



VADILAL DAIRY INTERNATIONAL LTD.

'Gul Manzil', 1st Floor,
14, Dashrathlal Joshi Road,
Vile Parle (West), Mumbai - 400 056.
TEL.: 022 - 2617 0201 / 2617 0301
FAX : (022) 2617 8843
E-mail : info@vadilal.net
http://www.vadilalicecream.com

Date: 5th October, 2016

The DSC-CRD,
Bombay Stock Exchange Limited,
Pheeroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai- 400001

Dear Sir/ Madam,

Sub: Submission of Annual Report

Ref: BSE Scrip Code: 519451

In accordance with the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, we submit herewith the soft copy of the Annual Report for the Financial Year 2015- 2016 duly approved and approved by the Shareholders of the Company at the 29th Annual General Meeting held on 29th September, 2016.

Form A, as required under the aforesaid clause, for Unqualified Annual Audit Report is stated as below:

S Ragh

CIN : L15200MH1997PLC107525

Regd. Office : Plot No. M - 13, MIDC, Tarapur, Navapur Road, Boisar, Dist. Palghar - 401 506. Tel.: (02525) 272697 / 272501 Fax : (02525) 273234







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FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Vadilal Dairy International Limited
2.	Annual financial statements for the year ended	31st March, 2016
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by- •CEO/Managing Director •CFO •Auditor of the company (Divyesh V Mehta) •Audit Committee Chairman (Subhaschandra Patil)	<i>SRG</i> ✓  ✓  ✓  ✓ 

Also, the soft copy of the Annual Report is mailed to corp.relations@bseindia.com.

You are requested to kindly take note of the above.

Thanking You,

For Vadilal Dairy International Limited

Director/ Authorised Signatory

CIN : L15200MH1997PLC107525

Regd. Office : Plot No. M - 13, MIDC, Tarapur, Navapur Road, Boisar, Dist. Palghar - 401 506. Tel.: (02525) 272697 / 272501 Fax : (02525) 273234



Vadilal Dairy International Ltd.



Twenty Ninth Annual Report
2015-16

**CORPORATE INFORMATION:****BOARD OF DIRECTORS**

Shailesh R. Gandhi	: Managing Director (Executive, Non-Independent)
Subhashchandra P. Patil	: Director (Non-Executive, Independent)
Vishnu D. Barhate	: Director (Non-Executive, Independent)
Prakash O. Mankar	: Director (Non-Executive, Independent)
Rahil S. Gandhi	: Whole-time Director (Executive, Non-Independent)
Bela S. Gandhi	: Director (Executive, Non-Independent)

COMPANY SECRETARY & COMPLIANCE OFFICER**Mr. UDAY A. SAWANT**E-mail: cs@vadilal.net, uday.csvadilal@gmail.com**STATUTORY AUDITORS****M/s. VINOD K.MEHTA & CO.**B-5, Satyam Shopping Centre, 2nd Floor, M. G. Road,
Ghatkopar (East), MUMBAI - 400077**REGISTERED OFFICE**Plot No. M-13, MIDC Ind. Area,
Tarapur, Boisar - 401506
Tel No: 02525-272501 / 272697
Fax No.: 02525-273234
Website: www.vadilaldairy.com**BANKERS**HDFC Bank Limited
Federal Bank
Bank of India**REGISTRAR AND SHARE TRANSFER AGENTS**SHAREX DYNAMIC (INDIA) PRIVATE LIMITED
Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool, Andheri (East),
Mumbai- 400072.

Contents	Page No.
Notice	2
Directors' Report	10
Management Discussion & Analysis	30
Managing Directors' & CFO Certification	31
Independent Auditors' Report	32
Balance Sheet	38
Profit & Loss Account	39
Cash Flow Statement	41
Notes Forming Part of the Financial Statements	43
Attendance Slip and Proxy Form	61

As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

TWENTY NINTH ANNUAL GENERAL MEETING

Day: Thursday

Date: 29th September, 2016

Time: 12.00 Noon

Venue: Plot No. M-13, MIDC Industrial Area, Tarapur, Boisar - 401506

ATTENTION

Shareholders are requested to please note that pursuant to recent changes in applicable laws and regulations, in order to receive and participate in all corporate actions of the Company, you are requested to:-

- Inform our Registrar/Depository Participants, if not already done earlier, for updating details of your PAN number. Non-submission of PAN number is a cause of rejection especially by shareholders holding securities in physical form.
- Inform your Depository Participants, to reactivate your account for credit actions. Frozen Demat Accounts may lead to non-credit/delayed credit of securities allotted to your account.
- Update your address with Registrar/Depository Participants to ensure timely receipt of shareholder communication.



NOTICE

Notice is hereby given that the TWENTY NINTH Annual General Meeting of **VADILAL DAIRY INTERNATIONAL LIMITED** will be held at Registered Office of the Company at Plot no. M-13, MIDC, Industrial Area, Tarapur, Boisar- 401506, on Thursday, 29th September, 2016 at 12:00 Noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider & adopt the Audited Balance Sheet as at 31st March 2016 and Profit & Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rahil Gandhi (DIN: 03126913), who retires by rotation and being eligible, offers himself for re-appointment.
3. **Ratification of Auditors' Appointment**

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 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to resolution passed by the members at the Twenty-Seventh Annual General Meeting (AGM) held on September 29th, 2014 in respect of appointment of auditors, M/s. **Vinod K. Mehta & Co**, Chartered Accountants, (Registration No. 111508W) till the conclusion of AGM to be held in the year 2017, the Company hereby ratifies and confirms the appointment of M/s. **Vinod K. Mehta & Co**, as Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the Thirtieths AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. **Increase in Remuneration of Mr. Shailesh Gandhi, Managing Director of the Company:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation by Nomination and Remuneration Committee and Audit Committee, subject to such approvals, conditions and modifications, as may be prescribed or imposed by any authorities, including the Central Government, if required, the consent of the Company be and is hereby accorded for increase in the remuneration of Mr. Shailesh Gandhi (DIN: 01963172), Managing Director of the company from existing of Rs. 30 Lakhs p.a. within a monetary ceiling of Rs. 51 lakhs per Annum for a period of 3 years with effect from 1st October, 2016 to 30th September, 2019 including all perquisites and all other benefits as specified in Part II, Section II of Schedule V of the Companies Act, 2013 as given in Explanatory Statement annexed hereto.

RESLOVED FURTHER THAT any one of the directors of the Company be and is hereby severally authorized to do such acts, deeds and things, to execute all such documents, instruments, writings as may be required to give effect to this resolution."

5. **Increase in Remuneration of Mr. Rahil Gandhi, Whole Time Director of the Company:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:), Whole Time Director of the company

RESOLVED THAT pursuant to the provisions of Section 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation by Nomination and Remuneration Committee and Audit Committee, the consent of the Company be and is hereby accorded for increase in the remuneration of Mr. Rahil Gandhi (DIN: 030126913), Whole Time Director of the company from existing of Rs.12 Lakhs p.a within a monetary ceiling of Rs. 18 lakhs per annum for period of 3 years with Effect from 1st October, 2016 to 30th September, 2019 including all perquisites and all other benefits as specified in Part II, Section II of Schedule V of the Companies Act, 2013 as given in Explanatory Statement annexed hereto.

RESLOVED FURTHER THAT any one of the directors of the Company be and is hereby severally authorized to do such acts, deeds and things, to execute all such documents, instruments, writings as may be required to give effect to this resolution."



6. **Remuneration to Mrs. Bela S. Gandhi, Director of the Company:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT subject to section 197 and 198 of the Companies Act 2013 and provisions of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 subject to such approvals, conditions and modifications, as may be prescribed or imposed by any authorities, including the Central Government, if required, approval of the members, be and is hereby accorded for payment of remuneration to Mrs. Bela Gandhi, Director, within the monetary ceiling limit of Rs. 9,00,000/- per Annum for a period of three years w.e.f. 01st October, 2016 to 30th September, 2019, on terms and conditions, including perquisites set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (herein after referred to as “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board), to alter and vary the terms and conditions as the board may deem fit subject to the condition that it shall not exceed the limits specified under Schedule V of the Companies Act, 2013, or any statutory modification(s) or re-enactment(s) thereof.”

RESOLVED FURTHER THAT any one of the directors of the Company be and is hereby severally authorized to do such acts, deeds and things, to execute all such documents, instruments, writings as may be required to give effect to this resolution.”

7. **To consider and if though fit, to pass, with or without modification, the following resolution as Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c), other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval by BIFR, wherever applicable, the Company authorises the Board of Directors to borrow from time to time on behalf of the Company, any sum or sums of money on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs. 15 Crores (Rupees Fifteen Crores Only).”

“RESOLVED FURTHER THAT consent of the members, be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) to mortgage or charge all or any part of the undertaking of the Company of any nature and kind whatsoever and or creating a floating charge in all or any immovable properties of the Company, in certain events, to or in favour of banks, financial institutions, any other lenders to secure the amount borrowed/to be borrowed by the Company, from time to time for the due payment of the principal monies together with the interest payable by the company in respect of such borrowings.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to negotiate and settle the terms and conditions with the concerned Banks/Financial Institutions etc, finalize the agreements/contracts and documents for creating the aforesaid mortgages and or charges to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any Director of the Company or any principal officer of the Company as it may consider appropriate in order to give effect to this Resolution and to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution and to file the necessary e-form with the Registrar of Companies.”

