Amount of Revaluation due to sale of Fixed Assets	0.00	74.13
Less : Depreciation to the extent on account of revaluation of fixed assets, transferred to General Reserve	40.52	79.76
Closing Balance	6028.19	6068.71
General Reserve		
Balance as per last Financial Statements	3800.00	3600.00
Add : Amount transferred from surplus balance in the statement of profit and loss	1159.48	161.78
Add : Depreciation to the extent on account of revaluation of fixed assets transferred from Revaluation reserve	40.52	79.76
Less : Carrying Value of Assets whose life has been Completed C Y ₹ Nil (P Y Net of Deferred Tax ₹ 21.39 Lacs)	0.00	41.54
Closing Balance	5000.00	3800.00
Foreign Currency Translation Reserve		
Balance as per last Financial Statements	(49.00)	(40.40)
Less : Current Year Transfer	12.15	8.60
Closing Balance	(61.15)	(49.00)

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
Surplus / (Deficit) in the statement of profit and loss		
Balance as per last Financial Statements	318.01	322.65
Profit for the year	1476.16	243.65
Less: Appropriations		
Proposed final equity dividend (amount per share ₹ 1.25 (P.Y. amount per share ₹ 1.00))	89.85	71.88
Tax on proposed equity dividend	18.29	14.63
Transferred to General reserve	1159.48	161.78
Total Appropriations	1267.62	248.29
Net Surplus / (Deficit) in the statement of profit and loss	526.55	318.01
Total Reserves and Surplus	**11989.70**	**10633.83**

	Non – Current		Current Maturities	
	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 4				
LONG TERM BORROWINGS				
Term Loans				
From Banks (Secured)	3806.53	5180.94	1560.40	1894.03
From Financial Institutions (Secured)	0.00	200.00	200.00	200.00
From Others (Unsecured)	2.93	81.24	78.31	133.33
	3809.46	5462.18	1838.71	2227.36
Deposits (Unsecured)				
Public Fixed Deposits	745.90	663.21	380.24	416.14
	745.90	663.21	380.24	416.14
Total	**4555.36**	**6125.39**	**2218.95**	**2643.50**
The above amount includes :				
Secured borrowings	3806.53	5380.94	1760.40	2094.03
Unsecured borrowings	748.83	744.45	458.55	549.47
Less : Amount disclosed under the head "Other current Liabilities" Note – 9			(1760.40)	(2094.03)
Less : Amount disclosed under the head "Other current Liabilities" Note – 9			(458.55)	(549.47)
Net Amount	**4555.36**	**6125.39**	**0.00**	**0.00**

Repayment Schedule of Loans

	Sanctioned / Disbursed Amount	As at 31.03.2016	As at 31.03.2015	Rate of Interest	No of installment	Amount of installment
Term Loans From Banks						
IDBI Bank (Expansion Loan)	800.00	0.00	85.75	14.75%	-	-
BOB	1000.00	150.00	350.00	12.65%	9 Monthly	16.67
BOB	1400.00	583.33	863.33	12.65%	25 Monthly	23.33
BOB	2000.00	1555.55	1888.88	13.80%	55 Monthly	27.78
					1 Monthly	27.62
SBT	1000.00	313.50	514.50	12.90%	18 Monthly	16.75
					1 Monthly	11.75
SBT	1000.00	313.50	514.50	12.90%	18 Monthly	16.75
					1 Monthly	11.75
SBI (old loan)	775.00	0.00	11.04	14.75%		
SBI (Project)	1000.00	0.00	215.10	14.75%		
SBI (Project)	900.00	450.00	600.00	14.75%	12 Quarterly	37.50
SBI (Project)	2100.00	1804.25	1934.25	14.75%	12 Monthly	10.00
					32 Monthly	52.00
					1 Monthly	20.25
Vehicle Loans						
HDFC	-	196.80	97.62	-	From 17 to 54 Monthly Installments *	-

Repayment Schedule of Loans

	Sanctioned / Disbursed Amount	As at 31.03.2016	As at 31.03.2015	Rate of Interest	No of installment	Amount of installment
From Financial Institutions						
Exim	1000.00	200.00	400.00	13.75%	4 Quarterly	50.00
Others						
IBM India	135.11	35.90	72.00	12.50%	3 Quarterly *	7.83
					4 Quarterly *	3.10
Magma Finance	150.00	45.34	142.57	16.10%	5 Monthly *	9.08
Total		5648.17	7689.54			
Fixed deposits		1126.14	1079.35	10.25 % to 11.00%	24 months to 36 months based on period of deposit	

