



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: L91110GJ1982PLC005189

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

Date: 6th September, 2017

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

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

Scrip Code No. VADILALIND-EQ

Scrip Code : 519156

Dear Sir,

Subject: Notice of Annual General Meeting

Please find attached the notice of 33rd Annual General Meeting of the Company which will be held on Friday, 29th September, 2017 at 4.00 p.m. at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006. This will also be placed on our website at www.vadilalgroup.com

Please take the same on record.

Thanking you,

For **VADILAL INDUSTRIES LIMITED**

RUCHITA GURJAR

Company Secretary & Compliance Officer

E-mail: shareslogs@vadilalgroup.com

NOTICE

NOTICE is hereby given that the 33rd **ANNUAL GENERAL MEETING** of the members of **VADILAL INDUSTRIES LIMITED** will be held on Friday, the 29th day of September, 2017 at 4.00 p.m. at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006, to transact the following business :

ORDINARY BUSINESS :

- 1) To consider and adopt:
 - (a) The audited financial statement of the Company for the financial year ended March 31, 2017, 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, 2017.
- 2) To declare dividend on Equity Shares for the financial year ended on March 31, 2017.
- 3) To appoint a Director in place of Mr. Devanshu L. Gandhi (DIN: 00010146) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. If re-appointed, the same shall not be termed as discontinuation of his office as Managing Director of the Company.
- 4) To appoint a director in place of Mr. Kalpit R. Gandhi (DIN: 02843308) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- 5) To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.: 117366W/W-100018), be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. Kantilal Patel & Co., Chartered Accountants (ICAI Registration No. 112066W), the retiring Statutory Auditors, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the 38th Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS :

- 6) To appoint Mr. Vijay R. Shah (DIN : 00376570) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Mr. Vijay R. Shah (DIN : 00376570), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 11th November, 2016 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Vijay R. Shah for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years upto the conclusion of the 38th Annual General Meeting of the Company in the calendar year 2022."
- 7) To appoint Mr. Jignesh J. Shah (DIN: 01202435) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Mr. Jignesh J. Shah (DIN: 01202435), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 11th November, 2016 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Jignesh J. Shah for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years upto the conclusion of the 38th Annual General Meeting of the Company in the calendar year 2022."
- 8) To approve the remuneration to be paid to Mr. Rajesh R. Gandhi, Chairman and Managing Director for remaining period of 2 years of his term w.e.f. 1st April, 2017 and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any and Schedule – V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and also subject to such other approvals as may be necessary and in furtherance to and in partial modification to the Special Resolution No. 8, passed by the Members of the Company at the 30th Annual General Meeting of the Company held on 25th September, 2014, in respect of re-appointment of Mr. Rajesh R. Gandhi, as a Managing Director of the Company, for a further period of 5 years w.e.f. 1st April, 2014 upto 31st March, 2019 with payment of remuneration and as recommended by the Nomination and Remuneration Committee, Mr. Rajesh R. Gandhi shall be entitled to be paid remuneration, perquisites, allowances and commission as mentioned in the Explanatory Statement attached hereto, **for**



remaining period of 2 years w.e.f. 1st April, 2017 upto 31st March, 2019 and more particularly set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Rajesh R. Gandhi, a copy whereof submitted to this meeting and for identification signed by the Chairman thereof, which Agreement is hereby specifically approved with authority to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter and/or vary the terms and conditions of the said remuneration including commission and perquisites payable from time to time as they deem fit and/or draft Supplemental Agreement, in such manner, as may be agreed upon by the Board of Directors and Mr. Rajesh R. Gandhi, within the limits prescribed under Schedule – V to the Act or any statutory amendment(s) and/or modification(s) thereto and if necessary, as may be agreed to between the Board of Directors and as may be acceptable to Mr. Rajesh R. Gandhi.

RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequate profits in any financial year during the said period of 2 years w.e.f. 1st April, 2017 and upto 31st March, 2019, the remuneration payable to Mr. Rajesh R. Gandhi shall be as mentioned in the Explanatory Statement attached hereto and more particularly set out in the draft Supplemental Agreement and not exceeding the limits prescribed in Schedule V to the Act as amended from time to time subject to the compliance of provisions thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to apply on behalf of the Company to the Central Government, if required, for taking its approval for payment of remuneration to Mr. Rajesh R. Gandhi as mentioned above and also authorised to do all such acts, deeds, things and matters as may be necessary and to execute necessary documents/ agreements/applications/ letters on behalf of the Company."