**For and on behalf of the Board
For VADILAL DAIRY INTERNATIONAL LIMITED
Sd/-**

**Shailesh R. Gandhi
Managing Director
DIN: 01963172**

Place: Mumbai
Date: 13th August, 2016

Registered Office:
Plot no. M-13, MIDC Ind. Area,
Tarapur, Boisar, Maharashtra
Thane: 401506



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregating not more than 10% of total share of the Company.
2. Corporate members intending to send their authorized representative to attend the meeting in pursuance to Section 113 of Companies Act, 2013 are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed , must be deposited at company's registered office not less than 48 hours before the commencement of the meeting (on or before 27th September, 2016, 12.00 NOON . IST). A proxy form is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting , a members would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. The register of Director's and key managerial personnel and their shareholding, maintained under section 170 of Companies, Act 2013 will be available for inspection by the members at the AGM.
6. The Register of contracts or Arrangements, in which the directors are interested, maintained under Section 189 of Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd September, 2016 to Thursday 29th September 2016 (both days inclusive) for the purpose of Annual General Meeting , pursuant to the provisions of section 91 of the Companies Act, 2013.
8. (a) Members are requested to notify changes of address, if any, with PIN CODE number and quote reference of their Folio Number/s.
(b) In case your mailing address mentioned on this Annual Report is without the PIN CODE then you are requested to inform your PIN CODE immediately.
9. Members are requested to quote Folio Numbers in all correspondences.
10. Documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except holidays between 10.00 a.m. to 12.00 noon up to the date of Annual General Meeting.
11. In case you intend to raise any query in the forthcoming Annual General Meeting you are requested to please forward the same at least 7 days before the date of the meeting to the Registered Office, so that the same may be attended to your entire satisfaction.
12. Members are requested to bring their attendance slip along with copy of Annual Report to the Meeting.
13. SEBI has made it mandatory for every participant in the securities/capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with a photocopy of both sides of the PAN card, duly attested, to the Registrar and Share Transfer Agents of the Company i.e. Sharex Dynamic (India) Private Limited.
14. Information & other instructions relating to E-Voting:
 - i). In compliance with the provisions of Section 108 of the Act and the Rules framed there under and regulation relating to SEBI (Listing Obligation Disclosure Requirement) Regulations, 2015, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Forms are given at the back of the said Form and instructions for e-voting are given herein below. Resolution(s) passed by the Members through Ballot Forms or e-voting is/are deemed to have been passed as if they have been passed at the Annual General Meeting.



- ii) The Board of Directors has appointed Mr. Suhas S. Ganpule, Practicing Company Secretary, (Membership No. ACS 12122), as the Scrutinizer to scrutinize the voting by remote e-voting process (i.e. casting of votes using electronic voting system from place other than the venue of the Meeting) and the Ballot Form received from the Members in a fair and transparent manner.
- iii) Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
- iv) Completed Ballot Forms should reach the Scrutinizer not later than the close of working hours i.e. at 5.00 p.m. on Wednesday, September 28th, 2016. Ballot Forms received after this date will be considered as invalid.
- v) In case a Member is desirous of obtaining a duplicate Ballot Form or having any query/grievance pertaining to the Ballot process can write to the Company at its registered office Plot No. M-13, MIDC Ind. Area, Tarapur, Boisar – 401506 or to the email ID cs@vadilal.net, uday.csvadilal@gmail.com. Duly completed and signed duplicate Ballot Form should, however, reach the Scrutinizer at the Corporate Office of the Company situated at Gul Manzil 1st Floor, 4 Dashrathlal Joshi Road , Vile Parle (W) Mumbai- 400056 not later than the close of working hours on 5.00 PM, 28th September, 2016. Ballot Forms received after this date will be treated as invalid.

The Procedure / Instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

1. The voting period begins on <26/09/2016> and ends on <28/09/2016>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <23/09/2016> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website www.evotingindia.com.
4. Click on Shareholders.
5. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
8. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.



Dividend Bk Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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9. After entering these details appropriately, click on "SUBMIT" tab.
10. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevant <Vadilal Dairy International Limited> on which you choose to vote.
13. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
15. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
18. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
20. **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
21. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.



1. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
2. Mr. Suhas Ganpule, a Practicing Company Secretary, (Membership No. 12122; Certificate of Practice No. 5722) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
3. The Scrutinizer shall within a period not exceeding 3(three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
4. The Results shall be declared on the date of AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.vadilaldairy.com and on the website of CDSL within 3 (three) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
5. The members are requested to:
 - i. Intimate to the Registrars / Company, changes if any, in their registered address at an early date along with the pin code number;
 - ii. Quote Registered Folio / Client ID & DP ID in all their correspondence;
 - iii. Dematerialise the shares held in physical form at the earliest as trading in the Equity Shares of the Company shall be only in dematerialised form for all the investors.

**For and on behalf of the Board
For VADILAL DAIRY INTERNATIONAL LIMITED
Sd/-**

**Shailesh R. Gandhi
Managing Director
DIN: 01963172**

Place: Mumbai
Date: 13th August, 2016

Registered Office:
Plot no. M-13, MIDC Ind. Area,
Tarapur, Boisar, Maharashtra
Thane: 401506



EXPLANATORY STATEMENT IN PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 and 5 to Notice of Annual General Meeting::

The member may note that based on the recommendations by the Nomination and Remuneration committee the Board of Directors of the company at their meeting held on 13th August, 2016 approved to increase in remuneration of Shri **Shailesh Gandhi**, Managing Director and Shri Rahil Gandhi, Whole Time Director of the company under the provisions of Companies Act, 2013. They are currently drawing remuneration of Rs. 30 Lacs and 12 Lakhs respectively during the financial year 2015-2016.

Since the company has inadequate Profit, the above proposal requires approval of shareholder of the company. Hence the proposal is laid before the shareholders for their approval through special resolution for period of 3 years w.e.f 1st October, 2016 to 30th September, 2019.

The Increase in Remuneration of Shri. Shailesh Gandhi and Shri. Rahil Gandhi are as follows:

a) Salary & Perquisites to Mr. Shailesh Gandhi:

- 1 **Basic Salary:** Salary upto Rs.51 Lakhs- Annually.
2. **Perquisites:** The above salary includes perquisites and does not exceed the overall ceiling prescribed under Schedule V.

Other Terms and Conditions:

The terms and conditions of appointment of Managing Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.

None of the Directors except Mr.Shailesh Gandhi, Mr. Rahil Gandhi and Mrs. Bela Gandhi are concerned or interested in the proposed resolution.

b) Salary & Perquisites to Mr. Rahil Gandhi:

- 1 **Basic Salary:** Salary upto Rs.18 Lakhs- Annually.
2. **Perquisites:** The above salary includes perquisites and does not exceed the overall ceiling prescribed under Schedule V.

Other Terms and Conditions:

The terms and conditions of appointment of Whole Time Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.

None of the Directors except Mr.Shailesh Gandhi, Mr. Rahil Gandhi and Mrs. Bela Gandhi are concerned or interested in the proposed resolution.

Item No. 6 to Notice of Annual General Meeting::

The Board of Directors, on the recommendations of the Nomination and Remuneration Committee, in its Meeting held on August 13, 2016 and subject to the approval of the members of the Company in the Annual General Meeting and the provisions of the Companies Act, 2013, decided to pay to Mrs. Bela Gandhi, Director a remuneration of Rs.9, 00,000/- per Annum, for period of 3 years w.e.f. 01-10-2016 to 30-09-2019 inclusive of all the perquisites.

Mrs. Bela Gandhi was not in receipt of any Remuneration from the date of Appointment.

Shri Shailesh Gandhi, Shri Rahil Gandhi and Mrs. Bela Gandhi are concerned and interested in the resolution pertaining to the remuneration payable to Mrs. Bela Gandhi, as they are related to one another.

Pursuant to schedule V, statement is given to shareholders containing the following information namely:-

II Information about the Appointee:

1. Past Remuneration: No remuneration.
2. Remuneration proposed: Rs.9, 00,000/- per Annum.



3. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mrs. Bela Gandhi is wife of Mr. Shailesh Gandhi and is mother of Mr. Rahil Gandhi and they are related with each other.

Perquisites: The above salary includes the perquisites not exceeding the overall ceiling prescribed under Schedule V to the Companies Act, 2013.

Other Terms and Conditions:

The terms and conditions of appointment of Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.

None of the Directors except Mr..Shailesh Gandhi, Mr. Rahil Gandhi and Mrs. Bela Gandhi are concerned or interested in the proposed resolution.

Item no.7

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the shareholders in the General Meeting by a Special Resolution and with consent of Board for Industrial & Financial Reconstruction, Wherever applicable, borrow the monies apart from temporary loans (viz., means loans repayable on demand or within six months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature)obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up Capital and the Free Reserves of Company, that is to say, reserves not set apart for any specific purposes.

Keeping in view of the Company's business requirements and its growth plans, it is considered appropriate to increase the aforesaid limit of borrowings. Your consent is therefore sought, to authorize the Board to borrow up to Rs. 15 Crores only (Rupees Fifteen Crores Only) (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) as outstanding, at any time as set out in the resolution.

