



VADILAL ENTERPRISES LTD.

8th Floor, Time Square, Opp. Iscon Arcade, Nr. Pariseema Complex,
C.G. Road, Navrangpura, Ahmedabad - 380009
Tel.:(079) 2640 7201 to 26407210 Fax:(079) 2640 7201

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

Date: 28th September, 2016

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

Scrip Code : 519152

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 ENTERPRISES LIMITED

DARSHAN SHAH

Company Secretary & Compliance Officer

CIN: L51100GJ1985PLC007995
Email: shareslogs@vadilalgroup.com



31st Annual Report 2015-16



VADILAL ENTERPRISES LTD.



**BOARD OF DIRECTORS****Non-executive & Non-Independent Directors**

Rajesh R. Gandhi Chairman
 Devanshu L. Gandhi
 Mamta R. Gandhi

Independent Directors

Jayantilal M. Shah
 Jignesh J. Shah
 Ashish H. Modi
 Preet P. Shah

COMPANY SECRETARY

Ruchita Gurjar (upto 10-02-2016)
 Darshan Shah (w.e.f. 11-03-2016)

CHIEF EXECUTIVE OFFICER

Vishal Surti

CHIEF FINANCIAL OFFICER

Rajesh Bhagat

AUDITORS

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

BANKER

Bank of India

REGISTERED OFFICE

A/801, 8th Floor, "Time Square" Building,
 C. G. Road, Nr. Lal Bungalow Char Rasta,
 Navrangpura, Ahmedabad - 380 009.
 CIN No. : L51100GJ1985PLC007995
 Phone : 079-26407201-09, 079-30153000
 Fax : 079-30153102

REGISTRAR & SHARE TRANSFER AGENT

(For physical & demat)
 MCS Share Transfer Agent Limited,
 101, Shatdal Complex, 1st Floor,
 Opp. Bata Show Room, Ashram Road,
 Ahmedabad – 380 009.
 Phone: 079-26582878, 26584027, 9327055153
 Fax: 079-26581296

SHARE DEPARTMENT

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

Notes :

- Important Communication to Members** : The Ministry of Corporate Affairs has, pursuant to its Green Initiative in the Corporate Governance, allowed paperless compliances by Companies. It has issued circulars allowing the Companies to service notice/documents including Annual Report by email to its members. Many of the Shareholders have registered their emails pursuant to the said initiative. We thank those shareholders for the same. Those Shareholders, who have not registered their email addresses so far, may, as a support to those initiative, register their email addresses, in respect of electronic holdings, with the Depository through their respective Depository Participant. Members who hold shares in physical mode are requested to register their email address with MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of the Company.
- Members are requested to send their all correspondence relating to Shares including transfer, transmission, change of address, issue of duplicate share certificates etc. to MCS Share Transfer Agent Limited, Registrar & Share Transfer Agent of the Company at 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009 (Phone: 079 - 26582878, 26584027, 9327055153) (Fax: 079 - 26581296) or at the Share Department of the Company situated at B/404, 4th Floor, "Time Square" Building, C.G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad – 380 009.
- The process and manner of 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.**

31st ANNUAL GENERAL MEETING

Day - Tuesday
 Date - 27th September, 2016
 Time - 1.00 p.m.
 Venue - GICEA, Gajjar Hall, Nirman Bhavan,
 Opp. Law Garden, Ellisbridge,
 Ahmedabad - 380 006.

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E-Voting Instructions
 (Separate Sheet enclosed)

E-mail for Investor Grievances : shareslogs@vadilalgroup.com

Web : www.vadilalgroup.com



SHAREHOLDER INFORMATION

1. Name of Company :

Vadilal Enterprises Limited

2. Company CIN No. :

L51100GJ1985PLC007995

3. Fixed Deposit Department :

Fixed Deposit Department of the Company is operated at the following address :

601, Sixth Floor, Time Square Building, Nr. Lal Bunglow, C.G. Road, Navrangpura, Ahmedabad, 380009

Phone: 079-26407201 to 09 Ext. - 198 • Email: vijaysshah@vadilalgroup.com

4. Book-Closure:

Book-Closure from 16th September, 2016 to 27th September, 2016 (both days inclusive) for the purpose of payment of Dividend of Re. 0.80/- per share (@ 8%) for the year ended on 31st March, 2016 as recommended by the Board and if declared at the Meeting and to determine the members eligible for the said dividend.

5. Stock Exchanges where the Shares are listed :

BSE LTD.

Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001

Phone: 91-22-2272 1234 / 1233

The Annual Listing Fees up to the Financial Year 2016-2017 have been duly paid to the above Stock Exchange.

6. Security Code :

BSE Ltd. - 519152

ISIN Number - INE693D01018

7. Dematerialisation of Shares :

The Company, consequent to introduction of Depository System (DS), entered into an agreement with NSDL and CDSL and has established an electronic connectivity with both the 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 numerous advantages offered by DS, the members are requested to avail the facility of dematerialisation of the Company's shares on the Depository 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 and CDSL and lodge your share certificates with your DP for Dematerialisation. The DP will then ensure that the physical share certificates are canceled 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.

8. Registrar & Share Transfer Agent :

The Company has entrusted the work of Dematerialisation/Rematerialisation of shares to an outside Registrar, viz. MCS Share Transfer Agent Limited, Ahmedabad. As per SEBI Circular No. D&CC/FITTC/CIR-15/ 2002, dated 27-12-2002, the Company has assigned all the work related to Share Registry in terms of both physical and electronic to MCS Share Transfer Agent Limited, Ahmedabad. Hence, all Shareholders are requested to send/deliver the documents/correspondence including complaints relating to the Company's share transfer/demat/remat activity at:

MCS Share Transfer Agent Limited

101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380009.

Phone : 079-26580462, Fax : 079-26581296, Email: mcsahmd@gmail.com

9. Share Transfer System :

Presently, share transfers which are received in physical form are normally processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Share Transfer Committee of the Board meets at regular intervals to approve transfers, issue of duplicate certificates, consolidation and splitting of shares etc.

As required under Regulation 40(9) of SEBI (Listing Obligation and Disclosure Requirement), 2015, a certificate is obtained every six months from a Practicing Company Secretary, with regard to, inter alia, effecting transfer, transmission and consolidation within one month of their lodgment. The certificates are forwarded to BSE Limited, where the equity shares are listed.

In terms of SEBI's circular dated 31st December, 2002, a Secretarial Audit is conducted on a quarterly basis by Practicing Company Secretary for the purpose of reconciliation of the total Admitted Equity Share Capital with the Depositories and in the physical form with the total issued public paid-up Equity Capital of the Company. Certificates issued in this regard are forwarded to BSE Limited, where the Equity Shares are listed.

10. Distribution of Shareholding as on 31st March, 2016 :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of equity Shares held	% of total Shares
Up to 500	1427	92.66	163897	18.99
501 to 1000	44	2.85	35235	4.08
1001 to 2000	24	1.55	37089	4.29
2001 to 3000	7	0.45	16627	1.92
3001 to 4000	5	0.32	17379	2.01
4001 to 5000	8	0.51	37335	4.32
5001 to 10000	10	0.64	77148	8.94
10001 to 50000	12	0.77	236493	27.41
50001 & above	3	0.19	241465	27.99
Total	1540	100.00	862668	100.00

11. Categories of Shareholders as on 31st March, 2016:

Category of Shareholders	No. of Equity Shares held	% of total shares
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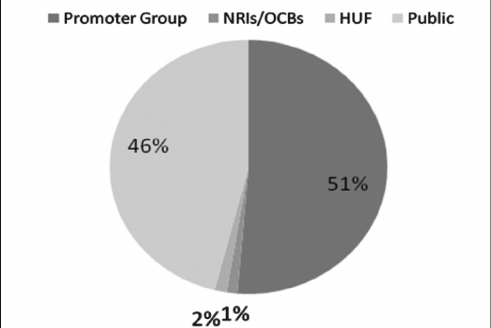
A: Promoters and Promoters' Group :

1 Directors	208698	47.15
2 Directors' relatives	27441	3.18
3 Group Companies	105407	12.22
4 HUFs	25284	2.93
Total (A) :	442577	51.30

B: Public:

1 Bodies Corporate	21512	2.50
2 NRI	10747	1.24
3 HUF	12066	1.40
4 Residential Individual	375766	43.56
Total (B) :	420091	48.70
Total	862668	100.00

Percentage of total paid-up capital



12. Share price performance in comparison to BSE SENSEX based on data available on Stock exchange website:

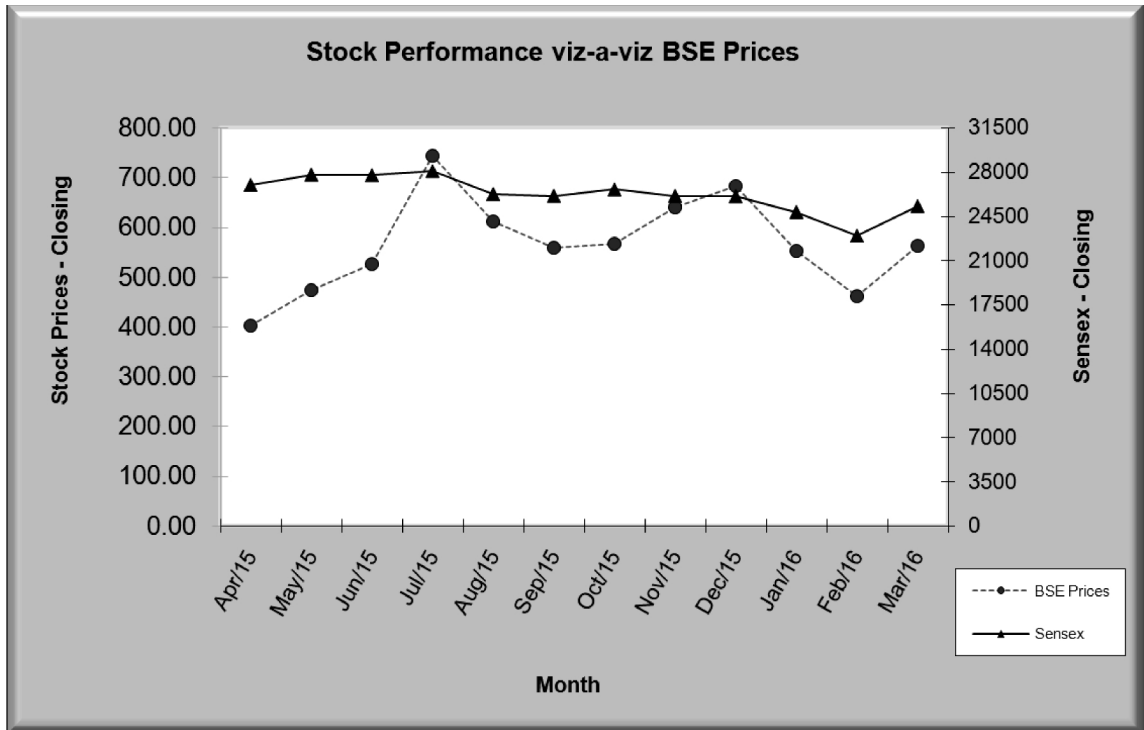
The monthly high, low and closing prices of the shares of the Company, during the financial year under review and performance of the same in comparison to BSE SENSEX are given below :

Month	PRICE OF SHARE ON BSE			SENSEX		
	High	Low	Close	High	Low	Close
April, 2015	403.90	238.00	403.90	29,094.61	26,897.54	27,011.31
May, 2015	519.00	405.00	475.80	28,071.16	26,423.99	27,828.44
June, 2015	529.90	431.00	527.10	27,968.75	26,307.07	27,780.83
July, 2015	760.50	552.25	745.00	28,578.33	27,416.39	28,114.56
August, 2015	818.00	584.50	614.00	28,417.59	25,298.42	26,283.09
September, 2015	601.00	487.50	560.00	26,471.82	24,833.54	26,154.83
October, 2015	615.00	527.50	568.75	27,618.14	26,168.71	26,656.83
November, 2015	675.00	514.00	641.50	26,824.30	25,451.42	26,145.67
December, 2015	683.75	540.00	683.75	26,256.42	24,867.73	26,117.54
January, 2016	682.00	480.25	555.00	26,197.27	23,839.76	24,870.69
February, 2016	580.00	420.25	462.00	25,002.32	22,494.61	23,002.00
March, 2016	596.00	398.00	563.50	25,479.62	23,133.18	25,341.86

• All the rates are in ₹



Price Chart



13. Consolidation of Folios:

Some of the members might have more than one folio in their individual name or jointly with other person(s) mentioned in the same order. It is desirable to consolidate all similar holdings under one folio. Consolidation helps the members to monitor their holdings effectively. By doing so, it would also enable the Company to avoid unnecessary duplication of effort and related costs. Please write to the Company at the address of Share Dept. given below, requesting in writing, quoting the folio numbers that need to be consolidated and send the relevant Share Certificates.

14. Nomination facility:

Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 the facility of nomination in the Shares of a Company is available. 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 SH-13** at the Share Department of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name.

The Nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the Shares shall vest in the event of the death of the Shareholders. A minor can be a nominee provided the name of the guardian is given in the Nomination Form.

The facility of the nomination is not available to non-individual Shareholders such as Societies, Trusts, Bodies Corporate, Partnership Firms, Kartas of HUF and holders of Powers of Attorney.

In case of any assistance, please contact share department at the address mentioned below.

Share Department:

B/404, 4th Floor, "Time Square" Building,
C.G. Road, Nr. Lal Bungalow Char Rasta,
Navrangpura, Ahmedabad – 380 009.

Telephone Nos. 079-30153188-89

Fax No. 079-30153102

Email: shareslogs@vadilalgroup.com



NOTICE

NOTICE is hereby given that the **31st ANNUAL GENERAL MEETING** of the members of **VADILAL ENTERPRISES LIMITED** will be held on **Tuesday, 27th September, 2016, at 1.00 p.m.** at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006, to transact the following business :

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Statements of Profit & Loss for the year ended March 31, 2016 the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
- 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.
- 4) To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with rules under the Companies (Audit and Auditors) Rules, 2014, M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (Registration No. 104744W), the retiring Auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration, apart from re-imbursment of out-of-pocket expenses and applicable taxes.”

SPECIAL BUSINESS:

- 5) To approve the Related Party Transactions under Section 188 of the Companies Act, 2013 and Rules made thereunder 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), the consent of the Members of the Company be and is hereby accorded to enter into a fresh agreement with Vadilal Industries Limited in termination of the existing agreement dated 28th July, 2007, regarding purchase of Ice-cream, Frozen Desert, other milk and milk products, Dairy products and Processed Food Products by the Company from Vadilal Industries Ltd., for a period of 10 years w.e.f. 1st October, 2016, 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.”

**By Order of the Board
For VADILAL ENTERPRISES LIMITED**

Registered Office :

A/801, 8th Floor, “Time Square” Building,
C. G. Road, Nr. Lal Bungalow Char Rasta,
Navrangpura, Ahmedabad - 380 009.
CIN : L51100GJ1985PLC007995
Email : sharelogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 301503189
Dated : 8th August, 2016

RAJESH R. GANDHI
Chairman
DIN : 00009879

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 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 0.80 per share (@ 8.00%) 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 are open for inspection for the members at the Share Department of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.
- 12) Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.
- 13) Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its **Share Department**, at least 10 days before the date of the meeting.
- 14) Mr. Rajesh R. Gandhi, Director of the Company, shall retire by rotation and being eligible, offer himself 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 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 Vadilal Group companies 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 78408 shares in Vadilal Enterprises Limited in his individual capacity.

Directorship:

- Vadilal Industries 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

Member of the Board Committees:

Audit Committee :
Steelcast Limited

Shareholders/ Investors' Grievance Committee and/or Share Transfer Committee:

- Vadilal Industries Limited
- Vadilal Chemicals Limited
- Steelcast Limited

15) Voting through electronic means:

The Company is pleased to offer remote e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement), 2015. 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 Notice / e-mail separately.

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

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

Item No. 5

The Company in its ordinary course of business and/or on arm's length basis purchases Ice-cream, Frozen Desert Products and other milk products from Vadilal Industries Limited (hereinafter referred to as “VIL”) on regular basis. The Company has already entered into an Agreement with Vadilal Industries Limited on 28th July, 2007 regarding purchase of Ice-cream, Frozen Desert Products and other milk products of the Company setting out the terms and conditions for sale.

The Company in its ordinary course of business and/or on arm's length basis purchases Processed Food products from Vadilal Industries Limited (hereinafter referred to as “VIL”) on regular basis.

The Company now proposes to enter into a fresh agreement with Vadilal Industries Limited in termination of the aforesaid existing agreement dated 28th July, 2007, regarding purchase of Ice-cream, Frozen Desert, other milk and milk products, Dairy products and Processed Food Products by the Company from Vadilal Industries Ltd. for a period of 10 years w.e.f. 1st October, 2016.

Vadilal Industries Limited falls under the category of a related party of the Company in terms of the provisions of Section 188 of the Companies Act, 2013 and Rules made thereunder.