- 9) To approve the remuneration to be paid to Mr. Devanshu L. Gandhi, Managing Director for remaining period of 2 years of his term w.e.f. 1st April, 2017 and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any and Schedule– V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and also subject to such other approvals as may be necessary and in furtherance to and in partial modification to the Special Resolution No. 9, passed by the Members of the Company at the 30th Annual General Meeting of the Company held on 25th September, 2014, in respect of re-appointment of Mr. Devanshu L. Gandhi, as a Managing Director of the Company, for a further period of 5 years w.e.f. 1st April, 2014 upto 31st March, 2019 with payment of remuneration and as recommended by the Nomination and Remuneration Committee, Mr. Devanshu L. Gandhi shall be entitled to be paid remuneration, perquisites, allowances and commission as mentioned in the Explanatory Statement attached hereto, **for remaining period of 2 years w.e.f. 1st April, 2017 upto 31st March, 2019** and more particularly set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Devanshu L. Gandhi, a copy whereof submitted to this meeting and for identification signed by the Chairman thereof, which Agreement is hereby specifically approved with authority to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter and/or vary the terms and conditions of the said remuneration including commission and perquisites payable from time to time as they deem fit and/or draft Supplemental Agreement, in such manner, as may be agreed upon by the Board of Directors and Mr. Devanshu L. Gandhi, within the limits prescribed under Schedule – V to the Act or any statutory amendment(s) and/or modification(s) thereto and if necessary, as may be agreed to between the Board of Directors and as may be acceptable to Mr. Devanshu L. Gandhi.

RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequate profits in any financial year during the said period of 2 years w.e.f. 1st April, 2017 and upto 31st March, 2019, the remuneration payable to Mr. Devanshu L. Gandhi shall be as mentioned in the Explanatory Statement attached hereto and more particularly set out in the draft Supplemental Agreement and not exceeding the limits prescribed in Schedule V to the Act as amended from time to time subject to the compliance of provisions thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to apply on behalf of the Company to the Central Government, if required, for taking its approval for payment of remuneration to Mr. Devanshu L. Gandhi as mentioned above and also authorised to do all such acts, deeds, things and matters as may be necessary and to execute necessary documents/ agreements/applications/ letters on behalf 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 : shareslogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 30153189
Dated : 26th August, 2017.

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, 2017 to 29th September, 2017 (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, 2017 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, 2017, 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, 2017.
- 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, 2010, 31st March, 2011, 31st March, 2012, 31st March, 2013, 31st March, 2014, 31st March, 2015 and 31st March, 2016 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 4th November, 2017, 1st November, 2018, 3rd November, 2019, 26th October, 2020, 29th October, 2021, 1st November, 2022 and 1st November, 2023, respectively.
 Members, who have so far not encashed their dividend warrants for the said financial years, are requested to approach the Company for revalidation or duplicate dividend warrants. Thereafter, no claims shall lie against the said Fund or the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims.
- 9) Members, who hold shares in dematerialised form, are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- 10) Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.
- 11) Relevant documents referred to in the accompanying Notice and the explanatory statement are open for inspection for the members at the Share Department of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.
- 12) Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.
- 13) Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its **Share Department**, at least 10 days before the date of the meeting.
- 14) In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Kantilal Patel & Co., Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of the Annual General Meeting of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has, on recommendation of the Audit Committee, recommended for the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.: 117366W/W-100018) as the Statutory Auditors at the Annual General Meeting for a period of five years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.
 Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s. Deloitte Haskins & Sells, Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder.



As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.: 117366W/W-100018), has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

- 15) At this Annual General Meeting, Mr. Devanshu L. Gandhi, Managing Director of the Company and Mr. Kalpit R. Gandhi, Director of the Company, shall retire by rotation and being eligible, offer themselves for re-appointment.

At this Annual General Meeting, Mr. Vijay R. Shah and Mr. Jignesh J. Shah are required to be appointed as Independent Directors of the Company, not liable to retire by rotation.