The Company may also require to give securities for due repayment of loan amount and interest thereon to the Banks and institutions as per their stipulated terms and conditions with right to take possession of the assets in the event of default, if any. Accordingly, in terms of Section 180(1)(c) of the Companies Act, 2013, it is proposed to provide necessary powers to the Board to sell, lease, mortgage, and or otherwise dispose off the whole or substantially the whole of the undertakings.

The borrowing limit is proposed to be enhanced to such an extent that the sum(s) so borrowed under this resolution and remaining outstanding at any time shall not exceed in the aggregate of Rs. 15 Crores Only (Rupees Fifteen Crores Only) in excess of and in addition to the paid-up capital and free reserves of the Company for the time being. The members are requested to approve the same by way of passing the Special Resolution. None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said resolution.

**DIRECTORS' REPORT**

To

The Members,

Vadilal Dairy International Limited

Your Directors have pleasure in presenting their Twenty ninth Annual Report and Audited Accounts of the Company for the year ended on **31st March, 2016**, the Company's performance is summarized below:

FINANCIAL HIGHLIGHTS:

(Rs. In Lakhs)

PARTICULARS	2015-2016	2014-2015
Profit Before Depreciation and Financial Charges	684.01	531.22
Less: Depreciation and amortization	114.11	89.59
Financial cost	30.21	5.71
Profit before Exceptional Items and Tax	539.69	435.91
Exceptional Items	-	-
Profit Before Tax	539.69	435.91
Provision for Deferred Tax (Asset)	94.49	10.55
Current Tax	117.00	38.00
Profit After Tax	328.20	387.36
Profit/(Loss)brought forward from last year	(8.33)	(394.74)
Opening Written Down Value of Plant & Machinery on expiry of useful life of the fixed assets in view of Schedule II of Companies Act, 2013.	-	0.95
Amount available for Appropriation	319.86	(8.33)
Appropriations:		
- Dividend	-	-
- Corporate Dividend Tax	-	-
- Transferred to General Reserve	-	-
Surplus carried to Balance Sheet	319.86	(8.33)

STATE OF COMPANY'S AFFAIRS:

The Company has earned revenue from the operations (Net) of Rs.4288.63/- lakhs during the year ended on 31st March, 2016 as against Rs. 3935.91/- lakhs earned during the previous year ended on 31st March, 2015, giving a rise of 8.96% as compared to previous year.

The Company reported Profit of Rs. 328.2 lakhs during the year ended on 31st March, 2016 as compared to a profit Rs. 387.36 lakhs earned during the previous year ended on 31st March, 2015, showing a decline of 15.27%.

The Company's EPS is Rs. 10.28 compared to Rs. 12.13 of the previous year.

BUSINESS OUTLOOK:

The Company expects to improve its performance by higher growth rate than that of the Current Year. The approach would be to continue with the growth momentum while balancing risk.

BOARD FOR INDUSTRIAL & FINANCIAL RECONSTRUCTION:

The Company is still registered with BIFR (Board for Industrial & Financial Reconstruction).

**DIVIDEND:**

In order to conserve the resources and for further growth, the Board does not propose to pay any dividend for the Financial Year ended 31st March, 2016.

TRANSFER TO RESERVES:

The Board does not propose transfer of any amount to Reserves.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

The company has made provision in respect of principal amount of VAT claimed by VAT Department, Govt. of Maharashtra for the period from 01.04.2007 till 31.03.2012 amounting to Rs.6.81 crore approx. (balance outstanding as on date Rs.70 lakh approx.), though as per the provisions of SS-07 sanctioned by Hon'ble BIFR, the company was allowed exemption from payment of VAT during the said period. The company's application for issuance of directions to VAT Department, Govt. of Maharashtra to provide the said exemption to the company as per SS-07 is still under the consideration of the Hon'ble BIFR. The provision of principal dues was made in the respective years out of abundant caution and without prejudice to the right of the Company to reverse the same after receipt of favourable order from Hon'ble BIFR. Interest on the amount of VAT claimed, as estimated at Rs.3.75 crores approx., has, however, not been provided in the books of accounts in view of the provisions of SS-07 and pendency of the application of company before Hon'ble BIFR.

Meanwhile, the State Government of Maharashtra in its Budget on 18th March, 2016 has announced an Amnesty Scheme so as to unlock the arrears pending at the Appellate Forums under various acts administered by the Maharashtra Sales Tax Department."The Maharashtra Settlement of Arrears in Disputes Acts, 2016" has been enacted for the purpose on 26th April, 2016. As per the scheme, if the Company pays 100% of the disputed tax amount and 25% of interest amount on or before 30th September, 2016, 75% of interest will be waived. The company has decided to pay 100% of the balance amount of disputed tax & 25% of interest amount to settle the aforesaid disputed dues of MVAT under the said Amnesty Scheme. Thus, the dispute of the company as aforesaid regarding MVAT dues & interest thereon will be fully settled soon.

TRANSACTION WITH RELATED PARTIES:

The Company has entered into transaction with related parties which falls under the scope of the Section 188 (1) of the Act. 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 B" in form AOC -2 and same forms part of this report.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

Your Company has in place, adequate internal financial control with reference to financial statement, commensurate with size, scale and complexity of its operations, During the year, such control were tested and no reportable material weakness found in design or operation were observed.

DETAILS OF SUBSIDIARY/ JOINT VENTURES / ASSOCIATE COMPANIES:

The Company does not have any Subsidiary Company/ Joint Venture and Associate Company as specified under Companies Act, 2013

PREVENTION OF SEXUAL HARASSMENT:

During the year under review, there was no case pursuant to the sexual harassment of at Workplace (Prevention, Prohibition and Redressed) Act, 2013. Prevention of Sexual harassment Policy can be viewed on Company's website on the link: www.vadilaldairy.com.

DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

BOARD MEETING:

During the year under review, Six Board meeting were convened and held. Intervening gap between the meetings was within the period prescribed in the Companies Act 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.



DIRECTORS:

A) CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. CESSATION:

None of director ceased from their office during the Year 2015-2016.

II. RETIREMENT BY ROTATION:

Pursuant to the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rahil Shailesh Gandhi (DIN: 03126913), Whole Time Director of the Company, retire by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment. The Board of Directors has recommended his re- appointment for the consideration of the Shareholders.

III. APPOINTMENT:

None of directors were appointed during the Year 2015-2016.

Mr. Prakash Mistry was appointed as the Chief Financial Officer of the Company at the Board Meeting held on 14th August, 2015.

B) DECLARATION BY AN INDEPENDENT DIRECTOR(S):

All the Independent Director of the Company have declared that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

C) FORMAL ANNUAL EVALUATION:

Pursuant to the provision of the Companies Act 2013 the Board is required to carry out the annual evaluation of its own performance and that of its committees and individual Director. The Nomination and Remuneration Committee of Board is also required to carry out evaluation of every director's performance. Performance evaluation of the Board and the Director was carried out through an evaluation mechanism in terms of the performance evaluation Framework and policy of the Company.

D) REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy may be accessed on the Company's website at the link: www.vadilaldairy.com.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In compliance with the requirement of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role , rights and responsibilities as Directors , the working of the Company , changes in the regulatory environment, etc.

Details of familiarization program are provided in www.vadilaldairy.com

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i). in the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures:
- ii) they have 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 loss of the Company for that period;
- iii). they have 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;
- iv) they have prepared the annual accounts on a going concern basis;



- v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were generally operating effectively;
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MANAGERIAL REMUNERATION:

The Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- 1. The Ratio of the remuneration and increase in Remuneration of each Director to the Median of the employees of the Company for the financial Year are as under:

Name	Title	% Increase in the remuneration for the year ended 31 st March, 2016	Ratio as related to employees
Shailesh Gandhi	Managing Director	0%	29.09
Bela Gandhi	Executive Director	0%	-
Rahil Gandhi	Whole Time Director	0%	11.64

Note: The Independent Directors do not receive any remuneration except sitting fees. Hence, the percentage increase of their remuneration has not been considered for the above purpose.

- 2. As on 31st March there were total of 210 employees on the roll of the Company.
- 3. Increase in remuneration depends upon factors like Company performance, Bench Marking, Inflationary trends, talent availability and turnover apart from the individual performance of employees.
- 4. **Comparison of Average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:**
The Average percentile increase in Salary of workers other than the Managerial personnel is 10.46%, whereas there was no change in Average percentile increase in Managerial Remuneration.
- 7. The Company affirms that the remuneration is as per the remuneration policy.

STATUTORY AUDITORS AND AUDIT REPORT:

M/s. **Vinod K. Mehta & Co**, Chartered Accountants (Registration No. 111508W), were appointed as Auditors in the 27th Annual General Meeting to hold office till the Annual General Meeting of the Company to be held in Year 2017 subject to ratification at every Annual General Meeting at such remuneration as may be decided between the Auditors and Board of Directors of the Company.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any other comments.

SECRETARIAL AUDIT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed SG & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as **"Annexure C"**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year on the operations of the Company, as required under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 is provided in a separate section and forms a part of this Annual Report.

EXTRACT OF THE ANNUAL RETURN:

In accordance with the Section 134 (3) (a) of the Companies Act, 2013 an Extract of Annual Return in Form MGT-9 is appended herewith as **"Annexure D"** to this Report.

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

The particulars relating to conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to the conservation of energy and technology. The same is attached in **"Annexure A"**.

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES:**

The Company has a vigil mechanism and has adopted Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board of Directors and the designated employees have confirmed compliance with the Code.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company are given in notes to the financial statements.