The Company therefore requires approval of the shareholders through an Ordinary resolution for entering into an agreement for purchase of Ice-cream, Frozen Desert, other milk and milk products, Dairy products and Processed Food Products from Vadilal Industries Limited.

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

1.	Name of the party	Vadilal Industries Limited (VIL)		
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		
4.	5.	6.	7.	
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	
Agreement between the Company and VIL for purchase of Ice-cream, Frozen Desserts, Flavoured Milk and other Milk and Dairy products and Processed Food Products by the Company from VIL, to be executed for a period of 10 years w.e.f. 1 st October, 2016.	Purchase of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products and Processed Food Products by the Company from VIL 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 VIL and included as part of the agreement.	

The Audit committee and the Board of the Directors of the Company have at their meetings held on 8th August, 2016 approved the aforesaid proposed agreement to be entered into with Vadilal Industries 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.

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. 5 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 this 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. 5 of the Notice for approval by the shareholders.

**By Order of the Board
For VADILAL ENTERPRISES LIMITED**

**RAJESH R. GANDHI
Chairman**

DIN : 00009879

Registered Office :

A/801, 8th Floor, "Time Square" Building,
C. G. Road, Nr. Lal Bungalow Char Rasta,
Navrangpura, Ahmedabad - 380 009.

CIN : L51100GJ1985PLC007995

Email : sharelogs@vadilalgroup.com

Website : www.vadilalgroup.com

Phone : 079 301503189

Dated : 8th August, 2016.



DIRECTORS' REPORT

To,
The members,
VADILAL ENTERPRISES LIMITED
Ahmedabad.

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

FINANCIAL HIGHLIGHTS :

FINANCIAL RESULTS

(₹ in Lacs)

Sr. No.	Particulars	Year ended 31-03-2016	Year ended 31-03-2015
(a)	Earnings before Interest, Tax, Depreciation and Amortization	904.96	759.94
(b)	Finance Cost	92.76	118.88
(c)	Depreciation & Amortization Expense	783.25	640.18
(d)	Profit before Tax	28.95	0.88
(e)	Tax Expense		
	— Current Tax	27.49	9.35
	Less : MAT Credit Entitlement	0.00	9.35
		27.49	0.00
	— Deferred Tax (Reversed)	(15.48)	0.28
	— Income Tax written off / (written back) of earlier years	4.32	0.00
	Total Tax:	16.33	0.28
(f)	Profit for the year	12.62	0.60
(g)	Surplus in the statement of Profit & Loss:		
	Balance brought forward from the last year	0.00	0.00
	Add: Profit/(Loss) after tax for the year	12.62	0.60
	Add: Amount transferred from General Reserve	0.00	7.70
	Less : Appropriation		
	— Proposed Equity Dividend (amount per share Re. 0.80, previous year Re. 0.80)	6.90	6.90
	— Tax on proposed Equity Dividend	1.40	1.40
	— Transfer to General Reserve	0.00	0.00
	Net Surplus in the statement of Profit and Loss	4.31	0.00

STATE OF COMPANY'S AFFAIRS :

The Company has earned Revenue from Operations of Rs. 48826.66 lacs during the year ended on 31st March, 2016 as against Rs. 41846.23 lacs earned during the previous year ended on 31st March, 2015, giving a rise of 16.68% as compared to previous year.

The Company has earned the Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of Rs. 904.96 lacs during the year ended on 31st March, 2016 as compared to Rs. 759.94 lacs earned during the previous year ended on 31st March, 2015 showing a rise of 19.55%. The Company has incurred Finance Cost of Rs. 92.76 lacs and provided for Depreciation and Amortisation expenses of Rs. 783.25 lacs for the year ended on 31st March, 2016.

The Company has earned profit before Tax of Rs. 28.95 lacs during the year under review as compared to Rs. 0.88 lacs incurred during the previous year ended on 31st March, 2015. The Company has earned profit for the year of Rs. 12.62 lacs during the year ended on 31st March, 2016 after providing Finance Cost and Depreciation and Amortisation expenses and after releasing Deferred Tax of Rs. 15.48 lacs and other adjustments, as compared to profit of Rs. 0.60 lacs earned by the Company during the previous year ended on 31st March, 2015.

DIVIDEND:

The Directors have recommended dividend of Rs. 0.80/- per share (@ 8.00%) on 8,62,668 Equity Shares of Rs.10/- each of the Company for the financial year ended on 31st March, 2016 as compared to Rs. 0.80/- per share (@ 8.00%) dividend declared in the previous financial year ended on 31st March, 2015. This will absorb Rs. 6.90 lacs as against Rs. 6.90 lacs absorbed in the previous year. The corporate dividend tax payable by the Company on the said dividend will be Rs. 1.40 lacs as compared to Rs. 1.40 lacs paid during the previous year. If approved, the dividend will be paid without deduction of tax at source to the shareholders.

TRANSFER TO RESERVE :

The Company does not propose to transfer any amount to General Reserve due to inadequacy of profit.

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.



OPERATIONS - MARKETING FOCUS:

Ice-cream Division :

Industry Structure & Development, Business Overview & Sustainable Growth Opportunities :

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. **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, Frootful Juices & 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.

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 ambience. 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.

AWARDS WON BY VADILAL YEAR BY YEAR:

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 – Happiness Vanilla Ice cream. Bronze in Premium – Pista Happiness 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.

FUTURE STRATEGY:

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. The Company is 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 the Company is continuously expanding its cold chain distribution network through refrigerated vehicles and deep freezers.



The Company is 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) and Ice Cream parlours.

Along with various ATL campaigns, the Company also plans various BTL activities to enhance consumer experience with Vadilal. The Company plans to organize innovative cross promotional activities to enhance the brand engagement with the consumers and use the digital space actively as well for the same. The Company also plans to increase the branding activity at retail level.

Marketing

To ensure maximum exposure to the public in terms of marketing, we spend on an optimum mix of ATL and BTL activities. We utilize various communication touch points like Retail, Outdoor, Print, TV, Internet, Social Media etc. to get the brand message across. This year, we have a 360 degree marketing plan. However, the advertising budgets are skewed more towards television as we have a nationwide reach now. Apart from traditional media platforms, we also enjoy commendable brand presence and preference in the digital space.

Our consumer engagement initiative, 'Vadilal Freeze the Moment Contest' Calendar, launched in 2012, has become a successful annual event and is eagerly awaited by consumers every year.

On the sales promotions front, we constantly engage our trade patrons through various schemes and offers. Vadilal also invests in consumer promotional activities from time to time. As an example, last year we had a "surprise gift" available with each candy of Ice Trooper to delight our young customer which we have continued this year as well.

PROCESSED FOOD DIVISION:

Today the world's market is all about convenience. Beyond the basic needs and necessities, luxury has now become synonymous with convenience and ease of operation. 'Quick and easy' is the new market *mantra*, and one area where this behavioral evolution has turned out to be a boon is the Convenience Foods market.

The frozen foods segment has been the segment that has catered the most to these altering lifestyle needs. Garden-picked fresh and as delicious as home-cooked food, with qualities like longer shelf life and made with advanced technological expertise, the Frozen Foods category is making positive strides towards representing a more attractive and relevant proposition to a wider range of consumers today.

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

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 like guava slices, Jaamun, and Pomegranate kernels.

FINANCE :

During the year under review, the company has availed / reviewed various secured and unsecured loans from various Banks, FIs. During the year under review, the company has made regular repayment of Loan & interest and there is no any overdue payment to Banks and FIs. Company has maintained external rating from CRISIL Limited & CARE Ratings, they have reviewed the external rating of the company i.e. BBB (Negative)."

During the year under review, the Company has transferred the unclaimed interest on Fixed Deposit of Rs. 1905/- for the financial year ended on 31st March, 2009 to Investors' Education and Protection Fund.

DETAILS OF DEPOSITS:

a. During the year under review, the details of deposit accepted by the company from its member, 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 :

	(Rs. in lakhs)
(a) Amount of existing deposits as at 1st April, 2015	8.14
(b) Amount of deposits accepted or renewed during the year	
(i) Secured deposits	0.00
(ii) Unsecured deposits	74.58
Total (b) :	74.58
(c) Amount of deposits repaid during the year	2.75
(d) Balance of deposits outstanding at the end of the year (a+b-c)	79.97

b. As on 31st March, 2016, no deposits 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.

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, Vadilal Forex and Consultancy Services Ltd., and Majestic Farm House Limited an Associate Companies, 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.

ASSOCIATE COMPANIES :

A report on the financial position of associate companies as per first proviso to sub-section(3) of Section 129 of the Companies Act, 2013 and Rules made thereunder in the prescribed Form – AOC-1 is provided as **Annexure – B** to the consolidated financial statement and hence not repeated here for the sake of brevity.

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 – C** 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 32 to the financial statement which sets out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

During the year in review the erstwhile Company Secretary and Compliance Officer Mrs. Ruchita V. Gurjar has been resigned from the Company from the From 10th February, 2016 in place of her; Company has appointed Mr. Darshan D. Shah as a Company Secretary and Compliance Officer of the Company from 11th March, 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 directors pursuant to the provisions of the Act.

The performance of the Board was 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 performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, 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, are as under :

A. AUDIT COMMITTEE :

The Audit Committee comprises the following Director of the Company, as on 31st March, 2016 namely:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Jayantilal M. Shah	- Chairman	Independent Director
2	Mr. Devanshu L. Gandhi	- Member	Non-Executive and Non-Independent Director
3	Mr. Preet P. Shah	- Member	Independent Director

The constitution of the Audit Committee fulfills the requirements of Section 177 of the Companies Act, 2013 and Rules made thereunder. The members of audit committee are financially literate and having accounting or related financial management expertise.

Mr. Darshan Shah, who is a Company Secretary of the Company, is the Secretary to the Audit Committee.

B. NOMINATION AND REMUNERATION COMMITTEE :

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. Jignesh J. Shah	- Chairman	Independent Director
2	Mr. Devanshu L. Gandhi	- Member	Non-executive and Non-Independent Director
3	Mr. Preet P. Shah	- Member	Independent Director

The constitution of Nomination and Remuneration Committee fulfills the requirements of Section 178 of the Companies Act, 2013 and Rules made thereunder.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The erstwhile Share Transfer 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 Section 178 of the Companies Act, 2013 and Rules made thereunder.

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. Rajesh R. Gandhi	- Chairman	Non-Executive and Non-Independent Director
2	Mr. Devanshu L. Gandhi	- Member	Non-Executive and Non-Independent Director

The constitution of Stakeholders' Relationship Committee fulfills the requirements of Section 178 of the Companies Act, 2013 and Rules made thereunder.

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.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Nomination and Remuneration Committee has at its meeting held on 29th May, 2014 recommended to the Board a policy on appointment and remuneration of Directors of the Company in terms of the provisions of Section 178 of the Companies Act, 2013 and Rules made thereunder, which was approved by the Board of Directors, at its meeting held on 29th May, 2014. The Policy on appointment and remuneration of Directors is enclosed with the Directors' report and marked as "**Annexure - D**".

OTHER POLICIES AND MESURES 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 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



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. The said policies are available at Company's web-site viz. <http://vadilalgroup.com/>

NUMBER OF BOARD MEETINGS :

During the year under review, five Meetings of Board of Directors were held on 01-06-2015, 13-08-2015, 09-11-2015, 02-02-2016 and 11-02-2016.

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

The details of Conservation of Energy and Technology Absorption are not required to provide as the provisions of Section 134(1)(m) are not applicable to the Company due to the nature of the Company's business operations, being Marketing Company.

There is no any Foreign Exchange Earnings or outgo during the year under review.

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 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 Auditors' Report on the Annual Accounts of the Company for the year ended on 31st March, 2016 does not contain any qualification / reservation / observation.

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, Practising 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 - E** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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. 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.

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).

The Company confirms that it has paid Annual Listing Fees due to the BSE Limited upto the Financial Year –2015-2016.

DEPOSITORY SYSTEM:

Your Company has established electronic connectivity with the Depositories, NSDL and CDSL. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation of the Company's shares on NSDL and CDSL as aforesaid.

The ISIN number allotted to the Company is INE693D01018.

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 - 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.

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.

INSURANCE:

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

TRADE RELATIONS :

The Board desires to place on record its appreciation of the support and co-operation that your Company received from Distributors, Dealers, Stockiest, C&F Agents, Retailers and all others associated with your Company. It will be your Company's continued endeavor to build and nurture strong links with the trade, based on mutuality, respect and co-operation and consistent with the consumer interest.

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

DIN : 00009879

Date : 8th August, 2016

Place : Ahmedabad



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	L51100GJ1985PLC007995
2. Registration Date	13-07-1985
3. Name of the Company	VADILAL ENTERPRISES LIMITED
4. Category/Sub-category of the Company	Public Limited Company
5. Address of the Registered office & contact details	A-801, 8 th Floor, Time Square Building, Nr. Lal Bungalow Cross, C. G. Road, Navrangpura, Ahmedabad – 380 009.
6. Whether listed company	Listed at BSE Limited
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. Tel. Nos. : (079) 26582878, 26581296 Fax No. : (079) 26584027

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Ice-cream and Frozen Desert Product (Marketing)	1050	97.42%
2	Fruit Pulp, Frozen Fruits etc. (Marketing)	1030	2.58%

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 Forex & Consultancy Services Limited Vadilal House, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad.	U93000GJ1995P LC026204	Associate	28%	2(6)
2	Majestic Farm House Limited 9, Karnavati Society, Bhairavnath Road, Maninagar, Ahmedabad.	U15200GJ1987 PLC009836	Associate	29.54%	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	25284	0	25284	2.93	25284	0	25284	2.93	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.	105407	0	105407	12.22	105407	0	105407	12.22	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	299287	16369	315656	36.59	296907	14979	311886	36.15	-0.44
Sub Total(A)(1)	429978	16369	446347	51.74	427598	14979	442577	51.30	-0.44

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)	429	0	429	0.05	0	0	0	0.00	-0.05
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(2)	429	0	429	0.05	0	0	0	0.00	-0.05
Total shareholding of Promoter (A)	430407	16369	446776	51.79	427598	14979	442577	51.30	-0.49
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
g) FIs	0	0	0	0.00	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	22569	600	23169	2.69	20912	600	21512	2.49	-0.19
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	202312	97901	300213	34.80	256078	92906	348984	40.45	5.65
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	75143	0	75143	8.71	26782	0	26782	3.10	-5.61
c) Others (specify)									
Non Resident Indians	9454	0	9454	1.10	10747	0	10747	1.25	0.15
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0.00	0.00
Hindu Undivided Families (HUF)	7913	0	7913	0.92	12066	0	12066	1.40	0.48
Sub-total (B)(2):-	317391	98501	415892	48.21	326585	93506	420091	48.70	0.49
Total Public Shareholding (B)=(B)(1)+ (B)(2)	317391	98501	415892	48.21	326585	93506	420091	48.70	0.49
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total(A+B+C)	747798	114870	862668	100.00	754183	108485	862668	100	0



From Promoter Category 4199 Shares of 6 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 shareholding during the year
		No. of Shares	% of total Shares of the	% of Shares Pledged / company encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	VIRENDRA RAMCHANDRA GANDHI HUF	11689	1.35	0	11689	1.35	0	0.00
2	LAXMAN R GANDHI HUF	11479	1.33	0	11479	1.33	0	0.00
3	RAJESH R GANDHI HUF	2116	0.25	0	2116	0.25	0	0.00
4	VORTEX ICE CREAM PVT. LTD.	43308	5.02	0	43308	5.02	0	0.00
5	VADILAL MARKETING PRIVATE LIMITED	43299	5.02	0	43299	5.02	0	0.00
6	BYAD PACKAGING INDUSTRIES PVT LTD	18700	2.17	0	18700	2.17	0	0.00
7	VADILAL CHEMICALS LIMITED	100	0.01	0	100	0.01	0	0.00
8	VIRENDRA RAMCHANDRA GANDHI	72347	8.39	0	72347	8.39	0	0.00
9	RAJESH RAMCHANDRA GANDHI	78408	9.09	0	78408	9.09	0	0.00
10	DEVANSHU LAXMANBHAI GANDHI	109145	12.65	0	109145	12.65	0	0.00
11	MAMTA RAJESH GANDHI	21145	2.45	0	21145	2.45	0	0.00
12	JANMAJAY VIRENDRABHAI GANDHI	10613	1.23	0	10613	1.23	0	0.00
13	ILA V GANDHI	8957	1.04	0	8957	1.04	0	0.00
14	DEVAL DEVANSHU GANDHI	4710	0.55	0	4710	0.55	0	0.00
15	NITAALIASHEMALI PIYUSH SURATI	1826	0.21	0	1826	0.21	0	0.00
16	RAMCHANDRA RANCHHODLAL GANDHI	3400	0.39	0	3400	0.39	0	0.00
17	SHARMISTHABEN P SURATI	865	0.10	0	865	0.10	0	0.00
18	NAYNABEN SURENDRABHAI CHOKSHI	400	0.05	0	400	0.05	0	0.00
19	KALPIT RAJESH GANDHI	70	0.01	0	70	0.01	0	0.00
20	SURENDRABHAI CHAMANLAL CHOKSHI#	2380	0.28	0	0	0	0	-0.28
21	PIYUSHBHAI C. SURATI#	500	0.06	0	0	0	0	-0.06
22	PIYUSHBHAI CHANDULAL SURATI#	450	0.05	0	0	0	0	-0.05
23	MANOJKUMAR VADILAL MODI#	429	0.05	0	0	0	0	-0.05
24	PIYUSH CHANDULAL SURATI#	400	0.05	0	0	0	0	-0.05
25	PRAVINCHANDRA P. SURATI#	40	0.00	0	0	0	0	0.00
	Total	446776	51.79	0	442577	51.30	0	-0.49

From Promoter Category 4199 Shares of 6 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 total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	446776	51.79	446776	51.79
	Increase / Decrease in Promoters Shareholding during the year due to restructuring of promoters' group	(4199)	(0.49)	442577	51.30
	At the end of the year	442577	51.30	442577	51.30

From Promoter Category 4199 Shares of 6 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.