As required under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and as per requirement of Secretarial Standard-2, given below are the details of the above Directors to be re-appointed/appointed as Directors/Managing Directors of the Company :-

Mr. Devanshu L. Gandhi

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

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

Directorship : ➤ Vadilal Enterprises Limited ➤ Vadilal International Private Limited ➤ Vadilal Chemicals Limited ➤ Vadilal Gases Limited ➤ Vale Properties Private Limited ➤ Byad Packaging Industries Private Limited ➤ Esveegee Wires and Metals Private Limited ➤ Numen Technologies Private Limited	Member of the Board Committees: Audit Committee : ➤ Vadilal Enterprises Limited ➤ Vadilal Chemicals Limited Stakeholders' Relationship Committee: ➤ Vadilal Enterprises Limited ➤ Vadilal Chemicals Limited
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Mr. Kalpit R. Gandhi

Mr. Kalpit Gandhi's highest degree is Master in Business Administration from IESE Business School Barcelona (Spain), which is one of the top universities globally ranked as 5th as per Economist and 7th as per Financial Times and have numerous accolades in field of executive education. He is a graduate from University of Southern California with BSC in Administration & Accounting and carrying wide experience in Finance and Marketing functions with international exposure at the age of 32 years. He had served reputed organization like Godrej Consumer Products Limited, Financial Technologies (India) Ltd in various capacities and had also exposure in international company named Akin Bay in USA which strengthen his business acumens. He is also functioning as a Chief Financial Officer of the Company.

Mr. Kalpit R. Gandhi is looking after functioning of Accounts, Finance, Secretarial, Taxation, H.R., M.I.S. and Costing and Systems Departments of the Company. The details of remuneration drawn by him and no. of Board Meetings attended are mentioned in Directors Report.

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

Directorship: ➤ Vadilal Chemicals Limited ➤ Vadilal International Private Limited ➤ Vadilal Marketing Private Limited
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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.

Mr. Jignesh J Shah:

Mr. Jignesh J Shah (holding DIN 01202435) is B.Com Graduate, CMA (Cost and Management Accountant) and FCA (Chartered Accountant). He is having 27 years of experience in training people for Communication – Time Management at the age of 49 years. He is acting as a Independent Director of the company. He is not receiving any remuneration apart from sitting fees. He has attended 2 Board Meetings during the year 2016-2017

He is a Partner in J T Shah & Co., Chartered Accountants since 1992. He is a Member of the Audit Committee of the Company and also a member of Nomination and Remuneration Committee of the Company. Mr. Jignesh J. Shah does not hold any shares in the Company. He is also a director of other companies such as Vadilal Chemicals Limited, Vadilal Enterprises Limited, Vadilal International Private Limited and Sakar Management Consultants Private Limited. He is chairman of Audit Committee of Vadilal Chemicals Limited.

Mr. Vijay R. Shah:

Mr. Vijay R. Shah is Practicing Chartered Accountant, he has started his career as a trainee accountant with C.H. Chalisahaz & Co. a leading Chartered Accountants firm in Ahmedabad in 70's and continued with the firm post qualification. His post qualification experience of 35 years is predominantly in the area of finance at the age of 65 years. Currently, as a proprietor of M/s. Vijay R. Shah & Co, he is looking after financial and statutory / internal audit of Ltd. / Pvt. Ltd. Companies.

He is acting as a Independent Director of the company. He is not receiving any remuneration apart from sitting fees. He has attended 2 Board Meetings during the year 2016-2017

Mr. Vijay R. Shah is a Member of the Audit Committee of the Company and also a member of Stakeholder Relationship Committee of the Company. Mr. Vijay R. Shah does not hold any shares in the Company. At present, he is a director in following other companies:

1. Nirma Ltd. As an independent director
2. Adishwar motors pvt ltd. As director

16) Voting through electronic means:

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

The process and manner of 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 enclosed alongwith this notice.

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 & 7

On the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Vijay R. Shah and Mr. Jignesh J. Shah as Additional Directors of the Company with effect from 11th November, 2016.

In terms of the provisions of Section 161(1) of the Act, Mr. Vijay R. Shah and Mr. Jignesh J. Shah would hold office up to the date of the ensuing Annual General Meeting.