RISK MANAGEMENT POLICY:

The company has laid the risk management policy, covering the process of identifying, assessing, mitigation, reporting and reviewing critical risk impacting the achievement company's objective or threaten of existence.

Risks are events, situations or circumstances which may lead to negative consequences on the Company's business. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

CORPORATE SOCIAL RESOPOSIBILITY (CSR):

The company is covered under the provisions of Section 135 and Rules made thereunder for Corporate Social Responsibility for the first time in the current year. In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, A committee of the directors of the company has been constituted as Corporate Social Responsibility Committee (CSR Committee). The Corporate Social Responsibility Committee has formulated a policy on the corporate social responsibility measures to be undertaken by the company as specified in Schedule VII to the Companies act, 2013. In view of the same, the company was required to spend Rs. 2.75 lakhs towards Corporate Social Responsibility.

CSR Committee Members are as follows:

1. Shailesh Gandhi
2. Bela Gandhi
3. Prakash Mankar

The Corporate Social Responsibility Policy is available on the company's website viz., www.vadilaldairy.com.

However, due to shortage of manpower and other resources required in the respective activity, the company could not spend towards corporate social responsibility measures during the year 2015-16. The directors ensure that the company will spend sufficient amount towards corporate social measures in the next financial year.

PARTICULARS OF EMPLOYEES:

There is no employee in the Company whose particulars are required to be given pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The information required under the provisions of Section 197(12) read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

**CORPORATE GOVERNANCE REPORT:**

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, a Report on Corporate Governance Report is not applicable to the Company as it does not fall under the criteria of Paid Up Share Capital of Rs. 10 Crore and Networth of Rs. 25 Crores.

A Jist of Important provisions pertaining to Corporate Governance are highlighted here below:

Meeting of Board of Directors and Other Committee Meetings:**Board Meeting:**

The Board of Directors comprises of Six Directors, three are Executive and three are Non- Executive Directors. The Chairman of the Board is Executive Director.

Six Board Meeting were held on following days:

25 th April, 2015	30 th May, 2015	14 th August, 2015	7 th November, 2015	7 th January, 2016
13 th February, 2016				

Details of Directors constituting the Board, their attendance at the Board Meetings of the Company are as follows:

Sr. No.	Name of Director	Designation	Attendance in Board Meetings		Attendance in last Annual General Meeting
			Held	Attended	
1.	Mr. Shailesh Gandhi	Managing Director	6	6	Yes
2.	Mrs. Bela Gandhi	Director	6	6	Yes
3.	Mr. Rahil Gandhi	Whole Time Director	6	6	Yes
4.	Mr. Vishnu Barhate	Director	6	6	Yes
5.	Mr. Subhaschandra Patil	Director	6	6	Yes
6.	Mr. Prakash Mankar	Director	6	6	Yes

Audit Committee:

The Company has a qualified and Independent Audit Committee which has been formed in pursuance of Regulation 18 of SEBI (Listing and Obligation Disclosure Requirement) Regulation, 2015 and Section 177 of Companies Act, 2013.

The details of Composition and attendance of Members of the Committee are as follows:

Four Audit Committee meetings was held:

30 th May, 2015	14 th August, 2015	7 th November, 2015	13 th February, 2016
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Sr. No.	Name of Director	Designation	Attendance in Audit Committee	
			Held	Attended
1.	Mr. Vishnu Barhate	Non- Executive, Independent Director (Member)	4	4
2.	Mr. Shailesh Gandhi	Executive Director (Member)	4	4
3.	Mr. Subhaschandra Patil	Non Executive Director, Independent (Chairman)	4	4

Nomination and Remuneration Committee:

The Committee has the overall responsibility of approving and evaluating the Nomination and Remuneration plans, policies and programs for Executive/ Non Executive Directors.

The Details of Composition and Attendance of Members of Nomination and Remuneration Committee are as follows:



Four Meeting of Nomination and Remuneration Committee was held on :

30 th May, 2015	14 th August, 2015	7 th November, 2015	13 th February, 2016
----------------------------	-------------------------------	--------------------------------	---------------------------------

Sr. No.	Name of Director	Designation	Attendance in Audit Committee	
			Held	Attended
1.	Mr. Prakash Mankar	Non- Executive, Independent Director (Member)	4	4
2.	Mr. Subhashchandra. P. Patil	Non Executive Director, Independent (Chairman)	4	4
3.	Mr. Vishnu. D. Barhate	Non Executive Director, Independent (Member)	4	4

Stakeholders Relationship Committee:

The Committee has to mandate to review and redress Shareholder grievance including Complaints related to Non-Receipt of Securities/ Share Certificate, Non- Receipt of Balance Sheet, Dividends, etc. The Committee reviews Shareholders' complaints and Resolution thereof.

The Details of Composition and Attendance of Members of Stakeholders Relationship Committee are as follows:

Three Meetings of Stakeholders Relationship Committee was held on:

14 th August, 2015	7 th November, 2015	13 th February, 2016
-------------------------------	--------------------------------	---------------------------------

Sr. No.	Name of Director	Designation	Attendance in Audit Committee	
			Held	Attended
1.	Mr. Prakash Mankar	Non- Executive, Independent Director (Chairman)	3	3
2.	Mr. Subhashchandra. P. Patil	Non Executive Director, Independent (Member)	3	3
3.	Mr. Shailesh Gandhi	Executive Director (Member)	3	3

The details of Complaints received and resolved during the Year ended 31st March, 2016 are as follows:

No. of Complaints Received- 1

No. of Complaints Resolved- 1

No. of Complaints Pending- 0

Independent Directors:

The Company has Independent Directors of the Company as per The Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2016.

The Meeting of Independent Directors was held on 13th February, 2016 and all the Independent Directors of the Company were present at the Meeting.

The Composition of Independent Director are as follows:

Sr. No.	Name and Designation	Designation
1.	Mr. Prakash Mankar	Non- Executive Independent Director (Member)
2.	Mr. Subhashchandra Patil	Non Executive Independent Director (Chairman)
3.	Mr. Vishnu. D. Barhate	Non Executive Independent Director (Member)

**GENERAL SHAREHOLDERS INFORMATION:**

Date	29 th September, 2016
Time	12.00 Noon
Place	Plot No. M-13, MIDC, Industrial Area, Tarapur, Boisar- 401506
Financial Year	2015- 2016
Book Closure	23 rd September, 2016 to 29 th September, 2016 (Both days Inclusive)
Dividend payment	NIL
Listed on Stock Exchange	The Bombay Stock Exchange
Stock Code	519451
Demat ISIN No. in CDSL	INE159T01016
Registrar and Share Transfer Agents	Sharex Dynamic (India) Private Limited Address: Unit -1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai- 400072, Tel : (022) 28515606/ 28515644 Fax no. 28512885 E Mail: sharexindia@vsnl.com

STATUTORY DISCLOSURES:

The Company has complied with all the statutory requirements. A declaration regarding compliance of the provisions of the various statutes is also made by the Managing Director at each Board Meeting. The Company ensures compliance of the ROC, SEBI Regulations and provisions of the Listing Agreement.

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies, distributors, suppliers, Financial Institutions and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

**For and on behalf of the Board
For VADILAL DAIRY INTERNATIONAL LIMITED**

Sd/-

Sd/-

**Shailesh R. Gandhi
Managing Director
DIN: 01963172**

**Rahil Gandhi
Whole Time Director
DIN: 03126913**

Place: Boisar

Date: 13th August, 2016



ANNEXURE 'A' TO DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of particulars in the report of Board of Director(s) Rules), 1988.

A) CONSERVATION OF ENERGY:

- i) Energy conservation measures taken by the Company are optimum utilization of cold storage, switching off power supply at intervals for cold storages whenever temperature reaches the desired level and switching off power supply whenever not required in office premises.
- ii) Additional investment and proposals for reduction of consumption of energy.
 - a) Improving system power factor by adding capacitors.
 - b) Replacing existing machines/equipments with more productive energy efficient machines/ equipments.
- iii) Impact of measures of two points above for reduction energy consumption and consequent impact on the cost of production of goods. The measures taken have resulted in savings in the cost of production.
- iv) Total energy consumption & energy consumption per unit of production (Form 'A').



FORM – A
(SEE RULE -2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERAVTION OF ENERGY:

A) POWER & FUEL CONSUMPTION	CURRENT YEAR 2015-16	PREVIOUS YEAR 2014-15
1. Electricity		
a) Purchase unit	1827119	1914714
Total amount (Rs.)	14849371	14526664
Rate/ Unit (Rs.)	8.13	7.59
b) Own generation		
i) Through diesel generation unit	Nil	Nil
Units per litre of diesel	Nil	Nil
Cost/unit (Rs.)	Nil	Nil
ii) Through Steam Turbine /Generator units	Nil	Nil
Units per Litre of fuel oil/ Gas	Nil	Nil
2 Coal (Specify Quality & where used)		
Quantity (Tones)	Nil	Nil
Total Cost (Rs.)	Nil	Nil
Average Rate (Rs.)	Nil	Nil
3 Furnace Oil / LDO		
Qty. (K. Litres)	19	25
Total cost (Rs.)	1028970	1560113
Average Rate (Rs.)	54.16	62.16
4 Other/Internal Generation		
Qty (units)	Nil	Nil
Total cost (Rs.)	Nil	Nil
Rate /Unit (Rs.)	Nil	Nil
Consumption per liter of production	2015-2016	2014-15
Product	Electricity (Kwh/Ltrs.)	Electricity (Kwh/Ltrs.)
Ice cream	0.43	0.46

B) RESEARCH & DEVELOPMENT:**a. Specific areas in which R & D carried out by the Company:**

The R & D efforts of the Company are directed towards process Development, energy conservation, pollution control, efficiency Improvement and quality upgradation.

b. Benefits derived as a result of the above R & D:

Improvement in quality and material utilization.

c. Future Plan of Action:

Continuation of the present work in R & D for introduction of new Products and processes improvement in the existing products and processes in the areas in which the Company is operating.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

There was no foreign exchange earnings and outgoing for the year ended on 31st March, 2016 (P.Y. Nil).