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	117833	13.66	117833	13.66
	Increase / Decrease in Shareholding during the year due to transfer	(62852)	(7.28)	54981	6.37
	At the end of the year	54981	6.37	54981	6.37

E) Shareholding of Directors and Key Managerial Personnel:

SN	Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Rajesh R. Gandhi, Director				
	At the beginning of the year	78408	9.09	78408	9.09
	Increase / Decrease in Promoters Shareholding during the year	0	0	78408	9.09
	At the end of the year	78408	9.09	78408	9.09
2.	Mr. Devanshu L. Gandhi, Director				
	At the beginning of the year	109145	12.65	109145	12.65
	Increase / Decrease in Promoters Shareholding during the year due to transmission	0	0.00	109145	12.65
	At the end of the year	109145	12.65	109145	12.65
3.	Mrs. Mamta R. Gandhi, Director				
	At the beginning of the year	21145	2.45	21145	2.45
	Increase / Decrease in Promoters Shareholding during the year	0	0	21145	2.45
	At the end of the year	21145	2.45	21145	2.45
4.	Mr. Vishal Surati, Chief Executive Officer				
	At the beginning of the year	340	0.04	340	0.04
	Increase / Decrease in Promoters Shareholding during the year	0	0	340	0.04
	At the end of the year	340	0.04	340	0.04
5.	Mr. Rajesh Bhaghat, Chief Financial Officer				
	At the beginning of the year	0	0	0	0
	Increase / Decrease in Promoters Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
6.	Mr. Darshan Shah, Company Secretary				
	At the beginning of the year	0	0	0	0
	Increase / Decrease in Promoters Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0



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

Rs. in Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	713.89	172.84	8.14	894.87
ii) Interest due but not paid				
iii) Interest accrued but not due	2.33	2.38	3.24	7.95
Total (i+ii+iii)	716.22	175.22	11.38	902.82
Change in Indebtedness during the financial year				
* Addition	214.22	63.79	76.01	354.02
* Reduction	-622.12	-164.19	- 5.99	- 792.30
Net Change	-407.90	-100.40	70.02	-438.28
Indebtedness at the end of the financial year				
i) Principal Amount	305.35	69.03	79.97	454.35
ii) Interest due but not paid			0.78	0.78
iii) Interest accrued but not due	2.97	5.79	0.65	9.41
Total (i+ii+iii)	308.32	74.82	81.40	464.54

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

N.A. As the Company does not have any Managing Director, Whole-time Director or Manager.

B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors							Total Amount (Gross)
		Mr. Rajesh R. Gandhi	Mr. Devanshu L. Gandhi	Mrs. Mamta R. Gandhi	Mr. Jayantilal M. Shah	Mr. Jignesh J. Shah	Mr. Ashish Modi	Mr. Preet P. Shah	
1	Independent Directors								
	Fee for attending board /committee meetings	0	0	0	8000	10000	10000	10000	38000
	Commission	0	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0	0
	Total (1)	0	0	0	8000	10000	10000	10000	38000
2	Other Non-Executive Directors								
	Fee for attending board /committee meetings	10000	14000	6000	0	0	0	0	0
	Commission	0	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0	0
	Total (2)	10000	14000	6000	0	0	0	0	30000
	Total Managerial Remuneration (1+2)								68000 (Gross)
	Overall Ceiling as per the Act 10% of Net Profit	NA							

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

SN	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Vishal Surati, Chief Executive Officer	Mr. Rajesh Bhaghat, Chief Financial Officer	Mrs. Ruchita Gurjar, Company Secretary#	Mr. Darshan Shah, Company Secretary*	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3045928	792183	625093	24583	4487787
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39600	21600	0	0	61200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission					
	- as % of profit	0	0	0	0	0
	others, specify...	0	0	0	0	0
5	Others (Bonus, Insurance, Gratuity, Ex-gratia, Provident Fund)	104580	34788	19121	829	159318
	Total	3190108	848571	644214	25412	4708305

Ruchita Gurjar was the Company Secretary & Compliance Officer in the Company till 10/02/2016 so the details are on pro rata basis.

* Darshan Shah appointed as Company Secretary & Compliance Officer from 11/03/2016 so the details are on pro rata basis.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

**ANNEXURE – B TO THE DIRECTORS' REPORT****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****N.A. The Company does not have any subsidiary.****Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures****a. Associates :****i. Vadilal Forex and Consultancy Services Limited**

Sr No	Particulars	Rs. in Lacs
1	Name of associate	Vadilal Forex and Consultancy Services Limited
2	Latest audited Balance Sheet Date	31 st March, 2016
3	Shares of Associate held by the company on the year end	
i	No. 70000	
ii	Amount of Investment in Associate	0.7
	(Gross Rs. 7.00 Lacs Less Provision for Diminution In Value of Investments Rs. 6.30 Lacs)	
iii	Extend of Holding%	28.00%
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	19.37
7	Profit for the year (before tax)	19.42
i	Considered in Consolidation	5.44
ii	Not Considered in Consolidation	13.98

ii. Majestic Farm House Limited :

Sr No	Particulars	Rs. in Lacs
1	Name of associate	Majestic Farm House Limited
2	Latest audited Balance Sheet Date	31 st March, 2016
3	Shares of Associate held by the company on the year end	
i	No. 115200	
ii	Amount of Investment in Associate	3.16
	(Gross Rs. 11.52 Lacs Less Provision for Diminution In Value of Investments Rs. 8.36 Lacs)	
iii	Extend of Holding%	29.54%
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	19.34
7	Profit for the year (before tax)	1.73
i	Considered in Consolidation	0.51
ii	Not Considered in Consolidation	1.22
a.	Joint Ventures :	

The Company does not have any Joint Ventures.

Notes :

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



Annexure - C to the Directors' Report

FORM - AOC-2

**(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013
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 Industries Limited (VIL), 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, Flavored 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	Purchase of Ice-cream, Frozen Desert, Flavored Milk and other Milk and Dairy products by the Company from VIL on Principal to Principal basis and on credit basis. All matters related to marketing including marketing expenses will be decided and born by VEL.
e)	Date of approval by the Board	17-02-2015 and at every quarterly Audit Committee Meetings.
f)	Amount paid as advances, if any	No.



**ANNEXURE – D TO THE DIRECTORS' REPORT
NOMINATION AND REMUNERATION POLICY OF VADILAL ENTERPRISES LIMITED**

Introduction:

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

Objective and purpose of the Policy:

The objective and purpose of this policy are:

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

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee at its meeting held on 29th May, 2014 and adopted by the Board of Directors at its meeting held on 29th May, 2014.

Effective Date:

This policy shall be effective from 29th May, 2014.

Constitution of the Nomination and Remuneration Committee:

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

Sr. No.	Name of the Member	Designation	Category
1	Mr. Jignesh J. Shah	Chairman	Independent Director
2	Mr. Devanshu L. Gandhi	Member	Non-executive and Non-Independent Director
3	Mr. Preet P. Shah	Member	Independent Director

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

Definitions:

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

Applicability:

The Policy is applicable to :

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

General:

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

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

The Committee shall:

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

PART – B**POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:**

- **Appointment criteria and qualifications:**

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

- **Term / Tenure:**

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

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

2. **Independent Director:**

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

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

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

- **Evaluation:**

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

- **Removal:**

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

- **Retirement:**

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



PART – C

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

- **General:**

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

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

1. **Fixed pay:**

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

2. **Minimum Remuneration:**

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

3. **Provisions for excess remuneration:**

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

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

1. **Remuneration / Commission:**

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

2. **Sitting Fees:**

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

3. **Commission:**

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

4. **Stock Options:**

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



ANNEXURE E TO 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 of

The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

VADILAL ENTERPRISES LIMITED

Regd. Off : A/801 , 8th Floor, "Time Square" Building,

Nr. Lal Bunglow Char Rasta, NavrangpuraAhmedabad -380006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VADILAL ENTERPRISES LIMITED (CIN : L51100GJ1985PLC007995) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under 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), (d), (e), (g) and (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 the Stock Exchange 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 31st March, 2015 at the Board Meeting held on 01st June, 2015.

VI. We further report that having regard to the compliance management 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. We have relied on the representations made by the Company and its officers for systems and mechanisms



formed by the Company for compliances under other laws and regulations applicable to the Company and verification of documents and records on test check basis.

However it has been noted from the financials of the company that there were certain disputed statutory dues relating to taxes and duties which have been shown in contingent liabilities at Note No. 27.1 against which appeals have been filed by the company as reported therein. 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 and tax 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 generally 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.

Place: Ahmedabad

Date: 8th August, 2016

Signature:

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

ACS/FCS No. : F3544

CPNo : 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 ENTERPRISES LIMITED
Regd. Off : A/801, 8th Floor, "Time Square" Building,
Nr. Lal Bunglow Char Rasta, Navrangpura, Ahmedabad -380006

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.

Place: Ahmedabad

Date: 8th August, 2016

Signature:

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

ACS/FCS No. : F3544

CPNo : 2356

ANNEXURE –F TO THE DIRECTORS' REPORT: PARTICULARS OF EMPLOYEES:

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

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

Name of the Managing Directors, Chief Financial Officers and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year
Mr. Vishal Surati, Chief Executive Officer	N.A.	66%
Mr. Rajesh Bhaghat, Chief Financial Officer	N.A.	7%
Mrs. Ruchita Gurjar, Company Secretary (Upto 10 th February, 2016)	N.A.	16%
Mr. Darshan Shah, Company Secretary (W.e.f. 11 th March, 2016)	N.A.	N.A.

The Company does not have any Managing Director or Whole-time Director or Manager. 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 : 8.10%**
- c. **The number of permanent employees on the rolls of Company : 521**
- 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.
In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.
- e. The Company affirms remuneration is as per the remuneration policy of the Company.
- f. The Statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company including Managing Directors was in receipt of remuneration in excess of the limits set out in the said rules.



INDEPENDENT AUDITOR'S REPORT

To the Members of Vadilal Enterprises limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Vadilal Enterprises 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.

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.

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

Mayank S. Shah
Partner

Membership No. : 44922

Place : Ahmedabad
Date : May 28, 2016



Annexure - A to the 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) In respect of Deep freeze machines, push carts and freezer on wheels lying with third parties we are informed that the company has formulated a programme of physical verification of these assets over a period of three years. Major Deep freeze machines and push carts are covered as per formulated programme during the year. No material discrepancies were noticed on such physical verification. Other assets viz. furniture & office equipments are not verified during the year. In absence of physical verification of such fixed assets, material discrepancies if any could not be ascertained.
 (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.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) 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 members 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.
 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 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.
 (b) 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 1956 and Sales Tax Act	0.44	CST Assessment demand	2008-09	Tribunal
		13.51	Sales Tax Demand	2008-09	Tribunal
		10.05	Sales Tax Demand	2008-09	D.Comm (Appeals)
		50.19	Sales Tax Demand	2009-10	Tribunal
		17.47	Sales Tax Demand	2009-10	Dy.Comm
		13.58	Sales Tax Demand	2010-11	Dy.Comm
		3.65	Sales Tax Demand	2011-12	Addl Comm
	Total	108.89			
2	Income Tax Act, 1961	24.96	Income Tax Demand	A.Y. 1993-94	High Court
		19.14	Income Tax Demand	A.Y. 1994-95	High Court
		6.48	Income Tax Demand	A.Y. 1991-92 & 1992-93	High Court
		5.73	Penalty u/s 271(1)(c)	A.Y. 2010-11	CIT(A)
		1.48	Income Tax Demand	A.Y. 2012-13	CIT(A)
		0.37	Income Tax Demand	A.Y. 2013-14	CIT(A)
	Total	58.16			

- (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 institution. 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 given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (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 given 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 Reg. 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 Enterprises 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 Reg. No. : 104744W

Mayank S. Shah
Partner

Membership No. : 44922

Place : Ahmedabad
Date : May 28, 2016



BALANCE SHEET AS AT 31ST MARCH, 2016

	NOTES	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
I EQUITY & LIABILITIES			
1) SHAREHOLDERS' FUND :			
a) Share Capital	2	86.26	86.26
b) Reserves & Surplus	3	310.41	306.09
	Sub Total	396.67	392.35
2) NON-CURRENT LIABILITIES			
a) Long-term borrowings	4	132.63	115.79
b) Long-term Provisions	5	45.16	31.58
	Sub Total	177.79	147.37
3) CURRENT LIABILITIES			
a) Short-term borrowings	6	80.37	598.99
b) Trade Payables	7		
	(i) Total outstanding dues of Micro, small and medium enterprises	0.00	0.00
	(ii) Total outstanding dues of Creditors other than Micro, small and medium enterprises	5,105.57	4,024.74
c) Other current liabilities	8	5,724.64	5,509.92
d) Short-term provisions	9	106.48	91.49
	Sub Total	11,017.06	10,225.14
	Total :-	11,591.52	10,764.86
II ASSETS			
1) NON-CURRENT ASSETS			
a) Fixed Assets			
	Tangible Assets	4,373.63	3,379.16
	Intangible Assets	95.39	44.22
	Capital Work in Progress	514.77	650.38
b) Non-current Investments	11	4.48	4.48
c) Deferred tax assets (Net)	12	183.15	167.67
d) Long-term loans and advances	13	2,517.42	3,313.99
e) Other Non-Current Assets	14	40.13	16.02
	Sub Total	7,728.97	7,575.92
2) CURRENT ASSETS			
a) Inventories	15	98.20	108.67
b) Trade Receivables	16	2,240.30	2,124.09
c) Cash & bank balances	17	571.07	68.34
d) Short-term loans & advances	18	683.80	727.81
e) Other current assets	19	269.18	160.03
	Sub Total	3,862.55	3,188.94
	Total :-	11,591.52	10,764.86
Summary of significant accounting policies	1.1		
The accompanying notes are 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 : 28th May, 2016

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

Rajesh R. Gandhi - Chairman
Devanshu L. Gandhi - Director
Rajesh Bhagat - Chief Financial Officer
Darshan Shah - Company Secretary

Place: Ahmedabad
Date : 28th May, 2016



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

	NOTES	YEAR ENDED 31.03.2016 (₹ in Lacs)	YEAR ENDED 31.03.2015 (₹ in Lacs)
Income			
I Revenue from Operation (net)	20	48,826.66	41,846.23
II Other Income	21	155.00	121.50
III Total Revenue (I+ II)		48,981.66	41,967.73
IV Expenses			
Purchase of traded goods	22	40,490.48	35,442.35
(Increase) / decrease in traded goods	23	3.16	12.20
Employee benefit expense	24	1,766.25	1,345.01
Other Expenses	25	5,816.81	4,408.23
Total (IV)		48,076.70	41,207.79
V Earning before interest,tax,depreciation & amortization (III-IV)		904.96	759.94
VI Finance Cost	26	92.76	118.88
VII Depreciation & Amortization Expense	10	783.25	640.18
VIII Profit Before Tax (V-VI-VII)		28.95	0.88
IX Tax Expense [Refer Note No.1-H]			
- Current Tax (MAT Tax)		27.49	9.35
Less:MAT Credit Entitlement		0.00	(9.35)
		27.49	-
- Deferred Tax Charge/(Release)		(15.48)	0.28
- Income Tax Written-off /(Written back) of earlier years		4.32	-
Total (IX)		16.33	0.28
X Profit for the year (VIII-IX)		12.62	0.60
Earnings per equity share [Nominal value of share ₹ 10]	28.5	1.46	0.07
Basic & Diluted			
(Computed on the basis of total profit/(loss) for the year)			
Summary of significant accounting policies	1.1		
The accompanying notes are integral part of the financial statements.			

As per our report of even date.