It is proposed to appoint Mr. Vijay R. Shah and Mr. Jignesh J. Shah as Independent Directors under Section 149 of the Act and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 to hold office for a term of 5(Five) consecutive years upto the conclusion of the 38th Annual General Meeting of the Company in the calendar year 2022. The Company has received notice in writing from members, alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Vijay R. Shah and Mr. Jignesh J. Shah for the office of Independent Directors of the Company.

In the opinion of the Board, Mr. Vijay R. Shah and Mr. Jignesh J. Shah fulfill the conditions for appointment as Independent Directors as specified in the Act and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. Mr. Vijay R. Shah and Mr. Jignesh J. Shah are independent of the management.

Mr. Vijay R. Shah and Mr. Jignesh J. Shah are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director. They do not hold any equity shares in the Company in their individual capacity.

The Company has also received declarations from Mr. Vijay R. Shah and Mr. Jignesh J. Shah that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Brief resume of Mr. Vijay R. Shah and Mr. Jignesh J. Shah, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Regulation 36 (3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, are provided in the notes to the notice of this meeting accompanying with this statement forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. Vijay R. Shah and Mr. Jignesh J. Shah as Independent Directors setting out the terms and conditions are available for inspection by members at the Share Department of the Company.

This Statement may also be regarded as a disclosure under Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Mr. Vijay R. Shah and Mr. Jignesh J. Shah are interested in the resolutions set out respectively at Item Nos. 6 and 7 of the Notice with regard to their respective appointments.

The relatives of Mr. Vijay R. Shah and Mr. Jignesh J. Shah may be deemed to be interested in the resolution set out at Item No. 6 and 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

The Board recommends the Ordinary Resolution set out at Item No. 6 and 7 of the Notice for approval by the shareholders.



Item No. 8

At the 30th Annual General Meeting of the Company held on 25th September, 2014 and vide a Special Resolution passed by the Shareholders, Mr. Rajesh R. Gandhi has been re-appointed as Managing Director of the Company for a further period of 5 years w.e.f. 1st April, 2014 upto 31st March, 2019, at a total monthly remuneration of Rs. 450000/- plus 2% Commission on net profit in case of Company having adequate profit during the said period of 5 years with increase in basic salary in subsequent years w.e.f. 1st April, 2014, so as not to exceed the total remuneration of Rs. 550000/- per month upto 31st March, 2017.

In terms of provisions of Schedule – V of the Companies Act, 2013 and Rules made thereunder, the above Special Resolution is required to be modified in respect of payment of remuneration to Mr. Rajesh R. Gandhi, as under, for remaining period of 2 years w.e.f. 1st April, 2017 upto 31st March, 2019 by obtaining approval of Members of the Company by way of a Special Resolution and duly approved by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 9th February, 2017, subject to the approval of Central Government, if applicable :-

1) Remuneration :

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

Particulars	1-4-2017 to 31-3-2018	1-4-2018 to 31-3-2019
Basic	375000	410000
HRA (in lieu of accommodation - furnished or otherwise)	178000	189000
Re-imbursement of Medical Expenses (for Managing Director and his family)	2000	1800
Provident Fund @12% on Basic Salary	45000	49200
Total	600000	650000

Notes:

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

Other Perquisites and Allowances

- Provident Fund : The Company's contribution to Provident Fund as per Rules of the Company.
- Gratuity : Payment of Gratuity in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.
- Superannuation Fund : Superannuation Fund or Annuity Fund benefit in accordance with such Scheme of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act, 1961.
- Encashment of leave as per Rules of the Company and will not be included in the ceiling on perquisites.

II) Commission :

In addition to the Salary, Perquisites and other Allowances as mentioned above and in case of Company having adequate profit in any financial year during the period of 2 years from 1st April, 2017 to 31st March, 2019, Mr. Rajesh R. Gandhi shall also be entitled for such financial year to a Commission at the rate of 2.00% on the net profits of the Company computed in the manner laid down under Section 198 of the Companies Act, 2013, subject to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder.

- Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of office of Mr. Rajesh R. Gandhi, the remuneration as above shall be paid to him as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.
- The Company shall also re-imburse to the Managing Director, entertainment, traveling and all other expenses incurred by him for the business of the Company and on behalf of the Company.
- The terms and conditions of payment of remuneration, perquisites, allowances and commission specified herein above may be enhanced, enlarged, widened, altered or varied from time to time by the Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made thereunder from time to time in future and/or such guidelines as may be announced by the Central Government from time to time.
- The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.
- For all other terms and conditions not specifically spelt out above, the Rules and Orders of the Company shall apply.
- A Statement as per requirement of Schedule V is given to the Shareholders containing following information of the Company and Mr. Rajesh R. Gandhi :-

I. GENERAL INFORMATION :

(1) Nature of industry

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

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

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

The Company is also having Forex Division dealing in Foreign Exchange Management and Money Changing business.

(2) Date of commencement of commercial production

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

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

The Company is in existence since 1982.

(4) Financial performance based on given indicators

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

(Rs. in Lacs)

Financial Year	Revenue from Operations (Net)	Gross Profit before Depreciation and Financial Expenses	Net Profit after Tax
2014-2015	40343.13	4400.33	192.90
2015-2016	44447.64	5894.08	1435.45
2016-2017	46894.66	5632.93	1632.96

(5) Export performance and net foreign exchange earnings

Following is the export performance of the Company since last 3 Years:- (Rs. in Lacs)

Financial Years	Export Sales (FOB Value)
2014-2015	4453.24
2015-2016	3620.79
2016-2017	4170.33

(6) Foreign investments or collaborators, if any.

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

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Name : Mr. Rajesh R. Gandhi
Designation : Chairman & Managing Director
Age : 58 Years
Experience : 36 Years

Mr. Rajesh R. Gandhi is a Director of the Company since Incorporation of the Company and Managing Director of the Company since 1986. He has an experience of over 36 years in Ice-cream business and experience of over 26 years in Processed Food business.

(2) Past Remuneration:

The details of managerial remuneration paid to Mr. Rajesh R. Gandhi, Managing Director of the Company during the financial year ended on 31st March, 2017, are as under:

Particulars	Amount (Rs. in lakhs per annum)
Salary	: 39.60
Perquisites/ Allowances	: 21.27
Contribution to PF	: 58.23
Commission	: 4.75
Total	: 123.85

(3) Recognition or awards:

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.



(4) Job profile and his suitability

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 Happiness 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 & Marketing & Legal. The total portfolio of Finance, Accounts, MIS, Taxation, Internal Audit, EDP, Secretarial, Legal, Insurance, Systems, all Taxes & DGFT and Human Resource of all above-mentioned departments and P&A of Head Office is taken care by him.

(5) Remuneration proposed

It is proposed to pay the remuneration to Mr. Rajesh R. Gandhi as above for a period of 2 years from 1-4-2017 to 31-03-2019 for which he is proposed to be re-appointed as Managing Director of the Company.

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

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

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

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

III. OTHER INFORMATION :

(1) Reasons of loss or inadequate profits

N.A. The Profit is adequate.

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

N.A.

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

N.A.

IV. DISCLOSURES:

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

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

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

As mentioned in Para 3 above.

C) Service contracts, notice period, severance fees;

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

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

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

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

Your directors commend passing of the resolution proposed at Item No. 8.

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

The draft Agreement to be entered into between the Company and Mr. Rajesh R. Gandhi and referred to in the Resolution contained in Item No. 8 of the Notice is available for inspection at the Share Department of the Company on all working days except Saturdays during business hours, upto the date of Annual General Meeting.

Mr. Rajesh R. Gandhi is interested in the resolution. Mr. Kalpit R. Gandhi, Director and CFO is also interested in the resolution being relative of Mr. Rajesh R. Gandhi. Save and except the above, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

Item No. 9

At the 30th Annual General Meeting of the Company held on 25th September, 2014 and vide a Special Resolution passed by the Shareholders, Mr. Devanshu L. Gandhi has been re-appointed as Managing Director of the Company for a further period of 5 years w.e.f. 1st April, 2014 upto 31st March, 2019, at a total monthly remuneration of Rs. 450000/- plus 2% Commission on net profit in case of Company having adequate profit during the said period of 5 years with increase in basic salary in subsequent years w.e.f.

1st April, 2014, so as not to exceed the total remuneration of Rs. 550000/- per month upto 31st March, 2017.