ANNEXURE B TO DIRECTORS REPORT

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto

(Rs. In Lakhs)

SL No.	Particulars	Details		
	Name (s) of the related party & nature of relationship	Name		Nature of Relationship
		Loan from Directors:		
		1. Shailesh Gandhi 2. Bela Gandhi	Directors Directors	
	Remuneration to Directors:			
	1. Shailesh Gandhi 2. Rahil Gandhi		Director Director	
	Duration of the contracts/ arrangements/transaction	1. As and when required (Loan from Directors) 2. Annually (Remuneration to Directors)		
	Salient terms of the contracts or arrangements or transaction including the value, if any	Name	Nature of Transactions	Value (In Lakhs)
		1. Shailesh Gandhi 2. Bela Gandhi	Loan Taken	346.35 201.92
		1. Shailesh Gandhi 2. Rahil Gandhi	Remuneration to Directors	30.00 12.00
	Justification for entering into such con- tracts or arrangements or transactions'	For Business purposes		
Date of approval by the Board	14 th February, 2014			
Amount paid as advances, if any	NIL			
Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable			

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- Same as above

**For and on behalf of the Board
For VADILAL DAIRY INTERNATIONAL LIMITED**

**Sd/-
Shailesh R. Gandhi
Managing Director
DIN: 01963172**

**Sd/-
Rahil Gandhi
Whole Time Director
DIN: 03126913**

Place: Boisar

Date: 13th August, 2016



**ANNEXURE C TO DIRECTORS REPORT
SECRETARIAL AUDIT REPORT**

' Form No. MR-3

Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

Secretarial Audit Report

For the Financial Year ended 31st March, 2016

To,

The Members,

Vadilal Dairy International Limited,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vadilal Dairy International Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e. 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;
- V. Other laws applicable to the Company as per the representations made by the Company. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards with respect to Board and general meetings of The Institute of Company Secretaries of India.
 - (ii) The Factories Act, 1948.
 - (iii) The Payment of Wages Act, 1936.



- (iv) The Minimum Wages Act, 1948
- (v) The Employees' State Insurance Act, 1948
- (vi) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
- (vii) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,

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

- a) Secretarial Standards by The Institute of Company Secretaries of India.
- b) The Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 entered into by the Company with BSE
- c) Since the Company is still registered with the **Board for Industrial and Financial Reconstruction (BIFR)**, the Sick Industrial Companies (Special Provisions) Act, commonly known as the SICA.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

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.

All the decisions were carried out unanimously by the members of the Board and Committees and the same were duly recorded in the minutes of the meeting of the Board of Directors and Committees of the Company.

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.

I further report that during the audit period, there were no instances of:

- i. Public / Rights / Preferential issue of shares / debentures / sweat equity.
- ii. Buy-Back of securities.
- iii. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction etc.
- v. Foreign technical collaborations

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

**For SG and Associates,
Company Secretaries**

Sd/-

**Suhas Ganpule,
Proprietor,
Membership No: 12122
C. P No: 5722**

Date: 13th August, 2016

Place: Mumbai



Annexure A to Secretarial Audit Report

To,

The Members,

Vadilal Dairy International Limited.

Boisar

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 record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, 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 obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

**For SG and Associates,
Company Secretaries**

Sd/-

**Suhas Ganpule,
Proprietor,
Membership No: 12122
C. P No: 5722**

Date: 13th August, 2016

Place: Mumbai



ANNEXURE 'D' TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2016

[Pursuant to Section 92(3) of the Companies act, 2013 read with

[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

A. REGISTRATION AND OTHER DETAILS:

CIN:-	L15200MH1997PLC107525
Registration Date:	20-07-1987
Name of the Company:	Vadilal Dairy Intl Ltd.
Category / Sub-Category of the Company	Category` : Public Company
	Sub- Category : Limited by shares
Address of the Registered office	Plot No. M-13, MIDC Industrial Area, Tarapur, Boisar- 401506
and contact details:	Contact No.- 02525272501 / 02525272697
Whether listed company	YES
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Private Limited Address: Unit 1, Luthra Ind. Premises, 1st Floor, 44-E, M- Vasanti Marg, Andheri- Kurla Rd. Safed Pool, Andheri (East) Telephone No: 022-22641376/ 22702485

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Ice Cream and Frozen Deserts	1520	100%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Holding, Subsidiary and Associate Company for the Financial Year 2015-2016.

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN									
(a). individual	0	2501430	2501430	78.313	0	2501430	2501430	78.313	0
(b). Central Govt.	0	0	0	0	0	0	0	0	0
(c). State Govt(s).	0	0	0	0	0	0	0	0	
(d). Bodies Corpp.	0	459830	459830	14.396	0	459830	459830	14.396	0
(e). FIINS/ BANKS.	0	0	0	0	0	0	0	0	0
(f). Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	2961260	2961260	92.709	0	2961260	2961260	92.709	0



(2). FOREIGN									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0
(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FII	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter									
(A) = (A)(1)+(A)(2)	0	2961260	2961260	92.709	0	2961260	2961260	92.709	0
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0	0	0	0	0	0	0	0	0
(b). Banks / FI	0	50000	50000	1.565	0	50000	50000	1.565	0
(c). Central Govt.	0	0	0	0	0	0	0	0	0
(d). State Govt.	0	16700	16700	0.523	0	16700	16700	0.523	0
(e). Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f). Insurance Companies	0	0	0	0	0	0	0	0	0
(g). FIs	0	0	0	0	0	0	0	0	0
(h). Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i). Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	66700	66700	2.088	0	66700	66700	2.088	0
2 Non-Institutions									
(a). BODIES CORP.									
(i). Indian	0	6990	6990	0.219	0	6990	6990	0.219	0
(ii). Overseas									
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.2 lakh	0	131250	131250	4.109	0	131250	131250	4.109	0
(ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	0	27950	27950	0.875	0	27950	27950	0.875	0
(c). Other (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0



Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts 0	0	0	0	0	0	0	0	0	
Foreign Boodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	166190	166190	5.203	0	166190	166190	5.203	0
Total Public Shareholding									
(B)=(B)(1)+ (B)(2)	0	232890	232890	7.291	0	232890	232890	7.291	0
C. Shares held by Custodian									
for GDRs & ADRs	0								
Grand Total (A+B+C)	0	3194150	3194150	100	0	3194150	3194150	100	0

(ii) Promoter's Shareholding name;

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the Year 31/03/2016			% change in share holding during theyear
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	SHRI. SHAILESH R GANDHI	1899561	59.469		1899561	59.469		
2	S R GANDHI (H U F)	65900	2.063		65900	2.063		
3	SMT. BELA S GANDHI	535969	16.779		535969	16.779		
4	BELA INVT & FINANCE CO PVT LTD	459830	14.396		459830	14.396		



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

There are no changes in Promoter' Shareholding during the Financial Year 2015-2016.

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

SI No.	Name	No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	STATE IND & INVT CORPN OF MAH LTD - Closing Balance	16700	0.523	01-04-2015 31-03-2016			16700	0.523
2	KANTILAL CHUNILAL CHOKSHI - Closing Balance	490	0.015	01-04-2015 31-03-2016			490	0.015
3	PRISM FINANCE LTD. - Closing Balance	620	0.019	01-04-2015 31-03-2016			620	0.019
4	ARTI A VIRANI - Closing Balance	1010	0.032	01-04-2015 31-03-2016			1010	0.032
5	PERSIS A KHAMBATTA - Closing Balance	650	0.02	01-04-2015 31-03-2016			650	0.02
6	K SIYER - Closing Balance	570	0.018	01-04-2015 31-03-2016			570	0.018
7	KINETIC FINCAP LIMITED - Closing Balance	490	0.015	01-04-2015 31-03-2016			490	0.015
8	UNION BANK OF INDIA - Closing Balance	50000	1.565	01-04-2015 31-03-2016			50000	1.565
9	WINDIA INFRASTRUCTURE FINANCE LTD - Closing Balance	3250	0.102	01-04-2015 31-03-2016			3250	0.102
10	RAHIL GANDHI - Closing Balance	27950	0.875	01-04-2015 31-03-2016			27950	0.875

(v) Shareholding of Directors and Key Managerial Personnel:

SI No.		Shareholding at the beginning of the year 01/04/2015		Cumulative Shareholding during the year 31/03/2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		Mr. Shailesh Gandhi			
	At the beginning of the year	18,99,561	59.47		
	At the End of the year			18,99,561	59.47

SI No.		Shareholding at the beginning of the year 01/04/2015		Cumulative Shareholding during the year 31/03/2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		Mrs. Bela Gandhi			
	At the beginning of the year	5,35,969	16.78		
	At the End of the year			5,35,969	16.78

SI No.		Shareholding at the beginning of the year 01/04/2015		Cumulative Shareholding during the year 31/03/2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		Mr. Rahil Gandhi			
	At the beginning of the year	27,950	0.875		
	At the End of the year			27,950	0.875



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	49,40,414	5,24,76,500	—	5,74,16,914
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	49,40,414	5,24,76,500	—	5,74,16,914
Change in Indebtedness during the financial year				
• Addition	5,25,69,645	45,00,000	—	5,70,69,645
• Reduction	56,37,013	21,50,000	—	77,87,013
Net Change	4,69,32,632	23,50,000	—	4,92,82,632
Indebtedness at the end of the financial year				
i) Principal Amount	5,18,73,046	5,48,26,500	—	10,66,99,546
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not	—	—	—	—
Total (i+ii+iii)	5,18,73,046	5,48,26,500	—	10,66,99,546

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		SHAILESH GANDHI	RAHIL GANDHI	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000	12,00,000	42,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission			
	- as % of profit	—	—	—
	- others, specify...	—	—	—
5	Others, please specify	—	—	—
	Total (A)	30,00,000	12,00,000	42,00,000
	Ceiling as per the Act	As per Companies Act ceiling limit is 42 lakhs approx.		