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

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

Rajesh R. Gandhi - Chairman
Devanshu L. Gandhi - Director
Rajesh Bhagat - Chief Financial Officer
Darshan Shah - Company Secretary

Mayank S. Shah
Partner
Membership No.: 44922

Place: Ahmedabad
Date : 28th May, 2016

Place: Ahmedabad
Date : 28th May, 2016



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax from continuing operations	28.95	0.88
Non-cash Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	783.25	640.18
Depreciation Fund written Back	(36.27)	(15.57)
(Profit)/Loss on Sale of Fixed Assets	(0.44)	(1.31)
Provisions for doubtful advance/debtors	87.46	48.24
Bad debts/advances written off	3.45	91.28
Fixed Assets written off	60.45	4.19
Dividend Income	(0.07)	(0.08)
Interest Income	(28.35)	(26.64)
Interest Expenses	92.76	118.88
Excess Provision Written Back	(61.02)	(49.37)
Scrap sale of assets	(27.17)	(29.21)
Operating profit before working capital changes	903.00	781.47
Movements in working capital :		
Increase/(decrease) in trade payables	1,141.85	(1,671.93)
Increase/(decrease) in long-term provisions	13.59	17.21
Increase/(decrease) in short-term provisions	26.24	10.27
Increase/(decrease) in other current liabilities	108.15	1,343.37
Decrease/(increase) in trade receivables	(103.41)	422.18
Decrease/(increase) in other receivables	(109.15)	(36.52)
Decrease/(increase) in inventories	10.47	20.03
Decrease/(increase) in long-term loans and advances	725.75	(703.67)
Decrease/(increase) in short-term loans and advances	44.01	1,285.22
Cash Generated from/(used in) operations	2,760.50	1,467.63
Direct taxes paid (net of refunds)	30.30	(8.33)
Net cash flow from/(used in) operating activities (A)	2,790.80	1,459.30
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets/CWIP	(1,794.81)	(1,406.04)
Proceeds from sale/purchase return of fixed assets	41.52	31.71
Investments in bank deposits (having original maturity of more than three months)	(17.09)	(21.21)
Redemption/maturity of bank deposits (having original maturity of more than three months)	0.00	18.01
Interest received	28.35	166.96
Dividend received	0.07	0.08
Net cash flow from/(used in) investing activities (B)	(1,741.96)	(1,210.49)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term borrowings	293.88	-
Repayment of long term borrowings	(212.23)	(279.82)
Repayment/Receipt of short-term borrowings(net)	(518.63)	162.82
Interest paid	(94.18)	(130.73)
Dividend paid	(6.53)	(6.92)
Tax on Equity Dividend	(1.40)	(1.17)
Net cash flow from/(used in) in financing activities (C)	(539.09)	(255.82)
Net increase / (Decrease) in cash equivalents(A+B+C)	509.75	(7.01)
Net Cash equivalents as at 01.4.2015(Opening Balance)	60.55	67.56
TOTAL - >	570.30	60.55
Major Components of Cash and Cash Equivalents as at	31-03-2016	31-03-2015
Cash on hand	22.23	10.89
Balance With Banks - On Current Accounts	544.25	22.42
- Deposit Repayment Reserve Account	0.78	18.63
- Cheques on Hand	0.00	5.93
- Unclaimed Dividend Accounts*	3.04	2.68
	570.30	60.55

* The company can utilize this balance only towards settlement of unclaimed dividend.

Notes : 1) The above cash flow has been prepared under Indirect Method set out in AS 3, issued by The Institute of Chartered Accountants of India.

2) Previous years figures have been restated wherever necessary to make them comparable with current year figures.

This is the Cashflow 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 : 28th May, 2016

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

Rajesh R. Gandhi - Chairman
Devanshu L. Gandhi - Director
Rajesh Bhagat - Chief Financial Officer
Darshan Shah - Company Secretary

Place: Ahmedabad
Date : 28th May, 2016



Company Information

Vadilal Enterprise Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay stock exchange in India. The Company is engaged in the marketing and distribution of the Ice cream and frozen desserts and Process food products of the brand "Vadilal" all over India except Ice cream, Dairy Product and frozen desserts in Maharashtra, Goa, Karnataka, Kerala & Andhra Pradesh.

1. 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.

1.1. 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 AND DEPRECIATION:

TANGIBLE ASSETS :

(i) Fixed assets are stated at cost of acquisition & installation, 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.

INTANGIBLE ASSETS :

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

DEPRECIATION & AMORTISATION:

(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 are used.

Particulars	Estimated Useful Life
Building	
1) Office Building	58 Years
Plant & Machinery	
1) Push Carts, Tricycles, & Insulated Iron / Plastic Boxes	5 Years
2) Specific assets of Parlour	3 Years
3) Freezer on wheels	7 Years
4) Deep Freeze	10 Years

(iii) (b) Software is amortised on straight line basis over a period of five years.

(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 tangible assets exceeds its recoverable amount. The recoverable amount is measured as the higher of the net selling price & the value in use determined by the present value of estimated future cash flows.

C) INVESTMENTS:

Investments are classified as non current investments and are stated at cost. A Provision for diminution in the value of non current investments is made for each investment individually, only if such decline is other than temporary.

D) INVENTORIES:

Inventories are valued as under:

INVENTORY VALUATION METHOD

- (i) Finished Goods : At lower of Cost or Net realisable value. Cost is determined on 'Weighted Average' basis. (Trading)
- (ii) Machinery Parts : At lower of Cost or Net realisable value. Cost is determined on 'Weighted Average' basis. Due provision for obsolescence and wear & tear is made.

E) REVENUE RECOGNITION:

(i) 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 goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.

- (ii) Sales are shown net of Damages, Trade Discount and Special Scheme Discount. Sales do not include Value Added Tax.
- (iii) Service charges income are accounted when there is reasonable certainty of recovery.
- (iv) Dividend income from Investment is accounted for when the right to receive is established
- (v) Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- (vi) Lease Rent income are accounted when there is reasonable certainty of recovery.

F) EMPLOYEES BENEFITS :

(a) Short Term Employee Benefits :

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

(b) Post-Employment Benefits :

(i) Defined Contribution Plans :

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

(ii) Defined Benefit Plans:

The employee's gratuity fund scheme and compensated absences is company's defined benefit plans.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes 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 recognized 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 recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefits plans are recognized when the curtailment or settlement occurs. Past service cost is recognized 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 COST:

Borrowing cost 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. All other borrowing costs are charged in statement of profit & loss of the year in which incurred.

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 differences, 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 of realisation of such asset. 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) Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract. The difference in translation of current assets and current liabilities is recognized in the statement of Profit & Loss.

(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.



J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognised when the company has present legal or constructive 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. These are reviewed at each year end and adjusted to reflect the best current estimate.

Contingent Liabilities are disclosed by way of notes to Accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

K) CONTINGENCIES AND EVENTS OCCURRING AFTER BALANCE SHEET DATE:

All contingencies and events occurring after Balance Sheet date which have a material effect on the financial position of the company are considered for preparing the financial statement.

L) 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.

M) LEASES :

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expenses in the statement of profit and loss.

N) CASH AND CASH EQUIVALENTS :

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

O) CASH FLOW STATEMENT :

Cash flow statement is prepared using the indirect method, whereby profit before extraordinary item 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 payment. The cash flow from operating, investing and financing of the company are segregated based on the available informations.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2016

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Note : 2		
Share Capital :		
Authorised :		
20,00,000 (P.Y 20,00,000) Equity Shares of ₹ 10/-each	200.00	200.00
Issued & Subscribed :		
8,70,148 (P.Y.8,70,148) Equity Shares of ₹ 10/- each	87.01	87.01
Paid Up :		
8,62,668 (P.Y.8,62,668) Equity Shares of ₹ 10/- each	86.26	86.26
	86.26	86.26

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

	31.03.2016		31.03.2015	
Equity Shares	No.	₹ in Lacs	No.	₹ in Lacs
At the beginning of the year	862,668	86.26	862668	86.26
Outstanding at the end of the year	862,668	86.26	862668	86.26

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 share is entitled to one vote per share. The company declares & pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General meeting.

During the year ended 31 March 2016, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 0.80 (P.Y. ₹ 0.80)

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 distributed in the number of equity shares held by the shareholders.

The company does not have any holding company.

The company has not issued any bonus shares, or shares for consideration other than cash or bought back equity shares during the year or for the period of five years immediately preceding the date of balance sheet.


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

Equity Shares of ₹ 10 each fully paid	31.03.2016		31.03.2015	
	No.	%Holding in the class	No.	%Holding in the class
1 Devanshu Laxmanbhai Gandhi	109,145	12.65	109,145	12.65
2 Rajesh Ramchandra Gandhi	78,408	9.09	78,408	9.09
3 Virendra Ramchandra Gandhi	72,347	8.39	72,347	8.39
4 Vortex Ice-cream Pvt. Ltd.	43,308	5.02	43,308	5.02
5 Vadilal Marketing Pvt. Ltd.	43,299	5.02	43,299	5.02

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 ownership of shares.

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Note : 3		
Reserves & Surplus:		
Capital Reserve		
Balance as per last financial statement	0.37	0.37
Securities Premium Account		
Balance as per last financial statement	93.21	93.21
General Reserve		
Balance as per last financial statement	212.51	272.61
Less: Amount transferred to Accumulated Surplus for Proposed Equity Dividend	0.00	7.70
Less: Carrying Value of Fixed Assets whose life has been completed (Net of DTA ₹ NIL , P.Y.-₹ 25.17 Lacs) Refer Note No.10(4)	0.00	52.40
	<u>212.51</u>	<u>212.51</u>
Surplus in the statement of profit & loss		
Balance brought forward from the last year	0.00	0.00
Add: Profit/(Loss) After Tax for the year	12.62	0.60
Add: Amount transferred from General Reserve for Proposed Equity Dividend	0.00	7.70
Less: <u>Appropriation</u>		
Proposed Equity Dividend (amount per share ₹ 0.80, P.Y. ₹ 0.80)	6.90	6.90
Tax on Proposed Equity Dividend	1.40	1.40
	<u>4.32</u>	<u>0.00</u>
TOTAL ->	<u><u>310.41</u></u>	<u><u>306.09</u></u>

Note: 4

Long Term Borrowings	Non-current portion		Current maturities	
	31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs	31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs
[A] Term Loans:				
From Banks : (Secured)	0.00	0.20	0.00	69.96
From Others: (Secured)	66.66	98.81	232.15	98.82
(Unsecured)	0.00	10.39	10.39	12.45
	<u>66.66</u>	<u>109.40</u>	<u>242.54</u>	<u>181.23</u>
Less:- Amount disclosed under the head "other current liabilities"(Refer Note No. 8)	0.00	0.00	242.54	181.23
Net Amount [A]	<u>66.66</u>	<u>109.40</u>	<u>0.00</u>	<u>0.00</u>
[B] Other Loans & Advances:				
From Bank (Secured)	2.05	0.00	4.49	0.99
	<u>2.05</u>	<u>0.00</u>	<u>4.49</u>	<u>0.99</u>
Less:- Amount disclosed under the head "other current liabilities"(Refer Note No. 8)	0.00	0.00	4.49	0.99
Net Amount [B]	<u>2.05</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
[C] Fixed Deposits from Public: (Unsecured)	63.92	6.39	0.00	0.00
Less:- Amount disclosed under the head "other current liabilities"(Refer Note No. 8)	0.00	0.00	0.00	0.00
Net Amount [C]	<u>63.92</u>	<u>6.39</u>	<u>0.00</u>	<u>0.00</u>
TOTAL [A+B+C]	<u><u>132.63</u></u>	<u><u>115.79</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>



Note : Repayment schedule of Loan

Name of the Bank	Original Loan amount ₹ in Lacs	Outstanding Balance		Rate of interest	Remaining no. of Installments
		31.03.2016 ₹ in Lacs	31.03.2015 ₹ in Lacs		
1) Bank of India (Refer Note No.i)	350.00	0.00	70.16	14.70%	NIL
2) Car Loan (Refer Note No. iii) H.D.F.C Bank Limited	32.39	6.54	0.99	12.00%	17 EMI of 0.42 lacs *
3) IBM India Pvt.Ltd.(Refer Note No.iv)	45.84	10.39	22.84	13.00%	3 Quarterly Installment of ₹ 3.68 lacs each*
4) Tata Capital Financial Services Ltd. (Refer Note No.ii)	550.00	298.81	197.63	14.25%	12 of ₹ 8.23 lacs & 15 of ₹ 13.33 lacs each
		315.74	291.62		
5) Fixed Deposits		63.92	6.39	10.25% to 11%	24 to 36 months based on period of deposits

* Each EMI includes interest portion also.

- (i) Term Loan from Bank of India is secured on 1st charge by hypothecation on (i) movable assets of the Company such as Deep Freeze Machines, Refrigerated vehicles, FOW, Push Carts, Tricycles, etc., (ii) stocks of the Company, such as Ice-cream, Mango Pulp, Mango Juice, Frozen Fruits and Vegetables, (iii) Book Debts and Receivables of the Company. The Term Loan is also secured on 2nd charge by hypothecation on specific equipments and machineries financed by Tata Capital Financial Services Limited. The Term Loan is also secured on 1st charge by equitable mortgage by simple deposit of Title Deeds in respect of immovable properties of the Company i.e. 1st Floor of Vadilal House situated at Shrimali Society, Navrangpura, Ahmedabad.
- (ii) Term Loan from Tata Capital Financial Services Limited is secured on 2nd charge by hypothecation on (i) movable assets of the Company such as Deep Freeze Machines, Refrigerated vehicles, FOW, Push Carts, Tricycles, etc., (ii) stocks of the Company, such as Ice-cream, Mango Pulp, Mango Juice, Frozen Fruits and Vegetables, (iii) Book Debts and Receivables of the Company. The Term Loan is also secured on 1st charge by hypothecation on specific equipments and machineries financed by Tata Capital Financial Services Limited. The Term Loan is also secured on 2nd charge by equitable mortgage by simple deposit of Title Deeds in respect of immovable properties of the Company i.e. 1st Floor of Vadilal House situated at Shrimali Society, Navrangpura, Ahmedabad.
- (iii) Car Loans from HDFC Bank Limited are secured against Hypothecation of specific vehicles of the Company.
- (iv) Equipment lease and financing transactions for SAP project for ₹ 2 crores availed by the Company from IBM India Pvt. Ltd., Bangalore is guaranteed by some of the Directors and Group Company.

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Note: 5		
Long Term Provisions		
Provision for Gratuity (Refer Note No.28.1)	45.16	31.58
TOTAL ->	45.16	31.58
Note: 6		
Short Term Borrowings		
Loans repayable on demand from bank :		
Working Capital Loan :- (Secured)	0.00	445.11
Working Capital facilities from Bank of India is secured on 1st charge by hypothecation on (i) movable assets of the Company such as Deep Freeze Machines, Refrigerated vehicles, FOW, Push Carts, Tricycles, etc., (ii) stocks of the Company, such as Ice-cream, Mango Pulp, Mango Juice, Frozen Fruits and Vegetables, (iii) Book Debts and Receivables of the Company. Working Capital facilities is also secured on 2nd charge by hypothecation on specific equipments and machineries financed by Tata Capital Financial Services Limited. Working Capital facilities is also secured on 1st charge by equitable mortgage by simple deposit of Title Deeds in respect of immovable properties of the Company i.e. 1st Floor of Vadilal House situated at Shrimali Society, Navrangpura, Ahmedabad.		
The cash credit is repayable on demand and carries interest @14.60% p.a.		
Loans From Related Parties : (Refer Note No.28.2) (Unsecured)	64.32	152.13
(Repayable on demand @ 10.50%)		
Fixed Deposits from Public (Unsecured)	16.05	1.75
(Repayable on 12 months with interest 10.25%)		
TOTAL ->	80.37	598.99

AS AT
31.03.2016 AS AT
(₹ in Lacs) (₹ in Lacs)

Note : 7

Trade Payables

(a) Total outstanding dues of Micro, small and medium enterprises (Refer Note No.27.3)	0.00	0.00
(b) Total outstanding dues of Creditors other than Micro, small and medium enterprises (Refer Note No.28.2)	5,105.57	4,024.74
TOTAL ->	5,105.57	4,024.74

Note : 8

Other Current Liabilities:

(a) Security Deposits from Dealers/Distributors (Interest Free)	4,446.37	3,985.67
(b) Current maturities of long-term borrowings (Refer Note No.4)	247.03	182.22
(c) Interest accrued but not due on borrowings	3.73	5.82
(d) Interest accrued and due on borrowings	1.05	0.38
(e) Advance received from customers	98.78	166.91
(f) Unclaimed Dividend *	3.04	2.68
(g) Unclaimed Matured deposits *	1.25	1.05
(h) Creditors for Capital Goods	588.76	479.77
(i) Other payables	150.95	106.81
(j) Statutory Dues	178.10	160.49
(k) Book overdraft in current a/c with Banks	5.58	418.12
TOTAL - >	5,724.64	5,509.92

*Not due for transfer to Investor, Education & Protection Fund

Note 9 : Short Term Provisions

Provision for employee benefits:

Provision for Gratuity (Refer Note No.28.1)	37.95	31.95
Provision for Compensated Absences	60.23	45.71
Others:		
Provision for Income-Tax (Net of Advance Tax)	0.00	5.53
Proposed Dividend	6.90	6.90
Dividend Tax on Proposed Dividend	1.40	1.40
TOTAL - >	106.48	91.49

Note 10 : Fixed Assets (Refer Note No.1-B)

₹ in Lacs

	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As on 01.04.15	Addi- tion	Deduc- tion	As on 31.03.16	Up to 01.04.15	For the year	Deduc- tion	Upto 31.03.16	As on 31.03.16	As on 31.03.15
1) Tangible Assets										
Building	56.11	0.29	0.00	56.40	31.60	0.62	0.00	32.22	24.18	24.51
Plant & Machinery	6,894.85	1,837.30	563.28	8,168.87	3,610.00	744.02	464.43	3,889.59	4,279.28	3,284.85
Office Equipments	50.43	17.66	0.00	68.09	28.76	7.40	0.00	36.16	31.93	21.67
Furniture & Fixtures	35.44	5.08	0.00	40.52	20.90	2.65	0.00	23.55	16.97	14.54
Vehicles	190.90	0.00	31.00	159.90	157.31	9.64	28.32	138.63	21.27	33.59
	7,227.73	1,860.33	594.28	8,493.78	3,848.57	764.33	492.75	4,120.15	4,373.63	3,379.16
2) Intangible Assets										
Computer Software	67.17	70.09	0.00	137.26	22.95	18.92	0.00	41.87	95.39	44.22
Total.....1) & 2)	7,294.90	1,930.42	594.28	8,631.04	3,871.52	783.25	492.75	4,162.02	4,469.02	3,423.38
3) Capital Work in progress	650.38	1,440.44	1,576.05	514.77	0.00	0.00	0.00	0.00	514.77	650.38
Grand Total	7,945.28	3,370.86	2,170.33	9,145.81	3,871.52	783.25	492.75	4,162.02	4,983.79	4,073.76
Previous Year	6,638.15	2,252.16	945.03	7,945.28	3,262.87	717.75	109.10	3,871.52	4,073.76	

[1] Vehicles amounting to ₹ 35.39 lacs (P.Y. ₹ 35.39 lacs) are held in the Name of Directors of the company.