*Includes Interest portion

A 1) New Term Loan from BOB, SBI and Exim Bank aggregating to Rs. 20 crores, Further Term Loan from BOB and SBT aggregating to Rs. 34 crores, Additional Term Loan of Rs. 9 crores and Rs. 21 crores from SBI and Corporate Loan of Rs. 20 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 and 2nd charge on pari-passu basis :-

i Dudheshwar, Ahmedabad (Ice-cream Plant) (1st charge) (Owned Property)

ii Dharampur, Dist.: Valsad (Canning Unit) (1st charge) (Owned Property)

iii Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge) (Owned Property)

iv Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (1st charge) (Owned Property)

v Unit – I, Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge) (Leased Property)

vi Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries) (2nd charge) (Owned Property)

vii Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge) (Owned Property)

viii Dharampur, Dist.: Valsad (New land) (1st charge) (Owned Property)

ix Unit – II, Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries)

x Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (only on movable properties as 1st charge)

xi Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) (only on movable properties as 1st charge)

2) New Term Loan aggregating to Rs. 30 crores from BOB, SBI and Exim Bank, Further Term Loan aggregating to Rs. 34 crores from BOB and SBT, Additional Term Loan of Rs. 9 crores and Rs. 21 crores from SBI and Corporate Loan of Rs. 20 crores from BOB as above are also secured by mortgage and hypothecation on immovable and movable properties of the Company situated at Bareilly, Parsakhera Industrial Area, U.P. (New Land - F-12) (Leased Property)

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 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 5		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Fixed assets : Impact of difference between tax Depreciation and depreciation / amortisation charged for the financial reporting	2041.10	1759.39
Others	0.59	7.05
	2041.69	1766.44
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	97.25	71.30
Unabsorbed depreciation	0.00	120.78
Others	15.28	39.00
	112.53	231.08
Deferred Tax Liability (Net)	**1929.16**	**1535.36**

	Long term As At 31.03.2016 (₹ in Lacs)	Short term As At 31.03.2015 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 6				
PROVISIONS				
Employee Benefits :				
Provision for Gratuity	133.06	116.17	54.18	51.06
Compensated absences	0.00	0.00	86.42	73.20
Others :				
Income Tax Less Advance Tax (Current Tax)	0.00	0.00	80.40	0.00
Proposed Equity Dividend	0.00	0.00	89.85	71.88
Provision for Tax on Proposed Equity Dividend	0.00	0.00	18.29	14.63
Other Provisions	0.00	0.00	28.65	16.65
Total	**133.06**	**116.17**	**357.79**	**227.42**

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
Note – 7		
SHORT TERM BORROWINGS		
Loans Repayable on Demand		
From Banks		
Working Capital Loans (Secured)	3989.64	5109.96
Foreign Currency Loan (Buyers Credit) (Secured)	49.36	0.00
	4039.00	5109.96
Loans/Deposits from Related Parties (Unsecured) (Refer Note 27.2)	151.07	304.26
Deposits (Unsecured)		
Public Fixed Deposits	222.03	208.20
Inter Corporate deposits	985.75	801.00
	1207.78	1009.20
Total	**5397.85**	**6423.42**
The above amount includes :		
Secured borrowings	4039.00	5109.96
Unsecured borrowings	1358.85	1313.46
Total	**5397.85**	**6423.42**

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 Rs. 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 and 2nd charge on pari-passu basis :-

- i Dudheshwar, Ahmedabad (Icecream Plant) (2nd Charge) (Owned property)
- ii Dharampur, Dist. : Valsad (Canning Unit) (2nd 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 Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 2nd Charge)
- xi Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) (Only on movable properties as 2nd Charge)
- XII Dharampur, Dist : Valsad (New land) (2nd 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 @ 12.25% to 13.25%

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 15.00%

F Fixed deposits are repayable for 12 months and carry interest @10.25%

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 8		
TRADE PAYABLES		
Micro Small and Medium Enterprises	11.57	18.33
Others (Including acceptances of ₹ 2487.22 Lacs (P.Y. ₹ 1492.67 Lacs))	7070.18	6476.01
Total	**7081.75**	**6494.34**
NOTE – 9		
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term debts (Refer Note 4)		
From Banks	1560.40	1894.03
From Financial Institutions	200.00	200.00
From Others	78.31	133.33
Public Deposits (Refer Note 4)	380.24	416.14
Interest Accrued but not due on borrowings	89.50	133.41
Interest Accrued and due on borrowings	59.01	55.46
Unclaimed Dividends *	18.79	18.36
Unclaimed Matured deposits and Interest accrued thereon * #	15.82	14.96
Book Overdraft in current account with Banks	29.45	34.18
Payable for Capital Goods	376.37	224.67
Other Payables -		
Statutory dues payable	540.83	400.76
Advance from Customers	26.80	42.82
Security Deposits from Customers	864.89	863.74
Others	140.97	200.85
Total	**4381.38**	**4632.71**