B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Vishnu Barhate	Prakash Mankar	Subhaschandra Patil	
1.	Independent Directors				
	• Fee for attending board / committee meetings	22,500	22,500	22,500	67,500
	• Commission				
	• Others, please specify				
	Total (1)	22,500	22,500	22,500	67,500
2	Other Non-Executive Directors	—	—	—	—
	• Fee for attending board / committee meetings	—	—	—	—
	• Commission	—	—	—	—
	• Others, please specify	—	—	—	—
	Total (2)	—	—	—	—
	Total (B)=(1+2)	22,500	22,500	22,500	67,500
	Total Managerial Remuneration	22,500	22,500	22,500	67,500
	Overall Ceiling as per the Act	Non Executive Directors are not being paid Remuneration except sitting fees which is within the limits prescribed under the Act."			

Note: Apart from Sitting Fees, Independent Directors are not receiving any other Remuneration or other Commission or perquisites from the Company.

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

	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	1,20,000	10,11,732	11,31,732
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA	—	—	—
2	Stock Option	NA	—	—	—
3	Sweat Equity	NA	—	—	—
4	Commission				
	- as % of profit				
	- others, specify...	NA	—	—	—
	Others, please specify	NA	—	—	—
	Total	NA	1,20,000	10,11,737	11,31,732

PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:

During the year, there have been no penalty / punishment / compounding of offences under the Companies Act 2013.

For and on behalf of the Board
For VADILAL DAIRY INTERNATIONAL LIMITED
Sd/- **Sd/-**
Shailesh R. Gandhi **Rahil Gandhi**
Managing Director **Whole Time Director**
DIN: 01963172 **DIN: 03126913**

Place: Boisar

Date: 13th August, 2016



MANAGEMENT DISCUSSION AND ANALYSIS

India is the world's largest milk producer country with estimated annual production of more than 100 million tons of ice creams per year. Keeping up with the economy's quantum growth in recent years, the ice creams market has also set new records.

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

Increasing urbanization and 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 creams segments.

The Structure of the industry with ongoing transportation offer ample and more opportunity for the organize player to invest and grow.

Since its inception , we have been committed towards delivering best quality products at affordable prices to the customers. The company is constantly working on towards improving its products in terms of their nutrient profile and benefits .

1 PERFORMANCE OF THE COMPANY:

The Vadilal Ice cream has been favorite with the people inside and outside the organization. With the Management's efforts and improvements in the working of the organization, the Company was able to earn and achieve Revenue Growth of 8.96%.

2 STRATEGY:

To make it convenient for our consumers to relish our complete range under one roof, it will set up a chain of happiness parlor. So company is a leading and most vertically ice-cream manufacture in India. It has introduced new varieties of ice cream in more attractive packs and has made them available with the Company's stockiest/dealers. The Company's policy of innovative scheme to attract consumers will be continued.

3 BUSINESS OUTLOOK:

The Board has been executing on our strategy of innovation in our products to customer. The Company expects to maintain its performance in F.Y.2016-17 and hopes to grow at a faster rate. The approach would be to continue with the growth momentum while balancing risk. The consumption of ice Cream has to increase in future. There will be good scope for new products in market.

4 THREATS:

- 1 Marketing will be the most problematic area where improvements are called for Continuous quality improvement will be the need of the hour for which urgent measures are called for from all stakeholders.
- 2 Increasing competition from other manufactures and foreign Companies will be a major problem. Now-a-days the markets are flooded with new local and regional players with cheaper products. There are few concerns like rising infrastructure and input costs, which the Company should take in mind.
- 3 Since our goods is perishable, quick transport and proper storage are of paramount importance. The refrigeration and deep frozen are important for the company.

5 INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a compact organization Structure which helps it run business operation smoothly. The Company has adequate internal control system, commensurate with the size and nature of its operations. The scope of the internal audit is to ensure that the control system established by the management is correctly implemented.

All assets and resources are used efficiently and are adequately protected. All internal policies and statutory guidelines are complied with. There is accuracy in timing of financial reports and management information.

One of the important functions of the Audit Committee is to review the adequacy of internal control systems and compliance thereof.

6 HUMAN RESOURCE DEVELOPMENT:

The Company's progress is largely attributed to the wholehearted support from its manpower. The technical team were constantly challenged for quality performance and expected to work with an entrepreneurial spirit on the project.

7 CAUTIONARY STATEMENT:

Statements made in the Management Discussion and analysis describing business outlook, projections, opportunities and threats, etc. may be "forward looking statement" within the meaning of the applicable securities, laws and regulations. Actual results could differ from those expressed or implied. Readers are hence advised not to place undue reliance on these statements and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objections. Further, the discussion herein reflects the perception on major issues as on date and opinions expressed herein are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report, consequent to any new information, future event or otherwise.

**For and on behalf of the Board
For VADILAL DAIRY INTERNATIONAL LIMITED
Sd/-**

**Shailesh R. Gandhi
Managing Director
DIN: 01963172**

Place: Boisar
Date: 13th August, 2016



MANAGING DIRECTORS CERTIFICATION

We, to the best of our knowledge and belief, certify that-

- a. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2016 and that to the best of our knowledge and belief;
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have disclosed, based on our evaluation wherever applicable, to the Auditors and the Audit Committee that;
 - i. There were no material deficiencies in internal controls over financial reporting during the year;
 - ii. All the significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements; and
 - iii. There were no instances of significant fraud of which we are aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board
For VADILAL DAIRY INTERNATIONAL LIMITED**

Sd/-

**Shailesh R. Gandhi
Managing Director
DIN: 01963172**

**Place: Boisar
Date: 13th August, 2016**



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VADILAL DAIRY INTERNATIONAL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Vadilal Dairy International limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 the 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 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required 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 31st March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

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.

In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

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.



In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of written representations received from the directors as on 31st March,2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March,2016, from being appointed as a director in terms of Section 164(2) of the Act.

With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 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 it’s financial position in it’s financial statements in accordance with the generally accepted accounting practice. Attention is also invited to Note No.4.3.2 and 5 of the Financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has not been an occasion in case of the company during the year under report to transfer any sums to the Investor Education and Protection Fund.The question of delay in transferring such sums does not arise.

As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

For Vinod K Mehta & Co.,
Chartered Accountants
Firm Registration No. : 111508W

Sd/-
Divyesh V Mehta
Partner
Membership No.:044293

Place: Mumbai
Date: 1st August,2016



“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under “Report on other legal and regulatory requirements” of our report of even date)

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 Control over financial reporting of Vadilal Dairy International Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the 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 the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the 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 Act, 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 ICAI. 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.
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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 31st 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 Vinod K Mehta & Co.,
Chartered Accountants
Firm Registration No. : 111508W

Sd/-

Divyesh V Mehta
Partner

Membership No.:044293

Place: Mumbai
Date: 1st August,2016

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT****(Referred to in Paragraph 2 under “Report on other legal and regulatory requirements” of our report of even date)**

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. We report that the title deeds of the immovable properties of the company were not available for examination during our audit.
2. As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
4. The Company has not directly or indirectly advanced loan to the persons covered under section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons. The Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under Section 186 of the Act during the year and has complied with the provisions of Section 186 of the Act, in respect of investments, loans, guarantee or security outstanding at the year end.
5. According to the information and explanations given to us, the Company has not accepted any deposits nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company’s business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. In respect of Statutory dues :
 - (a) According to the records of the company , undisputed statutory dues, including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, undisputed amounts payable in respect of the aforesaid dues, outstanding as at March 31, 2016 for a period of more than six months from the date they became payable are as follows:

Sr. No	Name of the Statute	Name of the Dues	Amount (in Lakhs)	Period to which the amounts relates
1	The Maharashtra Value Added Tax, 2002	MVAT	86.88	2011-2012
2	The Income Tax Act, 1961	Fringe Benefit Tax	1.09	AY 2008-2009
			0.72	AY 2009-2010

- (b) According to the information and explanations given to us, there are dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited. The details are as follows:



Sr. No.	Name of the Statute	Name of the dues	Amount (in lakhs)	Period to which the amount relates	Forum where dispute is pending
1	The Bombay Sales Tax Act and The Central Sales Tax Act	Sales tax	93.82	1992-93	Bombay High Court
			39.82	1993-94	Bombay High Court
			38.22	1995-96	Supreme Court
2	The Maharashtra Value Added Tax, 2002 and The Central Sales Tax Act	MVAT & CST	140.28	2005-06	Maharashtra Sales Tax Tribunal
			172.86	2006-07	do
			157.92	2007-08	do
			16.24	2009-10	do
			31.88	2010-11	do
		Interest on MVAT Dues	375.84	2007-12	Board for Industrial and Financial Reconstruction (BIFR) Refer Note 1 below
3	The Income-tax Act,1961	Income-tax penalty	21.30	2002-03	Board for Industrial and Financial Reconstruction (BIFR)

Note 1: The BIFR has granted various reliefs and concessions in its order necessary for rehabilitation of the Company. One of such concessions was granted in the form of exemption from Payment of Sales Tax/ VAT for a period of 5 years from cut-off date of the scheme i.e. 31.03.2007 during rehabilitation period. This concession was denied by the Sales Tax Authority of the State Government of Maharashtra during the financial year 2011-12. Against this denial the Company has filed appeal with the BIFR praying to direct the Sales Tax Authorities to grant relief to the Company. The final judgment is yet to be ordered by the BIFR. Also attention is invited to Note No 5. of the Notes to Accounts.

8. In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The company has not issued any debentures.
9. The Company has not raised money by way of initial public offer (including debt instruments) or term loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
10. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company is noticed or reported during the year nor have we been informed of any such instance by the Management.
11. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us the company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.



15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the Directors or Persons connected with them and covered under Section 192 of the Act. Hence, clause (xv) of paragraph 3 of the Order is not applicable to the Company.
16. To the best of our knowledge and as explained, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Vinod K Mehta & Co.,
Chartered Accountants
Firm Registration No. : 111508W

Sd/-
Divyesh V Mehta
Partner
Membership No.:044293

Place: Mumbai
Date: 1st August,2016



BALANCE SHEET AS AT 31ST MARCH, 2016

	Particulars	Note No.	2016	2015
			Rs.	Rs.
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2.1	3,19,41,500	3,19,41,500
	(b) Reserves and surplus	2.2	3,57,36,432	29,16,194
2	Non-current liabilities			
	(a) Long-term borrowings	2.3	5,48,26,500	5,24,76,500
	(b) Deferred tax liabilities (net)		76,93,745	-
	(c) Other long-term liabilities	2.4	4,68,99,522	4,63,10,796
	(d) Long-term provisions	2.5	23,93,011	20,66,203
3	Current liabilities			
	(a) Short-term borrowings	2.6	5,18,73,046	49,40,414
	(b) Trade payables	2.7	4,68,28,175	4,75,81,458
	(c) Other current liabilities	2.8	1,34,27,937	91,56,838
	(d) Short-term provisions	2.9	2,16,68,173	1,35,67,969
	TOTAL		31,32,88,041	21,09,57,872
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	2.10	11,50,89,532	8,94,75,318
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	50,97,939
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
	(b) Non-current investments	2.11	8,00,000	8,00,000
	(c) Deferred tax assets (net)		-	17,55,512
	(d) Long-term loans and advances	2.12	4,20,45,557	3,68,29,668
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments	2.13	1,05,20,277	17,00,000
	(b) Inventories	2.14	4,36,46,863	4,39,60,476
	(c) Trade receivables	2.15	1,87,11,045	97,05,036
	(d) Cash and cash equivalents	2.16	8,03,03,539	1,99,98,500
	(e) Short-term loans and advances	2.17	9,86,799	8,19,082
	(f) Other current assets	2.18	11,84,428	8,16,339
	TOTAL		31,32,88,041	21,09,57,872
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements			

As per our report of even date

For VINOD K MEHTA & Co.

Chartered Accountants

Firm Registration No. : 111508W

For and on behalf of the Board of Directors

DIVYESH V MEHTA

(Partner)

M.No.: 044293F

Place: Mumbai

Date: 1st August, 2016

SHAILESH R. GANDHI

MANAGING DIRECTOR

DIN: 01963172

PRAKASH MISTRY

CFO

RAHIL S. GANDHI

WHOLETIME DIRECTOR

DIN:03126913

UDAY SAWANT

CS



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

Particulars		Note No.	2016	2015
			Rs.	Rs.
A	CONTINUING OPERATIONS			
1	Revenue from operations (net)	3.1	42,88,86,341	39,35,91,213
2	Other income	3.2	90,58,905	1,45,09,160
3	Total revenue (1+2)		43,79,45,246	40,81,00,373
4	Expenses			
	(a) Cost of materials consumed	3.3	19,30,41,331	20,14,42,976
	(b) Purchases of stock-in-trade		-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.4	4,57,292	-8,40,632
	(d) Employee benefits expense	3.5	3,27,13,965	2,80,52,399
	(e) Finance costs	3.6	30,21,192	5,71,313
	(f) Depreciation and amortisation expense		1,14,11,456	89,59,634
	(g) Other expenses	3.7	14,33,30,514	12,63,23,596
	Total expenses		38,39,75,751	36,45,09,286
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		5,39,69,495	4,35,91,087
6	Exceptional items		-	-
7	Profit / (Loss) before extraordinary items and tax (5 ± 6)		5,39,69,495	4,35,91,087
8	Extraordinary items		-	-
9	Profit / (Loss) before tax (7 ± 8)		5,39,69,495	4,35,91,087
10	Tax expense:			
	(a) Current tax expense for current year		1,17,00,000	38,00,000
	(b) Deferred tax		94,49,257	10,55,049
11	Profit / (Loss) from continuing operations (9 ± 10)		3,28,20,238	3,87,36,038



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

	Particulars	Note No.	2016	2015
			Rs.	Rs.
B	DISCONTINUING OPERATIONS			
12. i	Profit / (Loss) from discontinuing operations (before tax)		-	-
12. ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12. iii	Add / (Less): Tax expense of discontinuing operations		-	-
	(a) on ordinary activities attributable to the discontinuing operations		-	-
	(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
13	Profit / (Loss) from discontinuing operations (12.i ± 12.ii ± 12.iii)		-	-
14	Profit / (Loss) for the year (11 ± 13)		3,28,20,238	3,87,36,038
15	Earnings per share (of '10 /- each):			
	(a) Basic			
	(i) Continuing operations		10.28	12.13
	(ii) Total operations		10.28	12.13
	(b) Diluted			
	(i) Continuing operations		-	-
	(ii) Total operations		-	-
	Significant Accounting Policies	7		
	The accompanying notes are an integral part of the financial statements			

As per our report of even date

For VINOD K MEHTA & Co.

Chartered Accountants

Firm Registration No. : 111508W

For and on behalf of the Board of Directors

DIVYESH V MEHTA

(Partner)

M.No.: 044293F

Place: Mumbai

Date: 1st August, 2016

SHAILESH R. GANDHI

MANAGING DIRECTOR

DIN: 01963172

PRAKASH MISTRY

CFO

RAHIL S. GANDHI

WHOLETIME DIRECTOR

DIN:03126913

UDAY SAWANT

CS



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

Particulars	2016		2015	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) after extraordinary items and tax		3,28,20,238		3,87,36,038
<i>Adjustments for:</i>				
Depreciation and amortisation	1,14,11,456		89,59,634	
Finance costs	30,21,192		5,71,313	
Interest income	(45,76,365)		(6,63,656)	
Dividend income	(3,59,764)		(2,10,000)	
Net (gain) / loss on sale of investments	(31,81,161)			
Net (gain) / loss on sale of Fixed Assets	3,17,262			
Rental income from investment properties	-		(1,80,000)	
Liabilities /provisions no longer required written back	(7,75,087)		(1,28,29,753)	
Provision for Taxation	1,17,00,000		38,00,000	
Discount Income	(6,358)		(1,08,067)	
Deferred Tax	94,49,257		10,55,049	
	2,70,00,433		3,94,520	
Operating profit / (loss) before working capital changes		5,98,20,671		3,91,30,558
<i>Adjustments for -</i>				
Trade and Other Receivables	(1,47,57,702)		(91,93,735)	
Inventories	3,13,613		(5,55,109)	
Trade and Other Payables	4,88,19,569	3,43,75,480	(1,38,21,962)	(2,35,70,806)
Net cash flow from / (used in) operating activities (A)		9,41,96,152		1,55,59,752
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(,29,60,931)		(4,68,62,228)	
Proceeds from sale of fixed assets	4,44,000			
Purchase of FD	(5,54,90,835)		(58,71,591)	
Purchase of Investment	(92,30,411)			
Proceeds from sale of Investments	35,91,295			
Interest received	45,76,365		6,63,656	
Dividend received	3,59,764		2,10,000	
Rental income from investment properties	0		1,80,000	
Net cash flow from / (used in) investing activities (B)		(8,87,10,754)		(5,16,80,163)

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

Particulars	2016		2015	
	Rs.	Rs.	Rs.	Rs.
C. Cash flow from financing activities				
Share application money received / (refunded)				
Proceeds from long-term borrowings	45,00,000		4,21,86,947	
Repayment of long-term borrowings	(21,50,000)			
Finance cost	(30,21,192)		(5,71,313)	
Net cash flow from / (used in) financing activities (C)		(6,71,192)		4,16,15,633
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		48,14,204		54,95,222
Cash and cash equivalents at the beginning of the year		1,09,05,438		54,10,216
Cash and cash equivalents at the end of the year		1,57,19,642		1,09,05,438
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet	1,09,05,438		54,10,216	
Net Cash and cash equivalents	48,14,204		54,95,222	
Cash and cash equivalents at the end of the year	1,57,19,642		1,09,05,438	
Cash And cash equivalent comprises of:				
(a) Cash on hand	6,31,155		4,54,339	
(b) Balances with banks				
(i) In current accounts	1,50,88,487	1,57,19,642	1,04,51,099	1,09,05,438
See accompanying notes forming part of the financial statements				

As per our report of even date

For VINOD K MEHTA & Co.