[2] Gross Block of ₹ 8631.04 lacs (P.Y. ₹ 7294.90 lacs) and Depreciation up to 31-03-16 of ₹ 4162.02 lacs (P.Y. ₹ 3871.52 lacs) include amount of ₹ 1282.75 lacs (P.Y. ₹ 1258.01 lacs) which represents Fixed Assets fully depreciated and Net Block value of respective fixed assets is ₹ NIL (P.Y. ₹ NIL). Deduction in Gross Block and in Depreciation include written off Deep Freeze Machine & Freezers on Wheels amounting to ₹ 440.80 lacs and ₹ 391.23 lacs respectively.



- [3] Plant & Machinery includes Deep Freeze Machine & Freezers on Wheels given on cancellable operating lease. Gross value ₹ 4171.52 lacs (P.Y. ₹ 3025.46 lacs) Accumulated Depreciation ₹ 878.64 lacs (P.Y. ₹ 838.74 lacs) Net Carrying Amount ₹ 3292.88 lacs (P.Y. ₹ 2186.72 lacs)
- [4] Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation. Accordingly the unamortised carrying value is being depreciated/amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of deferred tax, in the opening balance of General Reserve amounting to ₹ NIL (P.Y. ₹ 52.40 lacs)
- [5] Deep Freeze Machine & Freezers on Wheels purchased & returned back to the Vendor during the year of ₹ 2.90 Lacs is shown Net off in addition of Plant & Machineryes during the year of ₹ 1837.30 Lacs.

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Note : 11		
Non Current Investments : (Refer Note No.1-C)		
Non-trade Investment (Valued at cost unless stated otherwise)		
(A) Investments in Quoted Equity Instruments		
In Equity shares of ₹ 10/- each fully paid up :		
2000 (P.Y.2000)Gujarat Narmada Knitwear Ltd.	0.20	0.20
400 (P.Y.400) Aminex Chemicals Ltd.	0.04	0.04
	<u>0.24</u>	<u>0.24</u>
Less :-Diminution in Value of Investments	0.24	0.24
	<u>0.00</u>	<u>0.00</u>
(B) Investments in Unquoted Equity Instruments		
(i) In Equity shares of ₹ 25/- each fully paid up :-		
2450 (P.Y. 2450) Textile Traders Co-op.Bank Ltd	0.61	0.61
40 (P.Y.40) Siddhi Co-op Bank Ltd	0.01	0.01
(C) Investments in Associates		
(i) In Equity shares of ₹ 10/- each fully paid up :-		
70000 (P.Y.70000) Vadilal Forex & Consultancy Services Ltd.	7.00	7.00
115200 (P.Y.115200) Majestic Farm House Ltd	11.52	11.52
	<u>19.14</u>	<u>19.14</u>
Less :-Provision for other than temporary Diminution in Value	14.66	14.66
	<u>4.48</u>	<u>4.48</u>
TOTAL - >	<u>4.48</u>	<u>4.48</u>
Aggregate Value of -		
a. Quoted Investments		
Book Value	0.24	0.24
Market Value	Not available	
b. Unquoted Investments		
Book Value	19.14	19.14
c. Provision for Diminution in value of investments	14.90	14.90
Note : 12		
Deferred Tax Assets		
Difference between Book & Income Tax Depreciation	61.73	67.58
Expenditure disallowable u/s 43 B	57.75	44.66
Provision for doubtful debts	61.36	53.01
Unabsorbed Depreciation	2.31	2.42
TOTAL - >	<u>183.15</u>	<u>167.67</u>
Note : 13		
Long Term Loans & advances		
Capital Advances	0.54	4.63
Advance against purchase of property (Refer Note No.28.2)	0.00	728.78
Trade/Security Deposits (Refer Note No.28.2)	2,479.10	2,469.26
Deposit with Government Authority	34.01	33.17
Loan to Others	6.00	6.00
Staff Loan	1.24	4.79
Advance Payment of Tax Less Provision (Current tax)	38.86	91.02



	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
MAT Entitlement Account	0.00	9.35
Advance recoverable in Cash or in kind or for value to be received	0.06	0.06
	<u>2,559.81</u>	<u>3,347.06</u>
Less: Provision for Doubtful Advances	42.39	33.07
	<u>2,517.42</u>	<u>3,313.99</u>
Of the above Loans & Advances		
a) Fully Secured	0.00	0.00
b) Unsecured Considered Good	2,517.42	3,313.99
c) Considered Doubtful	42.39	33.07
TOTAL - >	<u>2,559.81</u>	<u>3,347.06</u>
Note : 14		
Other Non Current Assets		
Bank Deposit with original maturity of more than 12 months (Refer Note No.17) (Out of which ₹ 39.83 lacs (P.Y. ₹ 15.72 lacs) pledged with scheduled bank & ₹ 0.30 lacs (P.Y. ₹ 0.30 lacs) lying with third parties)	40.13	16.02
TOTAL - >	<u>40.13</u>	<u>16.02</u>
Note : 15		
Inventories (Valued at lower of cost or net realizable value)		
Traded goods (Refer Note No.1-D & 23)	7.07	10.23
Machinery Parts	91.13	98.44
TOTAL - >	<u>98.20</u>	<u>108.67</u>
Note : 16		
Trade Receivables :		
Outstanding for a period exceeding six months from the date they are due for payment	448.71	570.42
Less: Provision for doubtful debt	172.11	164.12
(A)	<u>276.60</u>	<u>406.30</u>
Of the above Debt		
- Secured, considered good	265.80	376.83
- Unsecured, considered good	10.80	29.47
- Doubtful	172.11	164.12
	<u>448.71</u>	<u>570.42</u>
Other Trade Receivables	1,973.41	1,717.79
Less: Provision for doubtful debt	9.71	0.00
(B)	<u>1,963.70</u>	<u>1,717.79</u>
Of the above Debt		
- Secured, considered good	835.62	781.37
- Unsecured, considered good	1,128.08	936.42
- Doubtful	9.71	0.00
	<u>1,973.41</u>	<u>1,717.79</u>
TOTAL - > (A)+(B)	<u>2,240.30</u>	<u>2,124.09</u>
Note : 17 Cash and Bank Balances		
Cash & cash equivalents :-		
Balances with banks:		
On Current Accounts	544.25	22.42
On Deposit Repayment Reserve Account	0.78	18.63
On Unclaimed Dividend Accounts	3.04	2.68
Cheques on hand	0.00	5.93
Cash on hand	22.23	10.89
(A)	<u>570.30</u>	<u>60.55</u>



	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Other Bank Balances:-		
Deposit with original maturity for more than 3 months [Fixed Deposits of ₹ 39.83 Lacs (P.Y. ₹ 15.72) are pledged with Scheduled Banks & ₹ 0.30 Lacs (P.Y. ₹ 0.30) lying with third parties]	40.13	23.04
Margin Money Deposit	0.77	0.77
(B)	40.90	23.81
TOTAL - > (A)+(B)	611.20	84.36
Less: Deposit with original maturity of more than 12 months disclosed under the head of "Non Current Assets" (Refer Note No.14)	40.13	16.02
	571.07	68.34
Note : 18		
Short Term Loans & Advances (Unsecured considered good unless otherwise stated)		
Security Deposits (Refer Note No.28.2)	560.00	650.00
Loans & Advances to others	114.72	73.76
Current Maturities of Staff Loan	9.08	4.05
TOTAL - >	683.80	727.81
Note : 19		
Other Current Assets		
Interest Receivable	27.44	27.44
Other Receivables	241.74	132.59
TOTAL - >	269.18	160.03
Note : 20		
Revenue from operations: (Refer Note No.1-E)		
Sales of Products	52,027.46	44,416.15
Less: Sales Comm., Trade Discount, Scheme Discount, Damages etc.	3,578.80	2,778.20
	48,448.66	41,637.95
Sale of Services	87.75	74.97
TOTAL - >	48,536.41	41,712.92
Other Operating Income:		
Scrap sale of assets	27.17	29.21
Commission Income	4.40	15.29
Rental Income (Machines)	214.64	65.41
Promotional Charges Recovered	44.04	23.40
TOTAL - >	290.25	133.31
GRAND TOTAL - >	48,826.66	41,846.23
Details of products sold		
Traded Goods Sold		
Ice-cream/Frozen Dessert	47,200.56	40,713.52
Processed Food	671.60	682.47
Dairy Products	467.12	190.45
Others	109.38	51.51
TOTAL - >	48,448.66	41,637.95
Details of services rendered		
Service Charge Income of Deep Freezers & Freezers on wheels	87.75	74.97
TOTAL - >	87.75	74.97



	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Note : 21		
Other Income:		
Interest Income	28.35	26.64
Dividend Income on Long Term Investments(Gross)	0.07	0.08
Profit on Sale of Fixed Assets	0.44	1.31
Depreciation Fund Written Back	36.27	15.57
Excess Provision /Credit Balance/Deposits Written Back	61.02	49.37
Miscellaneous Income	28.85	28.53
TOTAL - >	155.00	121.50
Note : 22		
Purchase of Traded Goods :		
Purchases	40,490.48	35,442.35
TOTAL - >	40,490.48	35,442.35
Details of Purchase of Traded Goods		
Ice Cream/ Frozen Desserts	39,335.85	34,545.56
Processed Food	604.44	685.89
Dairy Products	424.39	158.93
Others	125.80	51.97
TOTAL - >	40,490.48	35,442.35
Note : 23		
(Increase)/Decrease in Traded Goods		
Inventories at the end of the year		
Traded goods	7.07	10.23
Inventories at the beginning of the year		
Traded goods	10.23	22.43
TOTAL - >	3.16	12.20
Details of Inventory		
Ice Cream/Frozen Desserts	2.55	5.36
Processed Food	0.44	0.71
Dairy Products	0.22	0.19
Others	3.86	3.97
TOTAL - >	7.07	10.23
Note : 24		
Employee Benefit Expense :		
Salaries & Wages	1,668.21	1,244.85
Contribution to Provident & Other Funds (Refer Note No.28.1)	73.83	64.97
Staff Welfare Expense	24.21	35.19
TOTAL - >	1,766.25	1,345.01
Note : 25		
Other Expense		
Advertisement,Sales Promotion & Publicity Expenses	2,150.05	1,274.05
Freight & Forwarding Charges	1,729.35	1,556.17
Repairs & Maintenance : Machinery	57.62	47.87
Other	11.57	-
Stores & Spare Consumption	195.34	159.23
Rent (Refer Note No.28.2)	193.67	168.01
Rates & Taxes	26.02	22.59
Payment to Auditor (Refer Details below)	14.55	14.03
Insurance	28.74	20.59
Royalty (Refer Note No.28.2)	181.41	153.00
Vehicle Repairs & Petrol Expense	44.59	46.52
Travelling	382.71	250.22
Director's Travelling Expesne	0.00	0.47



	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Provision for doubtful Advances/Debtors	87.46	48.24
Fixed Assets Written off (Net)	60.45	4.19
Bad Debts/Loans/Advances/Other Current Assets irrecoverable written-off	60.78	91.28
Less : Provided in earlier years	57.33	-
	3.45	91.28
Sales Tax & Entry Tax	7.83	1.91
C & F Commission	207.76	193.26
Directors' sitting fees	0.78	0.72
Miscellaneous Expense	6.21	9.00
Other Expenses (Including Legal & Professional Charges, Conveyance,Electricity,Printing & Stationery,Telephone etc.)	427.25	346.88
TOTAL - >	5,816.81	4,408.23
Payment to Auditor:- As auditor :		
- Audit Fees	7.75	6.30
- Tax Audit Fees	2.75	2.50
In other capacity:		
- Certificate Fees	2.27	3.30
- Taxation Matters	1.62	1.30
- Out of Pocket expenses	0.16	0.63
	14.55	14.03
Note : 26 Finance Cost (Refer Note No.1-G)		
On Fixed Loans	32.58	55.40
On Bank Overdraft	16.68	29.72
On Fixed Deposits	4.14	16.60
Brokerage & Other Financial Charges	39.36	17.16
TOTAL - >	92.76	118.88

Additional information to the Financial Statements

27.1. CONTINGENT LIABILITIES NOT PROVIDED FOR :

	As on 31-03-2016 (₹ In Lacs)	As on 31-03-2015 (₹ In Lacs)
(a) Estimated amount of Contracts remaining to be executed on Capital account and not provided for. (net of advances)	625.99	1524.46
(b) Claims against the Company not acknowledged as debt / against which appeal has been filed.		
(i) Sales Tax	140.77	124.82
(ii) Others	38.24	35.20
(iii) Income Tax	56.69	57.46
(c) Guarantees given by the company against Term Loans given to company in which Directors are interested	NIL	800.00
Outstanding against this as at 31.03.2016	NIL	85.75

Note : Future Cash outflows in respect of 27.1 (b)above depends on ultimate settlement / conclusions with the relevant authorities.

27.2. Certain balances of receivables, payables, loans and advances and deposits from dealers/distributors are subject to confirmation. Any adjustments,if required, would be made at the time of reconciliation/settlement of the Accounts.

27.3. Based on the information available with the company, there are no suppliers who are registered under the Micro, Small & Medium Enterprises Development Act, 2006 as at 31st March 2016. Hence, the information required under the Micro, Small & Medium Enterprises Development Act, 2006 is not disclosed. This is relied upon by Auditors.

27.4. REMUNERATION TO CHAIRMAN & MANAGING DIRECTOR

Salaries, wages, allowances, Bonus etc includes ₹ NIL towards managerial remuneration.

27.5. REMITTANCE OF FOREIGN CURRENCIES FOR DIVIDENDS :

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

Year to which dividend relates	2014-15	2013-14
Number of non-resident shareholders	NIL	NIL
Number of shares held by them on Which dividend is due	NIL	NIL
Amount remitted to bank accounts in India of non-resident shareholders	NIL	NIL

28. Disclosure under Accounting Standards

28.1 Disclosure as per Accounting Standard 15 (Revised) Employee Benefits:

(i) Defined Contribution Plans:

₹ 73.77/- Lacs (P.Y. ₹ 64.91/-Lacs) is recognized as expenses and included in Employee Benefit Expenses" (Note 24) in the statement of Profit and Loss.