In terms of provisions of Schedule – V of the Companies Act, 2013 and Rules made thereunder, the above Special Resolution is required to be modified in respect of payment of remuneration to Mr. Devanshu L. Gandhi, as under, for remaining period of 2 years w.e.f. 1st April, 2017 upto 31st March, 2019 by obtaining approval of Members of the Company by way of a Special Resolution and duly approved by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 9th February, 2017, subject to the approval of Central Government, if applicable :-

1) Remuneration :

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

Particulars	1-4-2017 to 31-3-2018	1-4-2018 to 31-3-2019
Basic	375000	410000
HRA (in lieu of accommodation - furnished or otherwise)	178000	189000
Re-imbursement of Medical Expenses (for Managing Director and his family)	2000	1800
Provident Fund @12% on Basic Salary	45000	49200
Total	600000	650000

Notes:

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

Other Perquisites and Allowances

- A) Provident Fund : The Company's contribution to Provident Fund as per Rules of the Company.
- B) Gratuity : Payment of Gratuity in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.
- C) Superannuation Fund : Superannuation Fund or Annuity Fund benefit in accordance with such Scheme of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act, 1961.
- D) Encashment of leave as per Rules of the Company and will not be included in the ceiling on perquisites.

II) Commission :

In addition to the Salary, Perquisites and other Allowances as mentioned above and in case of Company having adequate profit in any financial year during the period of 2 years from 1st April, 2017 to 31st March, 2019, Mr. Devanshu L. Gandhi shall also be entitled for such financial year to a Commission at the rate of 2.00% on the net profits of the Company computed in the manner laid down under Section 198 of the Companies Act, 2013, subject to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder.

5. Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of office of Mr. Devanshu L. Gandhi, the remuneration as above shall be paid to him as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.
6. The Company shall also re-imburse to the Managing Director, entertainment, traveling and all other expenses incurred by him for the business of the Company and on behalf of the Company.
7. The terms and conditions of payment of remuneration, perquisites, allowances and commission specified herein above may be enhanced, enlarged, widened, altered or varied from time to time by the Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made thereunder from time to time in future and/or such guidelines as may be announced by the Central Government from time to time.
8. The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.
9. For all other terms and conditions not specifically spelt out above, the Rules and Orders of the Company shall apply.
10. A Statement as per requirement of Schedule V is given to the Shareholders containing following information of the Company and Mr. Devanshu L. Gandhi :-

I. GENERAL INFORMATION :

(1) Nature of industry

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

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

The Company is processing Frozen Fruits, Vegetables and Processed Foods by latest freezing technology, namely, "Individually Quick Freezing" (IQF) at its factory situated at Dharampur, Dist. Valsad, Gujarat. The



Processed Food Division commenced its operation in 1991. The Company is exporting nearly 60 products in USA, Canada, UK, Kuwait, UAE, Singapore, New Zealand, Australia. The Company is also selling Processed Food products in Domestic Market.

The Company is also having Forex Division dealing in Foreign Exchange Management and Money Changing business.

(2) Date of commencement of commercial production

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

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

The Company is in existence since 1982.

(4) Financial performance based on given indicators

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

(Rs. in Lacs)

Financial Year	Revenue from Operations (Net)	Gross Profit before Depreciation and Financial Expenses	Net Profit after Tax
2014-2015	40343.13	4400.33	192.90
2015-2016	44447.64	5894.08	1435.45
2016-2017	46894.66	5632.93	1632.96

(5) Export performance and net foreign exchange earnings

Following is the export performance of the Company since last 3 Years:- (Rs. in Lacs)

Financial Years	Export Sales (FOB Value)
2014-2015	4453.24
2015-2016	3620.79
2016-2017	4170.33

(6) Foreign investments or collaborators, if any.

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

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Name : Mr. Devanshu L. Gandhi
Designation : Managing Director
Age : 50 Years
Experience : 29 Years

Mr. Devanshu L. Gandhi is a Director and Managing Director of the Company since 1988. He has an experience of over 29 years in Ice-cream and Processed Food business.

(2) Past Remuneration:

The details of managerial remuneration paid to Mr. Devanshu L. Gandhi, Managing Director of the Company during the financial year ended on 31st March, 2017, are as under:

Particulars	Amount (Rs. in lakhs per annum)
Salary	: 39.60
Perquisites/ Allowances	: 21.24
Commission	: 58.23
Contribution to PF	: 4.75
Total	: 123.82

(3) Recognition or awards:

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.