* Does not include any amounts outstanding as on 31.03.2016 which are required to be credited to Investor Education and Protection Fund

\# These figures includes Rs. 0.15 (P.Y. Rs 0.15) due and outstanding as on date 31.03.2016, 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
I. Tangible Assets									
Cost or Valuation -									
At 31st March, 2015	4378.67	1328.87	7619.05	17.13	19299.01	200.76	522.25	326.29	33692.03
Additions	8.82	0.00	127.68	0.00	855.91	45.03	2.76	101.71	1141.91
Disposals	0.00	0.00	0.00	0.00	28.33	0.00	0.22	0.00	28.55
At 31st March, 2016	4387.49	1328.87	7746.73	17.13	20126.59	245.79	524.79	428.00	34805.39
II Depreciation -									
At 31st March, 2015	0.00	69.42	3150.10	3.66	7712.98	133.33	333.93	167.92	11571.34
Additions	0.00	22.43	211.67	1.80	876.34	14.05	78.12	39.17	1243.58
Disposals	0.00	0.00	0.00	0.00	28.33	0.00	0.06	0.00	28.39
At 31st March, 2016	0.00	91.85	3361.77	5.46	8560.99	147.38	411.99	207.09	12786.53
III Net Block									
At 31st March, 2016	4387.49	1237.02	4384.96	11.67	11565.60	98.41	112.80	220.91	22018.86
At 31st March, 2015	4378.67	1259.45	4468.95	13.47	11586.03	67.43	188.32	158.37	22120.69

II Intangible Assets **(₹ in Lacs)**

Particulars	Software & development Costs
A Cost or Valuation -	
At 31st March, 2015	533.17
additions	141.99
deductions	0.00
At 31st March, 2016	675.16
B Amortisation -	
At 31st March, 2015	101.79
additions	111.74
deductions	0.00
At 31st March, 2016	213.53
C Net Block	
At 31st March, 2016	461.63
At 31st March, 2015	431.38

	Particulars	
III	Capital Work In Progress	
	At 31st March, 2015	60.89
	Additions	95.92
	Deductions	105.27
	At 31st March, 2016	51.54

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 Capital Work in progress includes -

₹ 51.54 Lacs (P.Y. ₹ 60.89 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 :

		31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs
Opening Balance		0.00	0.00
Add :			
Expenses Incurred towards acquisition of Fixed assets	0.00		12.07
Interest Capitalised	0.00		0.00
Less :		0.00	12.07
Capitalised during the year		0.00	12.07
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	0.72	0.72
In Vadilal Forex and consultancy services Ltd		
(At cost less provision for other than temporary diminuition		
₹ 6.53 Lacs (P.Y. ₹ 6.53 Lacs))		
Add : Accumulated Profits since 2012-13 onwards	15.01	9.38
	15.73	10.10
Non trade Investments (valued at cost unless stated otherwise)		
Government and Trust Securities		
Unquoted		
7 Year National Saving Certificates	0.28	0.28
(Lodged with Govt. Authorities)		
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	0.03	0.03
In Padm Complex Pvt. Ltd.		
280 (P.Y. 280) equity shares of ₹ 10 each fully paid up	0.03	0.03
In Volute Construction Pvt Ltd.		
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
Total	**19.88**	**14.25**
Aggregate amount of unquoted investments	19.88	14.25

	Non – Current		Current	
	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 12				
LOANS AND ADVANCES				
Unsecured, Considered good unless otherwise stated				
Capital Advances	20.60	57.00	0.00	0.00
Loans and Advances to related parties (Refer Note 27.2)	0.00	1.20	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	227.13	452.06
Considered Doubtful	0.00	0.00	20.21	65.93
Less : Provided for	0.00	0.00	20.21	65.93
	0.00	0.00	0.00	0.00
Sub-Total	0.00	0.00	227.13	452.06
Other Loans and Advances				
Loans to employees	2.32	1.53	9.02	7.33
Prepaid Expenses	1.26	2.09	78.62	113.48
Deposits with Government Authorities	105.89	94.56	0.00	0.00
Advance Income Tax less Provisions	34.31	72.84	0.00	0.00
MAT Tax entitlement (Refer Note 26.7)	483.17	551.85	0.00	0.00
Other Trade / Security Deposits (Refer Note 27.2)	688.72	677.97	0.00	0.00
Loans in Current Account (Refer Note 26.4)	0.00	0.00	170.62	188.54
Sub-Total	1315.67	1400.84	258.26	309.35
Total	**1336.27**	**1459.04**	**485.39**	**761.41**
Loans and Advances to related parties include -				
Others	0.00	1.20	0.00	0.00
Total	**0.00**	**1.20**	**0.00**	**0.00**
NOTE – 13				
OTHER ASSETS				
Unsecured, Considered good unless otherwise stated				
Deposits with original maturity for more than 12 months (Refer Note No. 17)	52.40	65.40	0.00	0.00
Unamortised Borrowing cost	0.00	1.37	1.37	8.58
Interest Receivable	0.00	0.00	6.82	22.82
Export Benefits Receivable	0.00	0.00	78.29	84.02
Subsidy Receivable	0.00	0.00	157.18	138.20
Total	**52.40**	**66.77**	**243.66**	**253.62**