(ii) Defined Benefit Plans:

(a) Changes in present value of defined benefit obligation :

Particulars	Gratuity Plan	
	31.03.16	31.03.15
	(₹ In Lacs)	
Opening defined benefit obligation As at 01.04.2015	109.78	89.31
Service Cost	13.56	11.19
Interest Cost	8.76	8.11
Actuarial Losses /(Gains)	4.92	6.98
Losses /(Gains) on curtailments	—	—
Liabilities extinguished on settlements	—	—
Benefits Paid	(5.90)	(5.81)
Closing defined benefit obligation as at 31.03.2016	131.12	109.78

(b) Changes in the fair value of plan assets

Particulars	Gratuity Plan	
	31.03.16	31.03.15
	(₹ In Lacs)	
Opening fair value of plan assets as at 01.04.2015	46.25	47.11
Expected return	3.69	4.10
Actuarial gains and (Losses)	(0.93)	(0.10)
Assets distributed on settlements	—	—
Contributions by employer	4.89	0.95
Benefits Paid	(5.90)	(5.81)
Closing balance of fair value of plan Assets as at 31.03.2016	48.00	46.25

(c) The amounts recognised in Balance Sheet:

Particulars	Gratuity Plan	
	31.03.16	31.03.15
	(₹ In Lacs)	
Amount to be recognised in Balance Sheet		
i) Present value of Defined Benefit Obligations		
- Funded	48.00	46.25
- Unfunded	83.11	63.53
Total	131.11	109.78
Less: Fair value of Plan Assets	48.00	46.25
Unrecognised Past Service Costs	—	—
Amount to be recognised as liability	83.11	63.53
ii) Amount Reflected in the Balance Sheet		
Liabilities	83.11	63.53
Assets	—	—
Net Liability/(Asset)	83.11	63.53



(d) The amounts recognised in Profit and Loss account

Particulars	Gratuity Plan	
	31.03.16	31.03.15
	(₹ In Lacs)	
1. Current Service Cost	13.56	11.19
2. Interest Cost	5.06	4.00
3. Expected return on plan assets	(0.00)	(0.00)
4. Net Actuarial Losses (Gains) recognised in year	5.86	7.09
5. Past service cost	—	—
6. Losses (Gains) on curtailments and settlement	—	—
Total included in 'Employee Benefit Expense' [Ref. Note 24]	24.48	22.28
Actual return on plan assets	2.76	3.99

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

Particulars	Gratuity Plan	
	31.03.16	31.03.15
	(₹ In Lacs)	
Government of India Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Insurance company	100%	100%

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

Particulars	Gratuity Plan	
	31.03.16	31.03.15
	(₹ In Lacs)	
Discount rate	7.80%	7.98%
Expected return on plan assets	7.80%	7.98%
Annual increase in salary costs	7.00%	7.00%
Attrition Rate	11.00%	9.00%

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 benefit plans are as follows:

Particulars	Gratuity Plan		
	31.03.16	31.03.15	31.03.14
	(₹ In Lacs)		
Defined benefit obligation	131.11	109.78	89.31
Plan Assets	48.00	46.25	47.11
Surplus / (deficit)	(83.11)	(63.53)	(42.20)
Experience adjustments on plan Liabilities	3.54	0.91	(14.29)
Experience adjustments on plan Assets	(0.93)	(0.11)	(01.50)

(h) The company expects to fund ₹ 20.00 /- Lacs (P.Y. ₹ 4.89 Lacs) towards gratuity plan and ₹ 20.11/- Lacs (P.Y. ₹ 18.28/- 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. 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 Related Party Transactions as per Accounting Standard 18:

- A) Name of related party and description of relationship with whom transactions taken place.
- 1) Group of Individuals having significant influence over the company & relatives of such individuals.
- Rajesh R. Gandhi
 - Devanshu L. Gandhi
 - Nija K. Gandhi



- 2) Enterprises owned or significantly influenced by group of individuals or their relatives who have significant influence over the company.
- Vadilal Industries Ltd.
 - Vadilal Soda Fountain.
 - Vadilal International Pvt Ltd.
 - Vadilal Forex Consultancy Services Ltd.
 - Vadilal Marketing Private Ltd.
 - Valiant Construction Pvt. Ltd.

B) Transaction with related parties :

(₹ in Lacs)

Sr. No.	Particulars of Transaction & Name of related party which transactions, more than 10 %	Key Management Personnel/ Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
1	Sales : Vadilal Soda Fountain	-	141.29 (124.48)	141.29 (124.48)
2	Purchase : Vadilal Industries Ltd.	-	45,308.66 (35,390.38)	45,308.66 (35,390.38)
3	Rent paid : Vadilal Industries Ltd.	-	0.90 (0.90)	0.90 (0.90)
4	Salary Paid : Nija Kalpit Gandhi	10.73 (9.80)	-	10.73 (9.80)
5	Royalty Paid : Vadilal International Pvt.Ltd.	-	181.41 (152.99)	181.41 (152.99)
6	Interest Expense : Vadilal Marketing Pvt. Ltd.	-	6.32 (2.37)	6.32 (2.37)
7	Interest Income : Vadilal International Pvt.Ltd.	-	24.00 (24.00)	24.00 (24.00)
9	Deposit Given : Vadilal Industries Ltd.	-	560.00 (0.00)	560.00 (0.00)
10	Capital Advance For Property : Valiant Construction Pvt. Ltd.	-	- (458.87)	- (458.87)
11	Loan Received : Vadilal Marketing Pvt. Ltd.	-	58.00 (150.00)	58.00 (150.00)
12	Loan Repaid : Vadilal Marketing Pvt. Ltd.	-	151.50 (0.00)	151.50 (0.00)
13	Balance outstanding at year end :			
	a) Receivable :			
	Trade Deposit Given			
	i) Vadilal International Pvt.Ltd.	-	2,400.00 (2,400.00)	2,400.00 (2,400.00)
	ii) Vadilal Industries Ltd.	-	560.00 (650.00)	560.00 (650.00)
	Other Current Asset :			
	iii) Vadilal International Pvt. Ltd	-	21.60 (21.60)	21.60 (21.60)
	Trade Receivable :			
	iv) vadilal soda Fountain	-	10.56 (14.86)	10.56 (14.86)
	v) Capital Advances Given for Property : Valiant Construction Pvt. Ltd.	-	- (458.87)	- (458.87)



Sr. No.	Particulars of Transaction & Name of related party which transactions, more than 10 %	Key Management Personnel/ Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
b)	Payable :			
	Trade Payable :			
	Vadilal Industries Ltd.	-	3,495.41	3,495.41
		-	(3,178.65)	(3,178.65)
	Vadilal International Pvt. Ltd	-	65.55	65.55
		-	(27.37)	(27.37)
	Loan :			
	Vadilal Marketing Pvt. Ltd.	-	64.32	64.32
		-	(152.13)	(152.13)
c)	Investment :			
	Vadilal Forex & Consultancy Pvt. Ltd.	-	7.00	7.00
		-	(7.00)	(7.00)
	Majestic Farm House Ltd.	-	11.52	11.52
		-	(11.52)	(11.52)
d)	Against corporate guarantee taken :			
	Vadilal Industries Ltd.	-	2,009.00	2,009.00
		-	(1,809.00)	(1,809.00)

Note :

- Director's Sitting fees is shown seperately in accounts.
- Figures in bracket relates to previous year.
- Transaction of Purchase / Sales are shown net of VAT/CST and Outstanding of Trade Payables / Receivable are inclusive of VAT / CST

28.3 Segment information as per Accounting Standard 17:

Segment Reporting as defined in Accounting Standard 17 is not applicable as the company's primary segment is food products which is Ice Cream/Frozen Dessert, Process Food, Flavored Milk & Dairy Products which mainly have similar risk & return. Similarly, as the company sells its products in India there are no reportable geographical Segments.

28.4 Operating Leases as per Accounting Standard 19:

- 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 to 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.
- Lease payments are recognized as expense in the Statement of Profit & Loss under "Other Expenses" in Note 25.

28.5 Earning per share as per Accounting Standard 20:

- The amount used as the numerator in calculating basic and diluted earnings per share is the net profit for the year disclosed in the Statement of profit & loss.
- The weighted average number of equity shares used as the denominator in calculating both basic & diluted earnings per share is 8,62,668 (P.Y.8,62,668).

29. Previous year's figures have been regrouped wherever necessary to make them comparable with figures of the current year.

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

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

Rajesh R. Gandhi - Chairman
Devanshu L. Gandhi - Director
Rajesh Bhagat - Chief Financial Officer
Darshan Shah - Company Secretary

Mayank S. Shah
Partner
Membership No.: 44922

Place: Ahmedabad
Date : 28th May, 2016

Place: Ahmedabad
Date : 28th May, 2016



Independent Auditor's Report

To the Members of Vadilal Enterprises limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Vadilal Enterprises limited** ('the Holding Company'), its Associate (the holding company and its Associates 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.

Report on Other Legal and Regulatory Requirements

1. 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 company, 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27.1 to the consolidated financial statements;
 - ii. the Group did not have any long term contracts, including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **KANTILAL PATEL & CO.,**
CHARTERED ACCOUNTANTS
Firm Reg. No. : 104744W
Mayank S. Shah
Partner

Place : Ahmedabad
Date : May 28, 2016

Membership No. : 44922



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 Enterprises 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 the 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 Reg. No. : 104744W

Mayank S. Shah

Partner

Membership No. : 44922

Place : Ahmedabad

Date : May 28, 2016



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	NOTES	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
I EQUITY & LIABILITIES			
1) SHAREHOLDERS' FUND :			
a) Share Capital	2	86.26	86.26
b) Reserves & Surplus	3	316.36	306.09
Sub Total		402.62	392.35
2) NON-CURRENT LIABILITIES			
a) Long-term borrowings	4	132.63	115.79
b) Long-term Provisions	5	45.16	31.58
Sub Total		177.79	147.37
3) CURRENT LIABILITIES			
a) Short-term borrowings	6	80.37	598.99
b) Trade Payables	7		
(i) Total outstanding dues of Micro, small and medium enterprises		0.00	0.00
(ii) Total outstanding dues of Creditors other than Micro, small and medium enterprises		5,105.57	4,024.74
c) Other current liabilities	8	5,724.64	5,509.92
d) Short-term provisions	9	106.48	91.49
Sub Total		11,017.06	10,225.14
Total :-		11,597.47	10,764.86
II ASSETS			
1) NON-CURRENT ASSETS			
a) Fixed Assets			
Tangible Assets	10	4,373.63	3,379.16
Intangible Assets		95.39	44.22
Capital Work in Progress		514.77	650.38
b) Non-current Investments	11	10.43	4.48
c) Deferred tax assets (Net)	12	183.15	167.67
d) Long-term loans and advances	13	2,517.42	3,313.99
e) Other Non-Current Assets	14	40.13	16.02
Sub Total		7,734.92	7,575.92
2) CURRENT ASSETS			
a) Inventories	15	98.20	108.67
b) Trade Receivables	16	2,240.30	2,124.09
c) Cash & bank balances	17	571.07	68.34
d) Short-term loans & advances	18	683.80	727.81
e) Other current assets	19	269.18	160.03
Sub Total		3,862.55	3,188.94
Total :-		11,597.47	10,764.86

Summary of significant accounting policies

1

The accompanying notes are integral part of the financial statements.

As per our report of even date.

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

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

Rajesh R. Gandhi - Chairman
Devanshu L. Gandhi - Director
Rajesh Bhagat - Chief Financial Officer
Darshan Shah - Company Secretary

Mayank S. Shah
Partner
Membership No.: 44922

Place: Ahmedabad
Date : 28th May, 2016

Place: Ahmedabad
Date : 28th May, 2016



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

	NOTES	YEAR ENDED 31.03.2016 (₹ in Lacs)	YEAR ENDED 31.03.2015 (₹ in Lacs)
Income			
I Revenue from Operation (net)	20	48,826.66	41,846.23
II Other Income	21	155.00	121.50
III Total Revenue (I+ II)		48,981.66	41,967.73
IV Expenses			
Purchase of traded goods	22	40,490.48	35,442.35
(Increase) / decrease in traded goods	23	3.16	12.20
Employee benefit expense	24	1,766.25	1,345.01
Other Expenses	25	5,816.81	4,408.23
Total (IV)		48,076.70	41,207.79
V Earning before interest,tax,depreciation & amortization (III-IV)		904.96	759.94
VI Finance Cost	26	92.76	118.88
VII Depreciation & Amortization Expense	10	783.25	640.18
VIII Profit Before Tax (V-VI-VII)		28.95	0.88
IX Tax Expense			
- Current Tax (MAT Tax)		27.49	9.35
Less:MAT Credit Entitlement		0.00	(9.35)
		27.49	-
- Deferred Tax Charge/(Release)		(15.48)	0.28
- Income Tax Written-off /(Written back) of earlier years		4.32	-
Total (IX)		16.33	0.28
X Profit for the year (VIII-IX)		12.62	0.60
XI Share of Profit in Associates		5.95	-
XII Profit for the year (X+XI)		18.57	0.60
Earnings per equity share [Nominal value of share ₹ 10]	28.3	2.15	0.07
Basic & Diluted			
(Computed on the basis of total profit/(loss) for the year)			
Summary of significant accounting policies	1		
The accompanying notes are 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 : 28th May, 2016

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

Rajesh R. Gandhi
Devanshu L. Gandhi
Rajesh Bhagat
Darshan Shah

- Chairman
- Director
- Chief Financial Officer
- Company Secretary

Place: Ahmedabad

Date : 28th May, 2016



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	YEAR ENDED 31.03.2016 (₹ in Lacs)	YEAR ENDED 31.03.2015 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax from continuing operations	28.95	0.88
Non-cash Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	783.25	640.18
Depreciation Fund written Back	(36.27)	(15.57)
(Profit)/Loss on Sale of Fixed Assets	(0.44)	(1.31)
Provisions for doubtful advance/debtors	87.46	48.24
Bad debts/advances written off	3.45	91.28
Fixed Assets written off	60.45	4.19
Dividend Income	(0.07)	(0.08)
Interest Income	(28.35)	(26.64)
Interest Expenses	92.76	118.88
Excess Provision Written Back	(61.02)	(49.37)
Scrap sale of assets	(27.17)	(29.21)
Operating profit before working capital changes	903.00	781.47
Movements in working capital :		
Increase/(decrease) in trade payables	1,141.85	(1,671.93)
Increase/(decrease) in long-term provisions	13.59	17.21
Increase/(decrease) in short-term provisions	26.24	10.27
Increase/(decrease) in other current liabilities	108.15	1,343.37
Decrease/(increase) in trade receivables	(103.41)	422.18
Decrease/(increase) in other receivables	(109.15)	(36.52)
Decrease/(increase) in inventories	10.47	20.03
Decrease/(increase) in long-term loans and advances	725.75	(703.67)
Decrease/(increase) in short-term loans and advances	44.01	1,285.22
Cash Generated from/(used in) operations	2,760.50	1,467.63
Direct taxes paid (net of refunds)	30.30	(8.33)
Net cash flow from/(used in) operating activities (A)	2,790.80	1,459.30
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets/CWIP	(1,794.81)	(1,406.04)
Proceeds from sale/purchase return of fixed assets	41.52	31.71
Investments in bank deposits (having original maturity of more than three months)	(17.09)	(21.21)
Redemption/maturity of bank deposits (having original maturity of more than three months)	0.00	18.01
Interest received	28.35	166.96
Dividend received	0.07	0.08
Net cash flow from/(used in) investing activities (B)	(1,741.96)	(1,210.49)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term borrowings	293.88	-
Repayment of long term borrowings	(212.23)	(279.82)
Repayment/Receipt of short-term borrowings(net)	(518.63)	162.82
Interest paid	(94.18)	(130.73)
Dividend paid	(6.53)	(6.92)
Tax on Equity Dividend	(1.40)	(1.17)
Net cash flow from/(used in) in financing activities (C)	(539.09)	(255.82)
Net increase / (Decrease) in cash equivalents(A+B+C)	509.75	(7.01)
Net Cash equivalents as at 01.4.2015(Opening Balance)	60.55	67.56
TOTAL - >	570.30	60.55
Major Components of Cash and Cash Equivalents as at	31.03.2016	31.03.2015
Cash on hand	22.23	10.89
Balance With Banks - On Current Accounts	544.25	22.42
- Deposit Repayment Reserve Account	0.78	18.63
- Cheques on Hand	0.00	5.93
- Unclaimed Dividend Accounts*	3.04	2.68
	570.30	60.55

* The company can utilize this balance only towards settlement of unclaimed dividend.

Notes : 1) The above cash flow has been prepared under Indirect Method set out in AS 3, issued by The Institute of Chartered Accountants of India.

2) Previous years figures have been restated wherever necessary to make them comparable with current year figures.

This is the Cashflow 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 : 28th May, 2016

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

Rajesh R. Gandhi

- Chairman

Devanshu L. Gandhi

- Director

Rajesh Bhagat

- Chief Financial Officer

Darshan Shah

- Company Secretary

Place: Ahmedabad

Date : 28th May, 2016



NOTES TO BALANCE SHEET & STATEMENT OF PROFIT & LOSS

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 Enterprises Ltd." (The parent Company), Vadilal Forex and Consultancy Services Ltd & Majestic Farm House Ltd (An Associate Company). The consolidated statements have been prepared on the following basis.

- a) 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.
 - b) The difference between the cost/carrying amount of investments over the net assets is recognized in financial statements as goodwill or capital reserve as the case may be.
 - c) 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.
 - d) The company accounts for its share in the change in the net assets of the associate, post Acquisition, after eliminating unrealized 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.
 - e) 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.
- 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 Enterprises Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH 2016

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Note : 2		
Share Capital :		
Authorised :		
20,00,000 (P.Y.20,00,000) Equity Shares of ₹ 10/-each	200.00	200.00
Issued & Subscribed :		
8,70,148 (P.Y.8,70,148) Equity Shares of ₹ 10/- each	87.01	87.01
Paid Up :		
8,62,668 (P.Y.8,62,668) Equity Shares of ₹ 10/- each	86.26	86.26
	<u>86.26</u>	<u>86.26</u>

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

	31.03.2016 No.	₹ in Lacs	31.03.2015 No.	₹ in Lacs
Equity Shares				
At the beginning of the year	862,668	86.26	862668	86.26
Outstanding at the end of the year	862,668	86.26	862668	86.26

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 share is entitled to one vote per share. The company declares & pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General meeting.