(4) Job profile and his suitability

Mr. Devanshu L. 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 : Domestic Sales and Marketing of Ice-cream Division, Government Subsidies of Ice-cream plants and Revenue

Expenses of Refrigeration Service Department. Mr. Devanshu L. Gandhi looks after Production, Purchase, Works, QC, R&D of Processed Food Division. He looks after purchase of Land & Materials, Project Commissioning & Legal for Construction Division. Entire Forex Division (FFMC & Consultancy Services) and Human Resource & P&A (respective) is taken care by him.

(5) Remuneration proposed

It is proposed to pay the remuneration to Mr. Devanshu L. Gandhi as above for a period of 2 years from 1-4-2017 to 31-03-2019 for which he is proposed to be re-appointed as Managing Director of the Company.

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

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

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

Apart from Mr. Devanshu L. Gandhi is a Managing Director of the Company and receiving managerial remuneration, he holds 3,40,450 Equity Shares of Rs. 10/- each of Vadilal Industries Limited in his individual capacity.

III. OTHER INFORMATION :

(1) Reasons of loss or inadequate profits

N.A. The Profit is adequate.

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

N.A.

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

N.A.

IV. DISCLOSURES:

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

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

F) Details of fixed component and performance linked incentives along with the performance criteria;

As mentioned in Para 3 above.

G) Service contracts, notice period, severance fees;

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

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

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

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

Your directors commend passing of the resolution proposed at Item No. 9.

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

The draft Agreement to be entered into between the Company and Mr. Devanshu L. Gandhi and referred to in the Resolution contained in Item No. 9 of the Notice is available for inspection at the Share Department of the Company on all working days except Saturdays during business hours, upto the date of Annual General Meeting.

Mr. Devanshu L. Gandhi is interested in the resolution. Mrs. Deval D. Gandhi, Director is also interested in the resolution being relative of Mr. Devanshu L. Gandhi. Save and except the above, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

For VADILAL INDUSTRIES LIMITED

Registered Office :

Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169
Email : shareslogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 30153189
Dated : 26th August, 2017.

RAJESH R. GANDHI
Chairman & Managing Director
DIN : 00009879



Process and Manner for availing remote e-voting facility

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

1. The Process and manner of remote e-voting is being sent to all members whose e-mail ids are registered with the Company/Depository Participants/Share Transfer Agents for communication purpose through electronic mode.
2. The members who have casted there vote by remote e-voting may also attend meeting but shall not entitled to cast their vote again.
3. The Board of Director has appointed **Mr. Manoj Hurkat** of M/s. Manoj Hurkat & Associates, a Practicing Company Secretary, Ahmedabad as Scrutinizer to scrutinize the poll and remote e-voting process in fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
4. Voting rights shall be reckoned on the paid up value of shares registered in the name of the members/ beneficial owner (in case of electronic shareholding) as on cutoff date i.e. **22nd September, 2017**
5. Any person, who acquires shares of the Company and becomes member of Company after dispatch of the notice of the AGM and holding shares on cut-off date i.e. **22nd September, 2017** may obtain the User ID and Password in manner mentioned below:
 - If e-mail address or mobile number of member is registered against folio number/DP ID/Client ID, then on homepage of www.evotingindia.com, the member may click on "Forgot Password" and enter folio number/DP ID/ Client ID and PAN to generate a password
 - Member may send request at helpdesk.evoting@cdslindia.com
 - Member may call CDSL toll free number 18002005533
 - If person is already registered with CDSL for e-voting then excising user id and password can be used for casting vote.
6. The Scrutinizer, after scrutinizing the votes cast at the meeting (poll) and through remote e-voting, will not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to Chairman. The results declared along with consolidated scrutinizer's report shall be placed on the website of the Company www.vadilalgroup.com and on the website of CDSL viz. www.evotingindia.com. The results shall simultaneously be communicated to Stock Exchanges.
7. The instruction for shareholders voting electronically are as under:
 - (i) The voting period begins on **26th September, 2017 (9.00 a.m.) and ends on 28th September, 2017 (5.00 p.m.)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **22nd September, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address sticker (Labels) indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. - If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used

by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **Vadilal Industries Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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