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 14		
CURRENT INVESTMENTS (Valued at lower of cost and fair value)		
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

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
25000 (P.Y. 25000) equity shares of ₹ 1 each fully paid-up In Interface Financial Services Ltd	2.00	2.00
Nil (P.Y. 120) equity shares of ₹ 2 each fully paid-up In Mylan Laboratories Ltd	0.00	0.64
4900 (P.Y. 4900) equity shares of ₹ 10 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
	4.16	4.80
Less : Diminution in value of Investments	3.06	3.66
Total	**1.10**	**1.14**
Aggregate amount of quoted investments (Market value ₹ 1.83 Lacs(P.Y. ₹ 1.56 Lacs))	4.16	4.80
Aggregate provision for diminution in value of Investments	3.06	3.66
NOTE – 15		
INVENTORIES		
Stores & Spares	424.16	434.20
Raw Materials	3107.18	3605.46
Packing Materials	1459.59	1508.31
Finished Goods	4359.30	4184.52
Total	**9350.23**	**9732.49**
NOTE – 16		
TRADE RECEIVABLES		
Unsecured, Considered good unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	26.11	41.19
Considered Doubtful	23.64	13.23
Less : Provided for	23.64	13.23
	-	-
	26.11	41.19
Other receivables (Considered Good) (Refer Note 27.2)	2131.94	1516.96
Considered doubtful	0.25	-
Less : Provided for	0.25	-
	-	-
	2131.94	1516.96
Total	**2158.05**	**1558.15**
of the above debts (exceeding six months) -		
Secured Considered good	10.13	14.82
Unsecured Considered good	15.98	26.37
	26.11	41.19
of the above debts (other receivables) -		
Secured Considered good	560.00	650.00
Unsecured Considered good	1571.94	866.96
Total	2131.94	1516.96
NOTE – 17		
CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with Banks		
On Current Accounts	64.85	49.99
On Deposit Repayment Reserve Account	90.59	108.33
Deposits / Margin Money Deposits with original maturity of less than three months	75.57	76.16
On Unpaid Dividend a/c	18.79	18.37

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
Cheques, Drafts on hand	0.00	34.66
Cash Balance on hand	37.15	64.02
	286.95	351.53
Other Bank Balances		
Deposits with original maturity for more than three months	135.67	156.12
(Includes Security deposit with banks Rs 134.84 Lacs P. Y. Rs 154.60 Lacs)		
Margin Money deposit (towards guarantee and LC issued by banks)	52.08	65.56
	187.75	221.68
	474.70	573.21
Less : Deposits with original maturity of more than 12 months	52.40	65.40
Amount disclosed under non-current assets (Refer Note 13)		
Total	**422.30**	**507.81**

	Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
NOTE – 18		
REVENUE FROM OPERATIONS		
Sale of Products (Refer Note below)		
Finished Goods	45672.64	41195.87
Sale of Services Income from Money Changing Business	7.77	6.35
Other Operating Revenues		
Export Licences / DEPB	139.86	146.67
Miscellaneous Sales	73.01	82.48
Others	170.94	143.60
Total	**46064.22**	**41574.97**
Details of Products sold (Gross)		
Finished Goods		
Ice Cream & Frozen Desserts	39803.13	34982.86
Fruit Pulp,Frozen Fruits, Vegetables & Ready to eat / serve	5291.41	6008.96
Other Dairy Products	578.10	204.05
Total	**45672.64**	**41195.87**

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 seggregate the information regarding Sales, consumption and inventories of such products into Finished goods and traded goods

NOTE – 19		
OTHER INCOME		
Interest Income	40.67	48.44
Dividend Income		
On Long Term Investments	0.13	0.16
Net gain / (Loss) on foreign currency translation and transaction	24.62	76.12
Profit on Sale of Investments	8.67	0.00
Other Income		
Profit on Sale of Fixed Assets	28.81	90.94
Excess Provision written back	2.48	86.73
Miscellaneous Income	1.26	12.94
Total	**106.64**	**315.33**

	Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
NOTE – 20		
COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	5113.77	4540.11
Add : Purchases	24389.80	24251.74
	29503.57	28791.85
Less : Inventory at the end of the year	4566.77	5113.77
Cost of Materials consumed	**24936.80**	**23678.08**
Details of Materials consumed -		
Milk and Milk Products	10,202.83	8995.34
Dry Fruits, Fresh Fruits & Vegetables	3,471.95	3514.84
Packing Materials	7,509.35	5157.03
Others	3,752.67	6010.87
Total	**24936.80**	**23678.08**
Details of Inventory -		
Milk and Milk Products	1262.60	2131.53
Dry Fruits, Fresh Fruits & Vegetables	879.72	844.97
Packing Materials	1459.59	1508.31
Others	964.86	628.96
Total	**4566.77**	**5113.77**
NOTE – 21		
PURCHASE OF TRADED GOODS		
Fruit Pulp, Frozen Fruits & Vegetables	47.10	38.93
Others	18.19	5.76
Total	**65.29**	**44.69**
NOTE – 22		
CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE		
Opening Stock :		
Finished Goods	4184.52	5192.75
	4184.52	5192.75
Closing Stock :		
Finished Goods	4359.30	4184.52
	4359.30	4184.52
Net Changes in Inventories	**(174.78)**	**1008.23**
Details of Inventory -		
Finished Goods		
Ice Cream & Frozen Desserts	2521.43	2238.87
Fruit Pulp,Frozen Fruits & Vegetables	1837.87	1945.65
Total	**4359.30**	**4184.52**
NOTE – 23		
EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Allowances & Bonus, etc	2178.20	1758.50
Contribution to Provident & other funds	148.02	144.44
Staff Welfare Expenses	182.58	162.31
Total	**2508.80**	**2065.25**

	Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
NOTE – 24		
OTHER EXPENSES		
Job Charges	2448.65	1896.92
Power & Fuel	2999.09	2805.12
Stores & Spares Consumption	92.78	51.30
Repairs		
Building	87.31	60.52
Machinery	425.98	285.48
Excise Duty Others	17.13	(2.34)
Rent	903.16	806.21
Rates & Taxes	28.61	23.89
Insurance	73.75	65.17
Freight, Forwarding and other distribution expenses	2373.41	2080.76
Provision for Doubtful Debts	10.66	24.80
Provision for Doubtful Advances	9.83	9.69
Diminuition in Value of Short Term Investments	0.04	0.01
Payment to Auditors	32.56	26.15
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing &Stationery, etc)	2299.74	1751.14
Total	**11802.70**	**9884.82**
NOTE – 25		
FINANCE COST		
Interest Expenses	1991.31	2475.42
Other Borrowing Cost	147.01	87.61
Amortisation of ancilliary borrowing costs	7.15	10.20
Total	**2145.47**	**2573.23**

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, 2016 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**	(48535584)	(731697)
3	Total Assets**	26200372	394983
4	Total Liabilities**	26200372	394983
5	Details of Investments (Except in case of investment in the subsidiary)	NIL	NIL
6	Turnover(Net)***	64090120	979056
7	Profit/(Loss) Before Tax***	2003468	30605
8	Provision for Income Tax***	98191	1500
9	Profit/Loss After Taxation***	1905277	29105
10	Proposed Dividend	NIL	NIL
11	State and City	New Jersey(USA) San Francisco (USA)	

* Rate of Exchange (Initial) 1 USD = ₹ 60.63

** Rate of Exchange 1 USD = ₹ 66.3329 (Closing Rate)

***Rate of Exchange 1 USD = ₹ 65.4611 (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 :

(₹ in Lacs)

			C. Year	P. Year
I)		Guarantees given by the company against Term Loans given to companies in which Directors are interested is ₹ 2009 Lacs (P.Y. ₹ 1809 Lacs). Outstanding against this as at 31.03.2016	670.12	426.25
II)	i)	For Excise -		
	a)	Related to a matter decided in favor of the company, against which the Excise department has preferred an appeal.	8.86	8.86
	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.	3.50	4.49
	b)	Against which Income Tax department has preferred appeal	169.77	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)	For Sales Tax - Disputed by the company and against which company has preferred an appeal.	116.42	87.09
	iv)	For other Matters -	11.69	11.69
	v)	Differential amount of custom/excise duty in respect of machinery purchased under EPCG scheme.	461.24	648.92
III)		Other Money for which the Company is contingently liable		
	i)	Liability in respect of Bills	1924.47	2512.45

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 ₹ 3280.07 Lacs (P.Y. ₹ 3917.36 Lacs), for import made between the year of 2009-10 to 2015-16. 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 ₹ 170.62 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, 2016.