During the year ended 31 March 2016, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 0.80 (P.Y. ₹ 0.80)

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 distributed in the number of equity shares held by the shareholders

The company does not have any holding company.

The company has not issued any bonus shares, or shares for consideration other than cash or bought back equity shares during the year or for the period of five years immediately preceding the date of balance sheet.


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

Equity Shares of ₹ 10 each fully paid	31.03.2016		31.03.2015	
	No.	%Holding in the class	No.	%Holding in the class
1 Devanshu Laxmanbhai Gandhi	109,145	12.65	109,145	12.65
2 Rajesh Ramchandra Gandhi	78,408	9.09	78,408	9.09
3 Virendra Ramchandra Gandhi	72,347	8.39	72,347	8.39
4 Vortex Ice-cream Pvt. Ltd.	43,308	5.02	43,308	5.02
5 Vadilal Marketing Pvt. Ltd.	43,299	5.02	43,299	5.02

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 ownership of shares.

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Note : 3		
Reserves & Surplus:		
Capital Reserve		
Balance as per last financial statement	0.37	0.37
Securities Premium Account		
Balance as per last financial statement	93.21	93.21
General Reserve		
Balance as per last financial statement	212.51	272.61
Less: Amount transferred to Accumulated Surplus for Proposed Equity Dividend	0.00	7.70
Less: Carrying Value of Fixed Assets whose life has been completed (Net of DTA ₹ NIL , P.Y.-₹ 25.17 Lacs) Refer Note No.10(4)	0.00	52.40
	<u>212.51</u>	<u>212.51</u>
Surplus in the statement of profit & loss		
Balance brought forward from the last year	0.00	0.00
Add: Profit/(Loss) After Tax for the year	18.57	0.60
Add: Amount transferred from General Reserve for Proposed Equity Dividend	0.00	7.70
Less: <u>Appropriation</u>		
Proposed Equity Dividend (amount per share ₹ 0.80, P.Y. ₹ 0.80)	6.90	6.90
Tax on Proposed Equity Dividend	1.40	1.40
	<u>10.27</u>	<u>0.00</u>
TOTAL ->	<u><u>316.36</u></u>	<u><u>306.09</u></u>

Note : 4

	Non-current portion		Current maturities	
	31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs	31.03.2016 ₹ in lacs	31.03.2015 ₹ in lacs
Long Term Borrowings				
[A] Term Loans:				
From Banks : (Secured)	0.00	0.20	0.00	69.96
From Others: (Secured)	66.66	98.81	232.15	98.82
(Unsecured)	0.00	10.39	10.39	12.45
	<u>66.66</u>	<u>109.40</u>	<u>242.54</u>	<u>181.23</u>
Less:- Amount disclosed under the head "other current liabilities" (Refer Note No. 8)	0.00	0.00	242.54	181.23
Net Amount [A]	<u>66.66</u>	<u>109.40</u>	<u>0.00</u>	<u>0.00</u>
[B] Other Loans & Advances:				
From Bank (Secured)	2.05	0.00	4.49	0.99
	<u>2.05</u>	<u>0.00</u>	<u>4.49</u>	<u>0.99</u>
Less:- Amount disclosed under the head "other current liabilities" (Refer Note No. 8)	0.00	0.00	4.49	0.99
Net Amount [B]	<u>2.05</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
[C] Fixed Deposits from Public: (Unsecured)	63.92	6.39	0.00	0.00
Less:- Amount disclosed under the head "other current liabilities" (Refer Note No. 8)	0.00	0.00	0.00	0.00
Net Amount [C]	<u>63.92</u>	<u>6.39</u>	<u>0.00</u>	<u>0.00</u>
TOTAL [A+B+C]	<u><u>132.63</u></u>	<u><u>115.79</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>



Note : Repayment schedule of Loan

Name of the Bank	Original Loan amount ₹ in Lacs	Outstanding Balance 31.03.2016 ₹ in Lacs	Balance 31.03.2015 ₹ in Lacs	Rate of interest	Remaining no. of Installments
1) Bank of India (Refer Note No.i)	350.00	0.00	70.16	14.70%	NIL
2) Car Loan (Refer Note No. iii) H.D.F.C Bank Limited	32.39	6.54	0.99	12.00%	17 EMI of ₹ 0.42 lacs *
3) IBM India Pvt.Ltd.(Refer Note No.iv)	45.84	10.39	22.84	13.00%	3 Quarterly Installment of ₹ 3.68 lacs each*
4) Tata Capital Financial Services Ltd. (Refer Note No.ii)	550.00	298.81	197.63	14.25%	12 of ₹ 8.23 lacs & 15 of ₹ 13.33 lacs each
		315.74	291.62		
5) Fixed Deposits		63.92	6.39	10.25% to 11%	24 to 36 months based on period of deposits

* Each EMI includes interest portion also.

- (i) Term Loan from Bank of India is secured on 1st charge by hypothecation on (i) movable assets of the Company such as Deep Freeze Machines, Refrigerated vehicles, FOW, Push Carts, Tricycles, etc., (ii) stocks of the Company, such as Ice-cream, Mango Pulp, Mango Juice, Frozen Fruits and Vegetables, (iii) Book Debts and Receivables of the Company. The Term Loan is also secured on 2nd charge by hypothecation on specific equipments and machineries financed by Tata Capital Financial Services Limited. The Term Loan is also secured on 1st charge by equitable mortgage by simple deposit of Title Deeds in respect of immovable properties of the Company i.e. 1st Floor of Vadilal House situated at Shrimali Society, Navrangpura, Ahmedabad.
- (ii) Term Loan from Tata Capital Financial Services Limited is secured on 2nd charge by hypothecation on (i) movable assets of the Company such as Deep Freeze Machines, Refrigerated vehicles, FOW, Push Carts, Tricycles, etc., (ii) stocks of the Company, such as Ice-cream, Mango Pulp, Mango Juice, Frozen Fruits and Vegetables, (iii) Book Debts and Receivables of the Company. The Term Loan is also secured on 1st charge by hypothecation on specific equipments and machineries financed by Tata Capital Financial Services Limited. The Term Loan is also secured on 2nd charge by equitable mortgage by simple deposit of Title Deeds in respect of immovable properties of the Company i.e. 1st Floor of Vadilal House situated at Shrimali Society, Navrangpura, Ahmedabad.
- (iii) Car Loans from HDFC Bank Limited are secured against Hypothecation of specific vehicles of the Company.
- (iv) Equipment lease and financing transactions for SAP project for ₹ 2 crores availed by the Company from IBM India Pvt. Ltd., Bangalore is guaranteed by some of the Directors and Group Company.

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Note: 5 :		
Long Term Provisions		
Provision for Gratuity	45.16	31.58
TOTAL ->	45.16	31.58
Note: 6		
Short Term Borrowings		
Loans repayable on demand from bank :		
Working Capital Loan :- (Secured)	0.00	445.11
Working Capital facilities from Bank of India is secured on 1st charge by hypothecation on (i) movable assets of the Company such as Deep Freeze Machines, Refrigerated vehicles, FOW, Push Carts, Tricycles, etc., (ii) stocks of the Company, such as Ice-cream, Mango Pulp, Mango Juice, Frozen Fruits and Vegetables, (iii) Book Debts and Receivables of the Company. Working Capital facilities is also secured on 2nd charge by hypothecation on specific equipments and machineries financed by Tata Capital Financial Services Limited. Working Capital facilities is also secured on 1st charge by equitable mortgage by simple deposit of Title Deeds in respect of immovable properties of the Company i.e. 1st Floor of Vadilal House situated at Shrimali Society, Navrangpura, Ahmedabad.		
The cash credit is repayable on demand and carries interest @14.60% p.a.		
Loans From Related Parties : (Refer Note No.28.1) (Unsecured) (Repayable on demand @ 10.50%)	64.32	152.13
Fixed Deposits from Public (Unsecured) (Repayable on 12 months with interest 10.25%)	16.05	1.75
TOTAL ->	80.37	598.99



AS AT
31.03.2016 AS AT
(₹ in Lacs) 31.03.2015
(₹ in Lacs)

Note : 7

Trade Payables

(a) Total outstanding dues of Micro, small and medium enterprises	0.00	0.00
(b) Total outstanding dues of Creditors other than Micro, small and medium enterprises (Refer Note No.28.1)	5,105.57	4,024.74
TOTAL ->	5,105.57	4,024.74

Note : 8

Other Current Liabilities:

(a) Security Deposits from Dealers/Distributors (Interest Free)	4,446.37	3,985.67
(b) Current maturities of long-term borrowings (Refer Note No.4)	247.03	182.22
(c) Interest accrued but not due on borrowings	3.73	5.82
(d) Interest accrued and due on borrowings	1.05	0.38
(e) Advance received from customers	98.78	166.91
(f) Unclaimed Dividend *	3.04	2.68
(g) Unclaimed Matured deposits *	1.25	1.05
(h) Creditors for Capital Goods	588.76	479.77
(i) Other payables	150.95	106.81
(j) Statutory Dues	178.10	160.49
(k) Book overdraft in current a/c with Banks	5.58	418.12
TOTAL ->	5,724.64	5,509.92

*Not due for transfer to Investor, Education & Protection Fund

Note 9 : Short Term Provisions

Provision for employee benefits:

Provision for Gratuity	37.95	31.95
Provision for Compensated Absences	60.23	45.71
Others:		
Provision for Income-Tax (Net of Advance Tax)	0.00	5.53
Proposed Dividend	6.90	6.90
Dividend Tax on Proposed Dividend	1.40	1.40
TOTAL ->	106.48	91.49

Note 10 : Fixed Assets (Refer Note No.1-B)

₹ in Lacs

	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As on 01.04.15	Addi-tion	Deduc-tion	As on 31.03.16	Up to 01.04.15	For the year	Deduc-tion	Upto 31.03.16	As on 31.03.16	As on 31.03.15
1) Tangible Assets										
Building	56.11	0.29	0.00	56.40	31.60	0.62	0.00	32.22	24.18	24.51
Plant & Machinery	6,894.85	1,837.30	563.28	8,168.87	3,610.00	744.02	464.43	3,889.59	4,279.28	3,284.85
Office Equipments	50.43	17.66	0.00	68.09	28.76	7.40	0.00	36.16	31.93	21.67
Furniture & Fixtures	35.44	5.08	0.00	40.52	20.90	2.65	0.00	23.55	16.97	14.54
Vehicles	190.90	0.00	31.00	159.90	157.31	9.64	28.32	138.63	21.27	33.59
	7,227.73	1,860.33	594.28	8,493.78	3,848.57	764.33	492.75	4,120.15	4,373.63	3,379.16
2) Intangible Assets										
Computer Software	67.17	70.09	0.00	137.26	22.95	18.92	0.00	41.87	95.39	44.22
Total.....1) & 2)	7,294.90	1,930.42	594.28	8,631.04	3,871.52	783.25	492.75	4,162.02	4,469.02	3,423.38
3) Capital Work in progress	650.38	1,440.44	1,576.05	514.77	0.00	0.00	0.00	0.00	514.77	650.38
Grand Total	7,945.28	3,370.86	2,170.33	9,145.81	3,871.52	783.25	492.75	4,162.02	4,983.79	4,073.76
Previous Year	6,638.15	2,252.16	945.03	7,945.28	3,262.87	717.75	109.10	3,871.52	4,073.76	

- [1] Vehicles amounting to ₹ 35.39 lacs (P.Y. ₹ 35.39 lacs) are held in the Name of Directors of the company.
- [2] Gross Block of ₹ 8631.04 lacs (P.Y. ₹ 7294.90 lacs) and Depreciation up to 31-03-16 of ₹ 4162.02 lacs (P.Y. ₹ 3871.52 lacs) include amount of ₹ 1282.75 lacs (P.Y. ₹ 1258.01 lacs) which represents Fixed Assets fully depreciated and Net Block value of respective fixed assets is ₹ NIL (P.Y. ₹ NIL). Deduction in Gross Block and in Depreciation include written off Deep Freeze Machine & Freezers on Wheels amounting to ₹ 440.80 lacs and ₹ 391.23 lacs respectively.
- [3] Plant & Machinery includes Deep Freeze Machine & Freezers on Wheels given on cancellable operating lease. Gross



Block ₹ 4171.52 lacs (P.Y. ₹ 3025.46 lacs) Accumulated Depreciation ₹ 878.64 lacs (P.Y. ₹ 838.74 lacs) Net Carrying Amount ₹ 3292.88 lacs (P.Y. ₹ 2186.72 lacs)

- [4] Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation. Accordingly the unamortised carrying value is being depreciated/amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose life have expired as at 1st April 2014 have been adjusted net of deferred tax, in the opening balance of General Reserve amounting to ₹ NIL (P.Y. ₹ 52.40 lacs)
- [5] Deep Freeze Machine & Freezers on Wheels purchased & returned back to the Vendor during the year of ₹ 2.90 Lacs is shown Net off in addition of Plant & Machineries during the year of ₹ 1837.30 Lacs.

	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Note : 11		
Non Current Investments :		
Non-trade Investment (Valued at cost unless stated otherwise)		
(A) Investments in Quoted Equity Instruments		
In Equity shares of ₹ 10/- each fully paid up :		
2000 (P.Y.2000)Gujarat Narmada Knitwear Ltd.	0.20	0.20
400 (P.Y.400) Aminex Chemicals Ltd.	0.04	0.04
	0.24	0.24
Less :-Diminution in Value of Investments	0.24	0.24
	0.00	0.00
(B) Investments in Unquoted Equity Instruments		
(i) In Equity shares of ₹ 25/- each fully paid up :-		
2450 (P.Y. 2450) Textile Traders Co-op.Bank Ltd	0.61	0.61
40 (P.Y.40) Siddhi Co-op Bank Ltd	0.01	0.01
(C) Investments in Associates		
(i) In Equity shares of ₹ 10/- each fully paid up :-		
70000 (P.Y.70000) Vadilal Forex & Consultancy Services Ltd.	7.00	7.00
Add: Accumulated Profits since 2015-16 onwards	5.44	0.00
115200 (P.Y.115200) Majestic Farm House Ltd	11.52	11.52
Add: Accumulated Profits since 2015-16 onwards	0.51	0.00
	25.09	19.14
Less :-Provision for other than temporary Diminution in Value	14.66	14.66
	10.43	4.48
TOTAL - >	10.43	4.48
Aggregate Value of -		
a. Quoted Investments		
Book Value	0.24	0.24
Market Value	Not available	
b. Unquoted Investments		
Book Value	25.09	19.14
c. Provision for Diminution in value of investments	14.90	14.90
Note : 12		
Deferred Tax Assets		
Difference between Book & Income Tax Depreciation	61.73	67.58
Expenditure disallowable u/s 43 B	57.75	44.66
Provision for doubtful debts	61.36	53.01
Unabsorbed Depreciation	2.31	2.42
TOTAL - >	183.15	167.67
Note : 13		
Long Term Loans & advances		
Capital Advances	0.54	4.63
Advance against purchase of property (Refer Note No.28.1)	0.00	728.78
Trade/Security Deposits (Refer Note No.28.1)	2,479.10	2,469.26
Deposit with Government Authority	34.01	33.17



	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Loan to Others	6.00	6.00
Staff Loan	1.24	4.79
Advance Payment of Tax Less Provision (Current tax)	38.86	91.02
MAT Entitlement Account	0.00	9.35
Advance recoverable in Cash or in kind or for value to be received	0.06	0.06
	<u>2,559.81</u>	<u>3,347.06</u>
Less: Provision for Doubtful Advances	42.39	33.07
TOTAL - >	<u>2,517.42</u>	<u>3,313.99</u>
Of the above Loans & Advances		
a) Fully Secured	0.00	0.00
b) Unsecured Considered Good	2,517.42	3,313.99
c) Considered Doubtful	42.39	33.07
TOTAL - >	<u>2,559.81</u>	<u>3,347.06</u>
Note : 14		
Other Non Current Assets		
Bank Deposit with original maturity of more than 12 months (Refer Note No. 17) (Out of which ₹ 39.83 lacs (P.Y. ₹ 15.72 lacs) pledged with scheduled bank & ₹ 0.30 lacs (P.Y. ₹ 0.30 lacs) lying with third parties)	40.13	16.02
TOTAL - >	<u>40.13</u>	<u>16.02</u>
Note : 15		
Inventories (Valued at lower of cost or net realizable value)		
Traded goods (Refer Note No. 23)	7.07	10.23
Machinery Parts	91.13	98.44
TOTAL - >	<u>98.20</u>	<u>108.67</u>
Note : 16		
Trade Receivables :		
Outstanding for a period exceeding six months from the date they are due for payment	448.71	570.42
Less: Provision for doubtful debt	172.11	164.12
(A)	<u>276.60</u>	<u>406.30</u>
Of the above Debt		
- Secured, considered good	265.80	376.83
- Unsecured, considered good	10.80	29.47
- Doubtful	172.11	164.12
	<u>448.71</u>	<u>570.42</u>
Other Trade Receivables	1,973.41	1,717.79
Less: Provision for doubtful debt	9.71	0.00
(B)	<u>1,963.70</u>	<u>1,717.79</u>
Of the above Debt		
- Secured, considered good	835.62	781.37
- Unsecured, considered good	1,128.08	936.42
- Doubtful	9.71	0.00
	<u>1,973.41</u>	<u>1,717.79</u>
TOTAL - >	<u>2,240.30</u>	<u>2,124.09</u>
(A)+(B)		
Note : 17 Cash and Bank Balances		
Cash & cash equivalents :-		
Balances with banks:		
On Current Accounts	544.25	22.42
On Deposit Repayment Reserve Account	0.78	18.63
On Unclaimed Dividend Accounts	3.04	2.68



	AS AT 31.03.2016 (₹ in Lacs)	AS AT 31.03.2015 (₹ in Lacs)
Cheques on hand	0.00	5.93
Cash on hand	22.23	10.89
(A)	<u>570.30</u>	<u>60.55</u>
Other Bank Balances:-		
Deposit with original maturity for more than 3 months [Fixed Deposits of ₹ 39.83 Lacs (P.Y. ₹ 15.72) are pledged with Scheduled Banks & ₹ 0.30 Lacs (P.Y. ₹ 0.30) lying with third parties]	40.13	23.04
Margin Money Deposit	0.77	0.77
(B)	<u>40.90</u>	<u>23.81</u>
TOTAL - >	<u>611.20</u>	<u>84.36</u>
Less: Deposit with original maturity of more than 12 months disclosed under the head of "Non Current Assets" (Refer Note No. 14)	40.13	16.02
TOTAL - >	<u>571.07</u>	<u>68.34</u>
Note : 18		
Short Term Loans & Advances (Unsecured considered good unless otherwise stated)		
Security Deposits (Refer Note No.28.1)	560.00	650.00
Loans & Advances to others	114.72	73.76
Current Maturities of Staff Loan	9.08	4.05
TOTAL - >	<u>683.80</u>	<u>727.81</u>
Note : 19		
Other Current Assets		
Interest Receivable	27.44	27.44
Other Receivables	241.74	132.59
TOTAL - >	<u>269.18</u>	<u>160.03</u>
	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015
	(₹ in Lacs)	(₹ in Lacs)
Note : 20		
Revenue from operations :		
Sales of Products	52,027.46	44,416.15
Less: Sales Comm., Trade Discount, Scheme Discount, Damages etc.	3,578.80	2,778.20
	<u>48,448.66</u>	<u>41,637.95</u>
Sale of Services	87.75	74.97
TOTAL - >	<u>48,536.41</u>	<u>41,712.92</u>
Other Operating Income:		
Scrap sale of assets	27.17	29.21
Commission Income	4.40	15.29
Rental Income (Machines)	214.64	65.41
Promotional Charges Recovered	44.04	23.40
TOTAL - >	<u>290.25</u>	<u>133.31</u>
GRAND TOTAL - >	<u>48,826.66</u>	<u>41,846.23</u>
Details of products sold		
Traded Goods Sold		
Ice-cream/Frozen Dessert	47,200.56	40,713.52
Processed Food	671.60	682.47
Dairy Products	467.12	190.45
Others	109.38	51.51
	<u>48,448.66</u>	<u>41,637.95</u>
Details of services rendered		
Service Charge Income of Deep Freezers & Freezers on wheels	87.75	74.97
TOTAL - >	<u>87.75</u>	<u>74.97</u>



	YEAR ENDED 31.03.2016 (₹ in Lacs)	YEAR ENDED 31.03.2015 (₹ in Lacs)
Note : 21		
Other Income:		
Interest Income	28.35	26.64
Dividend Income on Long Term Investments(Gross)	0.07	0.08
Profit on Sale of Fixed Assets	0.44	1.31
Depreciation Fund Written Back	36.27	15.57
Excess Provision /Credit Balance/Deposits Written Back	61.02	49.37
Miscellaneous Income	28.85	28.53
TOTAL - >	155.00	121.50
Note : 22		
Purchase of Traded Goods :		
Purchases	40,490.48	35,442.35
TOTAL - >	40,490.48	35,442.35
Details of Purchase of Traded Goods		
Ice Cream/ Frozen Desserts	39,335.85	34,545.56
Processed Food	604.44	685.89
Dairy Products	424.39	158.93
Others	125.80	51.97
TOTAL - >	40,490.48	35,442.35
Note : 23		
(Increase)/Decrease in Traded Goods		
Inventories at the end of the year		
Traded goods	7.07	10.23
Inventories at the beginning of the year		
Traded goods	10.23	22.43
TOTAL - >	3.16	12.20
Details of Inventory		
Ice Cream/Frozen Desserts	2.55	5.36
Processed Food	0.44	0.71
Dairy Products	0.22	0.19
Others	3.86	3.97
TOTAL - >	7.07	10.23
Note : 24		
Employee Benefit Expense :		
Salaries & Wages	1,668.21	1,244.85
Contribution to Provident & Other Funds	73.83	64.97
Staff Welfare Expense	24.21	35.19
TOTAL - >	1,766.25	1,345.01
Note : 25		
Other Expense		
Advertisement, Sales Promotion & Publicity Expenses	2,150.05	1,274.05
Freight & Forwarding Charges	1,729.35	1,556.17
Repairs & Maintenance : Machinery	57.62	47.87
Other	11.57	-
Stores & Spare Consumption	195.34	159.23
Rent (Refer Note No.28.1)	193.67	168.01
Rates & Taxes	26.02	22.59
Payment to Auditor (Refer Details below)	14.55	14.03
Insurance	28.74	20.59
Royalty (Refer Note No.28.1)	181.41	153.00
Vehicle Repairs & Petrol Expenses	44.59	46.52
Travelling	382.71	250.22
Director's Travelling Expense	0.00	0.47
Provision for doubtful Advances/Debtors	87.46	48.24
Fixed Assets Written off-Net	60.45	4.19



	YEAR ENDED 31.03.2016 (₹ in Lacs)	YEAR ENDED 31.03.2015 (₹ in Lacs)
Bad Debts/Loans/Advances/Other Current Assets irrecoverable written-off	60.78	91.28
Less : Provided in earlier years	57.33	-
	3.45	91.28
Sales Tax & Entry Tax	7.83	1.91
C & F Commission	207.76	193.26
Directors' sitting fees	0.78	0.72
Miscellaneous Expense	6.21	9.00
Other Expenses (Including Legal & Professional Charges, Conveyance,Electricity,Printing & Stationery,Telephone etc.)	427.25	346.88
TOTAL - >	5,816.81	4,408.23
Payment to Auditor:-		
As auditor:		
- Audit Fees	7.75	6.30
- Tax Audit Fees	2.75	2.50
In other capacity:		
- Certificate Fees	2.27	3.30
- Taxation Matters	1.62	1.30
- Out of Pocket expenses	0.16	0.63
TOTAL - >	14.55	14.03
Note : 26		
Finance Cost		
On Fixed Loans	32.58	55.40
On Bank Overdraft	16.68	29.72
On Fixed Deposits	4.14	16.60
Brokerage & Other Financial Charges	39.36	17.16
TOTAL - >	92.76	118.88

27) Additional Information to the Financial Statements

27.1) 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 %
Majestic Farm House Ltd.	India	29.54 %

27.2) CONTINGENT LIABILITIES NOT PROVIDED FOR :

	As on 31-03-2016 (₹ In Lacs)	As on 31-03-2015 (₹ In Lacs)
(a) Estimated amount of Contracts remaining to be executed on Capital account and not provided for. (net of advances)	625.99	1524.46
(b) Claims against the Company not acknowledged as debt / against which appeal has been filed.		
(i) Sales Tax	140.77	124.82
(ii) Others	38.24	35.20
(iii) Income Tax	56.69	57.46
(c) Guarantees given by the company against Term Loans given to company in which Directors are interested	NIL	800.00
Outstanding against this as at 31.03.2016	NIL	85.75

Note : Future Cash outflows in respect of 27.2 (b) above depends on ultimate settlement / conclusions with the relevant authorities.



28.1) RELATED PARTY DISCLOSURES :

- A) 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 Industries Ltd.
 - ii) Vadilal Soda Fountain.
 - iii) Vadilal International Pvt Ltd.
 - iv) Vadilal Marketing Private Ltd.
 - v) Valiant Construction Pvt. Ltd.
 - 3) Relative of key Management Personnel :
 - i) Nija K Gandhi

B) Transaction with related parties :

₹ in Lacs)

Sr. No.	Particulars of Transaction & Name of related party which transactions, more than 10 %	Key Management Personnel/ Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
1	Sales :			
	Vadilal Soda Fountain	-	141.29 (124.48)	141.29 (124.48)
2	Purchase :			
	Vadilal Industries Ltd.	-	45,308.66 (35,390.38)	45,308.66 (35,390.38)
3	Rent paid :			
	Vadilal Industries Ltd.	-	0.90 (0.90)	0.90 (0.90)
4	Salary Paid :			
	Nija Kalpit Gandhi	10.73 (9.80)	-	10.73 (9.80)
5	Royalty Paid :			
	Vadilal International Pvt.Ltd.	-	181.41 (152.99)	181.41 (152.99)
6	Interest Expense :			
	Vadilal Marketing Pvt. Ltd.	-	6.32 (2.37)	6.32 (2.37)
7	Interest Income :			
	Vadilal International Pvt.Ltd.	-	24.00 (24.00)	24.00 (24.00)
8	Deposit Given :			
	Vadilal Industries Ltd.	-	560.00 (0.00)	560.00 (0.00)
9	Capital Advance For Property :			
	Valiant Construction Pvt. Ltd.	-	- (458.87)	- (458.87)
10	Loan Received :			
	Vadilal Marketing Pvt. Ltd.	-	58.00 (150.00)	58.00 (150.00)



(₹ in Lacs)

Sr. No.	Particulars of Transaction & Name of related party which transactions, more than 10 % Management Personnel personnel or their relatives	Key Management Personnel/ Relatives of Key management	Enterprises owned or significantly influenced by	Total
11	Loan Repaid : Vadilal Marketing Pvt. Ltd.	- -	151.50 (0.00)	151.50 (0.00)
12	Balance outstanding at year end :			
	a) Receivable :			
	Trade Deposit Given			
	i) Vadilal International Pvt.Ltd.	- -	2,400.00 (2,400.00)	2,400.00 (2,400.00)
	ii) Vadilal Industries Ltd.	- -	560.00 (650.00)	560.00 (650.00)
	Other Current Asset			
	iii) Vadilal International Pvt. Ltd	- -	21.60 (21.60)	21.60 (21.60)
	Trade Receivable :			
	iv) vadilal soda Fountain	- -	10.56 (14.86)	10.56 (14.86)
	v) Capital Advances Given for Property :			
	Valiant Construction Pvt. Ltd.	- -	- (458.87)	- (458.87)
	b) Payable :			
	Trade Payable :			
	Vadilal Industries Ltd.	- -	3,495.41 (3,178.65)	3,495.41 (3,178.65)
	Vadilal International Pvt. Ltd	- -	65.55 (27.37)	65.55 (27.37)
	Loan :			
	Vadilal Marketing Pvt. Ltd.	- -	64.32 (152.13)	64.32 (152.13)
	c) Investment :			
	Vadilal Forex & Consultancy Pvt. Ltd.	- -	7.00 (7.00)	7.00 (7.00)
	Majestic Farm House Ltd.	- -	11.52 (11.52)	11.52 (11.52)
	d) Against corporate guarantee taken :			
	Vadilal Industries Ltd.	- -	2,009.00 (1,809.00)	2,009.00 (1,809.00)

Note :

- Director's Sitting fees is shown seperately in accounts.
- Figures in bracket relates to previous year.
- Transaction of Purchase / Sales are shown net of VAT/CST and Outstanding of Trade Payables / Receivable are inclusive of VAT / CST

28.2) Operating Lease:-

- (a) 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 to 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.



(b) Lease payments are recognized as expense in the Statement of Profit & Loss under "Other Expenses" in Note 25

28.3) Earning Per Share (EPS) :

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

	(₹ in Lacs)	
	C. Year	P. Year
Total Operation for the year Profit/(loss)after Tax	18.57	0.60
Net Profit/(loss) for calculating basic/diluted EPS	18.57	0.60
Weighted Average Number of Equity shares in calculating Basic/Diluted EPS	862668	862668

29) Previous year figures have been restated wherever necessary to make them comparable with current year's figures.

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

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

Rajesh R. Gandhi - Chairman
Devanshu L. Gandhi - Director
Rajesh Bhagat - Chief Financial Officer
Darshan Shah - Company Secretary

Mayank S. Shah
Partner
Membership No.: 44922

Place : Ahmedabad
Date : 28th May, 2016

Place : Ahmedabad
Date : 28th May, 2016



VADILAL ENTERPRISES LIMITED

REGISTERED OFFICE : A/801, 8th Floor, "Time Square" Building, C. G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad-380009.
CIN: L51100GJ1985PLC007995, Web: www.vadilalgroup.com, Email: sharelogs@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 Enterprises 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,

Darshan Shah
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 Enterprises 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.

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VADILAL ENTERPRISES LIMITED

REGISTERED OFFICE : A/801, 8th Floor, "Time Square" Building, C. G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad - 380 009.
CIN: L51100GJ1985PLC007995, Web: www.vadilalgroup.com, Email: sharelogs@vadilalgroup.com, Tel: +91 079 30153189

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE SLIP ON REQUEST.

Name	Regd Folio No. *DP ID No. and Client ID No.	No. of Shares held
Shareholder _____ _____		
Proxy _____		

I hereby record my presence at the 31st Annual General Meeting of the members of the Company on Tuesday, the 27th September, 2016, at 1.00 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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VADILAL ENTERPRISES LIMITED

REGISTERED OFFICE : A/801, 8th Floor, "Time Square" Building, C. G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad - 380 009.
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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: _____

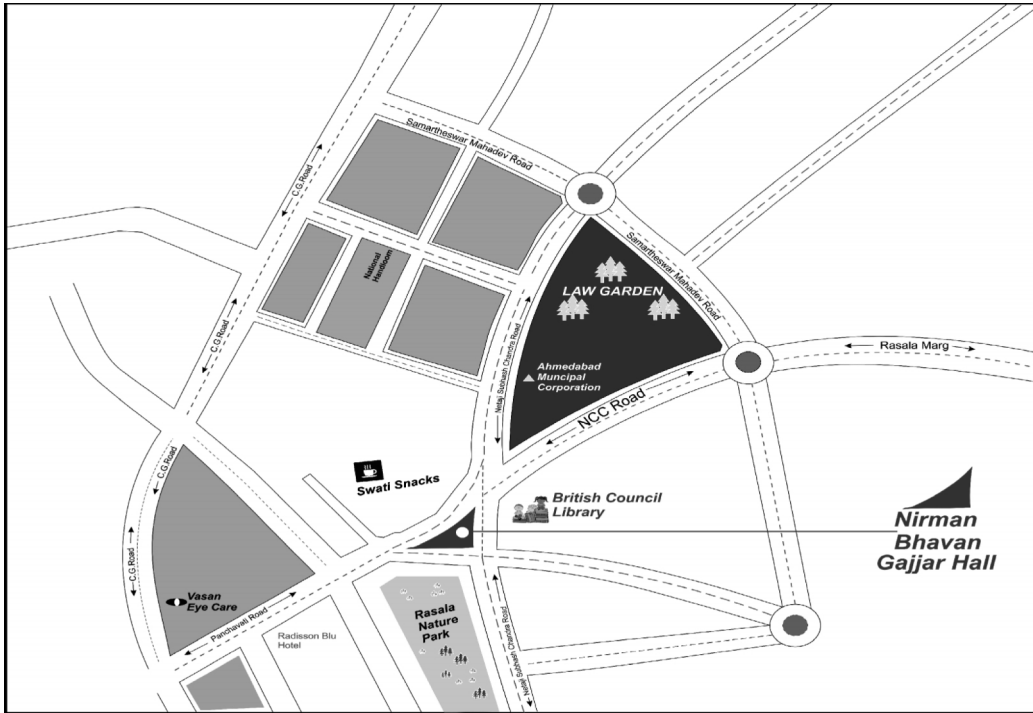
Address: _____

Signature:

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Tuesday, the 27th day of September, 2016 at 1.00 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 below:

See overleaf

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Resolution No.	Description
1)	To receive, consider and adopt the audited Statement of Profit & Loss for the year ended March 31, 2016 the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
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: <u>00009879</u>) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4)	To appoint Statutory Auditors and fix their remuneration.
5)	To approve the Related Party Transactions under Section 188 of the Companies Act, 2013 and Rules made thereunder.

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 ENTERPRISES LTD.
A/801, 8th Floor, "Time Square" Building,
C. G. Road, Nr. Lal Bungalow Char Rasta,
Navrangpura, Ahmedabad-380 009.