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, 2016 -

PARTICULARS	C.Year	P.Year
Number of Buy Contract	2	6
Aggregate Amount	US $ 0.00	US $ 681106.70
	CAD 75272.50	CAD 33700.00
	GBP 0.00	GBP 26500.00
	₹ 38.43 Lacs	₹ 467.42 Lacs

iii) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2016

PARTICULARS	C.Year		P.Year	
	PAYABLE	RECEIVABLE	PAYABLE	RECEIVABLE
US $	23748.00	369238.49	24243.00	734564.20
EURO	65857.28	0.00	0.00	0.00
GBP	3102.65	26864.60	0.00	9.50
TOTAL ₹ (IN LACS)	68.15	270.46	15.17	459.77

26.6) The company has written down the inventories to net realisable value during the year by ₹ 297.19 Lacs (Previous year ₹ 40.74 Lacs)

26.7) MAT CREDIT ENTITLEMENT :

The company has utilized MAT Credit of ₹ 68.68 Lacs out of MAT Credit Taken of ₹ 551.85 Lacs up to 31.03.2015.Balance amount of MAT Credit as on 31.03.2016 of ₹ 483.17 lacs will be utilized on the basis of the projection for future profit.

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	39059.73	5731.86	182.06	0.00	44973.65
		(34,048.20)	(6,431.37)	(149.98)	(0.00)	(40629.55)
	Other segment Income	39.34	17.66	0.16	0.00	57.16
		(120.24)	(146.33)	(0.14)	(0.00)	(266.71)
	Total segment revenue	39099.07	5749.52	182.22	0.00	45030.81
		(34168.44)	(6577.70)	(150.12)	(0.00)	(40896.26)
b)	SEGMENT RESULTS	5650.11	(617.32)	-21.85	0.00	5010.94
		(3,411.86)	(-199.24)	(8.40)	0.00	(3221.02)
	Unallocated Expenditure Net of Unallocated Income					421.11
						(273.45)
	Operating profit					4589.83
						(2947.57)
	Interest Expense					2145.47
						(2,573.24)
	Taxation for the year					
	- Current /MAT Tax					577.09
						(2.42)
	- Deferred Tax					393.80
						(137.16)
	- Short/Excess provision of I.Tax of earlier years					3.01
						(-4.71)
	- Minority Interest					0.07
						(0.26)
	- Share of Profit in Associate					5.63
						(4.45)
	Net Profit/ (Loss)					1476.16
						243.65
c)	SEGMENT ASSETS	25647.99	9487.32	336.41	0.00	35471.72
		(25849.76)	(9513.90)	(212.54)	0.00	(35576.20)
	Unallocated Assets					1111.81
						(1335.83)
	Total Assets					36583.53
						(36912.03)
d)	SEGMENT LIABILITIES	8482.40	925.20	48.17	0.00	9455.77
		(7847.41)	(695.34)	(29.20)	0.00	(8571.95)
	Unallocated liabilities					14419.28
						(16987.47)
	Total Liabilities					23875.05
						(25559.42)
e)	Cost incurred during the period to acquire segment fixed assets	1281.26	81.88	16.68		1379.82
		(1054.65)	(182.62)	(16.23)		(1253.50)
f)	Depreciation/Amortisation	1125.40	211.42	10.82		1347.64
		(1090.79)	(213.08)	(8.27)		(1312.14)
g)	Non cash expenses other than depreciation/amortisation	7.92	12.57	0.00		20.49
		(22.90)	(11.58)	(0.00)		(34.48)

Note : Figures in brackets relate to previous year.

B SECONDARY SEGMENT - GEOGRAPHICAL SEGMENT :

Segment revenue by geographical area based ongeographical location of customers : [₹ in Lacs]

Sr No	Geographical Area	Current Year	Previous Year
1	India	41194.75	35832.08
2	Outside India	3778.90	4797.47
		44973.65	40629.55

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. viii) Byad Packaging Pvt.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
A	**Transaction with Related Parties :**				
1	**Sales :**				
	i) Vadilal Enterprises Ltd.	—	—	45413.33	45413.33
		(—)	(—)	(35251.33)	(35251.33)
	ii) Others	—	—	131.78	131.78
		(—)	(—)	(131.36)	(131.36)
2	**Purchase :**				
	i) Majestic Farm House Ltd.	—	—	2.77	2.77
		(—)	(—)	(—)	(—)
3	**Rent Income :**				
	Vadilal Enterprises Ltd.	—	—	0.90	0.90
		(—)	(—)	(0.90)	(0.90)
4	**Interest paid :**				
	i) Veronica Construction P. Ltd	—	—	3.18	3.18
		(—)	(—)	(3.67)	(3.67)
	ii) Byad Packaging Industries Pvt Ltd	—	—	5.19	5.19
		(—)	(—)	(2.70)	(2.70)
	iii) Devanshu L Gandhi	—	19.32	—	19.32
		(—)	(18.30)	(—)	(18.30)
5	**Salary paid :**				
	i) Mamta R.Gandhi	—	5.43	—	5.43
		(—)	(5.29)	(—)	(5.29)
	ii) Kalpit R. Gandhi	—	20.88	—	20.88
		(—)	(20.72)	(—)	(20.72)
	iii) Aastha R. Gandhi	—	1.31	—	1.31
		(—)	(5.26)	(—)	(5.26)

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
6	**Interest Income :**				
	i) Vadilal International Pvt.Ltd.	—	—	6.00	6.00
		(—)	(—)	(6.00)	(6.00)
	ii) Vadilal Forex and Consultancy Services Ltd.	—	—	—	—
		(—)	(—)	(0.70)	(0.70)
	iii) Padm Complex Ltd.	—	—	0.13	0.13
		(—)	(—)	(0.09)	(0.09)
7	**Royalty paid/payable :**				
	i) Vadilal International Pvt.Ltd.	—	—	17.90	17.90
		(—)	(—)	(20.46)	(20.46)
8	**Loan / Deposit Received/Returned**				
	i) Veronica Construction P. Ltd	—	—	—	—
		(—)	(—)	(151.95)	(151.95)
	ii) Byad Packaging Industries Pvt Ltd	—	—	—	—
		(—)	(—)	(47.00)	(47.00)
	iii) Devanshu L Gandhi	—	—	—	—
		(—)	(227.00)	(—)	(227.00)
	iv) Padm Complex Ltd	—	—	1.80	1.80
		(—)	(—)	(1.20)	(1.20)
	v) Vadilal Forex and Consultancy Services Ltd.	—	—	—	—
		(25.00)	(—)	(—)	(25.00)
9	**Loan / Deposit Re-paid**				
	i) Veronica Construction P. Ltd	—	—	—	—
		(—)	(—)	(227.00)	(227.00)
	ii) Devanshu L Gandhi	—	—	197.00	197.00
		(—)	(—)	(—)	(—)
10	**Security Deposit Repaid**				
	i) Vadilal Enterprises Ltd.	—	—	650.00	650.00
		(—)	(—)	(—)	(—)
11	**Security Deposit Received:**				
	i) Vadilal Enterprises Ltd.	—	—	560.00	560.00
		(—)	(—)	(—)	(—)
B	**Balance outstanding at year end :**				
	a) Investments :				
	i) Majestic Farmhouse Ltd	—	—	1.87	1.87
		(—)	(—)	(1.87)	(1.87)
	II) Vadilal Forex and Consultancy Services Ltd.	0.72	—	—	0.72
		(0.72)	(—)	(—)	(0.72)
	b) Receivable :				
	Trade Receivable				
	i) Vadilal Enterprises Ltd.*	—	—	1570.94	1570.94
		(—)	(—)	(666.20)	(666.20)
	Loans and Advances Given				
	i) Vadilal International Pvt.Ltd.	—	—	600.00	600.00
		(—)	(—)	(600.00)	(600.00)
	iii) Padm Complex Ltd	—	—	—	—
		(—)	(—)	(21.88)	(21.88)
	c) Payable :				
	Loan / Deposit taken				
	i) Veronica Construction P. Ltd	—	—	33.12	33.12
		(—)	(—)	(30.26)	(30.26)
	ii) Byad Packaging Industries Pvt Ltd	—	—	54.11	54.11
		(—)	(—)	(47.00)	(47.00)
	iii) Devanshu L Gandhi	—	63.85	—	63.85
		(—)	(227.00)	(—)	(227.00)

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
	Security Deposit Taken				
i)	Vadilal Enterprises Ltd.	—	—	560.00	560.00
		(—)	(—)	(650.00)	(650.00)
	Advance from Customers				
i)	others	—	—	6.17	6.17
		(—)	(—)	(23.61)	(23.61)
d)	**Against corporate guarantee given :**				
i)	Vadilal Enterprises Ltd.	—	—	2009.00	2009.00
		(—)	(—)	(1809.00)	(1809.00)
e)	**Against corporate guarantee taken :**				
i)	Vadilal Enterprises Ltd.	—	—	—	—
		(—)	(—)	(800.00)	(800.00)
ii)	Padm Complex Ltd & Volute Construction Ltd	—	—	9878.00	9878.00
		(—)	(—)	(9878.00)	(9878.00)
f)	**Personal guarantee taken:**				
i)	Directors	—	12480.00	—	12480.00
		(—)	(14273.00)	(—)	(14273.00)

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	—	—
Lease Payments	(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 after Tax	1476.16	243.65
Net Profit for calculating basic/diluted EPS	1476.16	243.65
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 Notes1 to 28
For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.-104744W
Mayank S.Shah
Partner
Membership No.-44922
Place : Ahmedabad
Date : May 28,2016

For and on behalf of the Board
Rajesh R.Gandhi : Chairmen & Managing Director
Devanshu L.Gandhi : Managing Director
Kalpit R.Gandhi : Director & Chief Financial Officer
Ruchita Gurjar : Company Secretary

Place : Ahmedabad
Date : May 28,2016

VADILAL INDUSTRIES LIMITED

Registered Office : Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009.
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,

Ruchita Gurjar
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

Registered Office : Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009.
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 32nd Annual General Meeting of the members of the Company on Tuesday, the 27th September, 2016, at 3.00 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

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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 _____

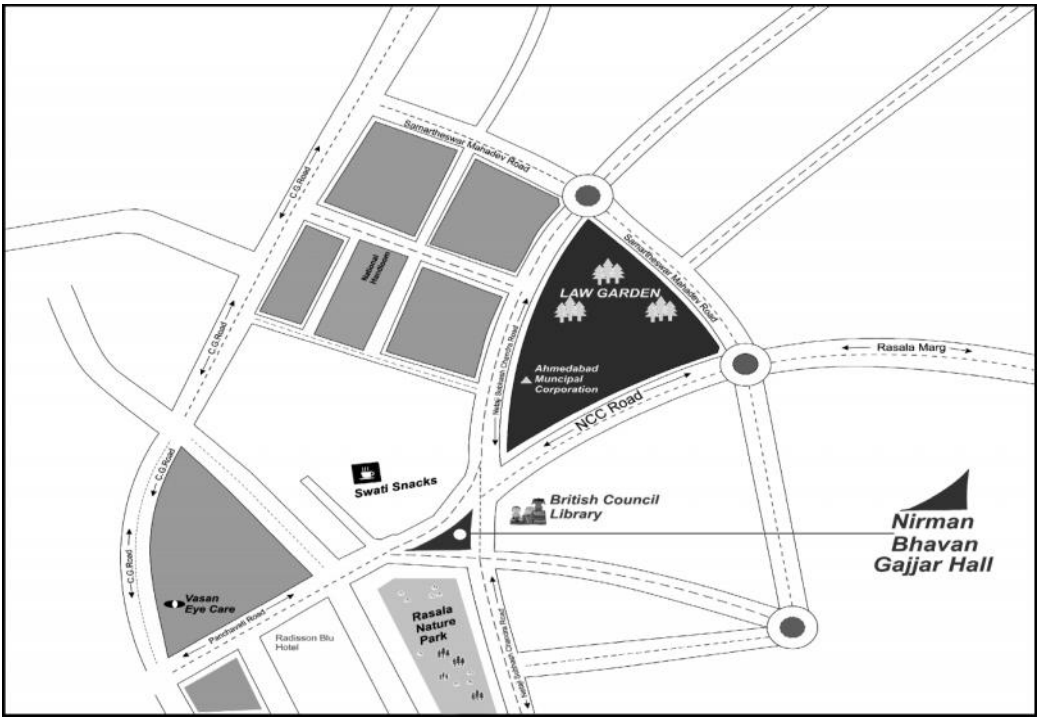
I/We, being the Member(s) holding _____ Equity Shares of the above named Company, hereby appoint

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 32nd Annual General Meeting of the Company, to be held on Tuesday, the 27th day of September, 2016 at 3.00 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



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Resolution No.	Description
1)	To consider and adopt: (a) The audited financial statement of the Company for the financial year ended March 31, 2016, 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, 2016.
2)	To declare dividend on Equity Shares for the financial year ended on March 31, 2016.
3)	To appoint a Director in place of Mr. Rajesh R. Gandhi (DIN: 00009879) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. If re-appointed, the same shall not be termed as discontinuation of his office as Managing Director of the Company.
4)	To appoint a director in place of Mrs. Deval D. Gandhi (DIN: 00988905) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
5)	To appoint Statutory Auditors and fix their remuneration.
6)	To approve the Related Party Transactions under Section 188 of the Companies Act, 2013 and Rules made thereunder and Regulation 23(4) of SEBI (Listing Obligation and Disclosure Requirement), 2015

Signed this _____ day of _____ 2016

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, 4th 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.

Vadilal Quick Treat

Choose your Favorite

Vanilla

Butterscotch

Badam Carnival

Fruit Bonanza

Kesar Pista Kulfi

Alphonso Mango

Tuti Fruti

Classic Malai Kulfi

Strawberry

Rajbhog

Fruits & Nuts

Falooda Kulfi

100% Vegetarian

melt in

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Ahmedabad's first premium
Artisan Gelataria in Gujarat - India

THE ART OF GELATO

WINNER
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KYOORIUS
& D&AD
AWARD

NEW
Flingo
Flingo
Flingo
Flingo
Flingo
Flingo

NEW
SELECT
DARK
TRUFFLE
BADABITE

Double Strike
THUNDER STIK
CYCLONE
smiley launcher
NEW
ICE
TROOPER

NEW
Frootful

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