Chartered Accountants

Firm Registration No. : 111508W

For and on behalf of the Board of Directors

DIVYESH V MEHTA

(Partner)

M.No.: 044293F

Place: Mumbai

Date: 1st August, 2016

SHAILESH R. GANDHI

MANAGING DIRECTOR

DIN: 01963172

PRAKASH MISTRY

CFO

RAHIL S. GANDHI

WHOLETIME DIRECTOR

DIN: 03126913

UDAY SAWANT

CS



Note forming part of accounts

Corporate information

Vadilal Dairy International Limited (the Company) is a public limited company domiciled and headquartered in Mumbai, India and incorporated under the provision of Companies Act, 1956. The Company is engaged in the manufacturing and selling of Ice Cream and Frozen Desserts. The Company caters to the domestic markets.

1 Significant accounting policies:

1.1 Basis of accounting and preparation of financial statements

- a) The financial statements of the Company have been prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards notified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 ("the 2013 Act").
- b) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.3 Inventories

Inventories are valued as under :

- a) Raw Materials, Packing Materials, Stores & Spares are valued at cost on FIFO basis after making provision for obsolescence & un-serviceability.
- b) Finished Goods and Work in Progress at lower of cost or net realisable value. Cost comprises Material cost, cost of conversion, other expenses incurred to bring the inventories to their current condition and location.

1.4 Depreciation and amortisation

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Companies Act, 2013 and as estimated by the management. Depreciable amount for assets is the cost of an asset less its estimated residual value. The useful life of an asset is the period over which an asset is expected to be available for use by an entity.

1.5 Revenue recognition

1.5.1 Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of sales tax / VAT, trade discounts, turnover discounts and returns, as applicable. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

1.5.2 Interest & Dividend

Interest income is recognised as and when it is due and accrued. Dividend income is recognised as and when realised.

1.5.3 Other items of income are accounted on accrual basis of accounting.

**1.6 Fixed assets**

Fixed assets (whether Tangible or Intangible) are stated at cost less accumulated depreciation / amortization / impairment loss (if any), net of Cenvat (wherever claimed). The cost of fixed assets includes taxes, duties, freight, borrowing cost, if capitalisation criteria are met, and other incidental expenses incurred in relation to their acquisition / bringing the assets for their intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.

1.7 Investments**a) Presentation & Disclosure**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

b) Recognition & Measurement

Long-term investments are stated at cost after deducting provisions made, if any, for diminution in value of investments other than temporary, determined separately for each individual investment. Current Investments are carried at lower of cost and fair value determined

c) Disposal

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the Statement of profit and loss.

1.8 Employee benefits

Employee benefits includes provident fund, gratuity, Leave encashment and bonus which are accounted on the basis of liability accrued

1.9 Borrowing costs

All the borrowing costs are charged to profit and loss account being revenue in nature.

1.10 Earnings per share

The Basic earnings per share("EPS") are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the number equity shares outstanding during the year. Since there are no dilutive potential equity shares ,diluted earnings per share is computed in the same manner as used for basic earning per share.

1.11 Taxes on income

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes- down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT):

MAT under the provisions of Income tax Act, 1961, where applicable, is recognised as current tax in the statement of Profit and Loss. The credit available under the Income Tax Act, 1961 is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during



the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

1.12 Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

1.13 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events, 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 of the amount of the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed by way of Notes.

1.14 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and bank balances in current account. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.16 Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the company for the purpose of current-non-current classification of assets and liabilities.

1.17 Corporate Social Responsibility

Expenditure towards Corporate Social Responsibility, in accordance with Companies Act, 2013, are recognised in the statement of Profit and Loss

1.18 Others

- 1.18.1 Previous year figures are regrouped wherever necessary to make them comparable with the figures of the current year.
- 1.18.2 Balances of loans/advances/ sundry creditors and debtors are subject to confirmation and adjustment if any.
- 1.18.3 In the opinion of Board of Directors the Current Assets, Loans and advances are stated not above the realization value in the ordinary course of business.



Note 2.1 - Share capital

Particulars	2016		2015	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
13.5% Non cummulative redeemable preference shares of ₹100 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Total	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	31,94,150	3,19,41,500	31,94,150	3,19,41,500
(c) Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	31,94,150	3,19,41,500	31,94,150	3,19,41,500
Total	31,94,150	3,19,41,500	31,94,150	3,19,41,500

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	2016		2015	
	Number of shares	₹	Number of shares	₹
<u>Equity Shares</u>				
Opening Balance	31,94,150	3,19,41,500	31,94,150	3,19,41,500
<u>Changes made during the year</u>				
Fresh Issue	0	0	0	0
Closing Balance	31,94,150	3,19,41,500	31,94,150	3,19,41,500

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	2016		2015	
	Number of shares	% holding in that class of shares	Number of shares	% holding in that class of shares
Equity shares with voting rights				
Shailesh R.Gandhi	18,99,561	59.47	18,99,561	59.47
Bela S.Gandhi	5,35,969	16.78	5,35,969	16.78
Bela Investment & Finance Co. Ltd.	4,59,830	14.40	4,59,830	14.40
Total	28,95,360	90.65	28,95,360	90.65



Note 2.2 - Reserves and surplus

Particulars	2016	2015
	₹	₹
(a) Capital reserve		
Opening balance	37,50,000	37,50,000
Closing balance	37,50,000	37,50,000
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(8,33,806)	(3,94,74,988)
Add: Profit / (Loss) for the year	3,28,20,238	3,87,36,038
Amounts transferred from:		
Plant and Machinery	-	(94,856)
profit and loss appropriation	-	-
Closing balance	3,19,86,432	(8,33,806)
Total	3,57,36,432	29,16,194

Note 2.3 - Long-term borrowings

Particulars	2016	2015
	₹	₹
(a) Term loans (Refer Note no (i))		
From banks		
Secured	-	-
Unsecured	-	-
(b) Loans and advances from related parties		
Secured	-	-
Unsecured	-	-
	-	-
c) Other loans and advances (specify nature)		
Secured	-	-
Unsecured (from directors)	5,48,26,500	5,24,76,500
Total	5,48,26,500	5,24,76,500

**Note 2.4 - Other long-term liabilities**

Particulars	2016	2015
	₹	₹
(a) Trade Payables:		
(i) Acceptances	-	54,590
	-	54,590
(b) Deposits from customers	3,40,80,181	2,01,02,167
c) Others:		
(i) Vat Payable	86,88,060	2,18,10,689
(ii) Debtors credit under protest	41,31,281	41,31,281
(iii) Excise Duty (highest MRP)	-	2,12,069
	1,28,19,341	2,61,54,039
Total	4,68,99,522	4,63,10,796

Note 2.5 - Long-term provisions

Particulars	2016	2015
	₹	₹
(a) Provision for gratuity (net)	23,93,011	20,66,203
Sub Total	23,93,011	20,66,203
(b) Provision - Others:	-	-
Total	23,93,011	20,66,203

Note 2.6 - Short Term Borrowings

Particulars	2016	2015
	₹	₹
Loan against Security of Fixed Deposits: (Secured)		
From Bank	5,18,73,046	49,40,414
Total	5,18,73,046	49,40,414

Note 2.7 - Trade payables

Particulars	2016	2015
	₹	₹
Trade payables:		
Acceptances	4,68,28,175	4,75,81,458
Total	4,68,28,175	4,75,81,458

**Note 2.8- Other current liabilities**

Particulars	2016	2015
	₹	₹
<u>Other payables</u>		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	45,08,230	56,18,454
(ii) Others	89,19,707	35,38,384
Total	1,34,27,937	91,56,838

Note 2.9 - Short-term provisions

Particulars	2016	2015
	₹	₹
(a) Provision for employee benefits:		
(i) Provision for leave encashment	48,53,741	40,69,350
(ii) Provision for bonus	4,78,879	17,36,460
	53,32,620	58,05,810
(b) Provision - Others:		
(i) Provision for expenses	40,07,945	33,34,551
(ii) Provision for taxation	1,23,27,608	44,27,608
	1,63,35,553	77,62,159
Total	2,16,68,173	1,35,67,969



Note 2.10 - Fixed assets

Sr. No.	Particulars	Gross Block at cost			Depreciation			Net Block		
		As on 01.04.2015	Addition	Deductions/ Adjustment	As on 31.03.2016	For the year	Deductions/ Adjustment	As on 31.03.2016	As on 31.03.2015	As on 31.03.2016
		₹	₹	₹	₹	₹	₹	₹	₹	₹
	TANGIBLE ASSETS									
1	LEASEHOLD LAND	22,49,100	-	-	22,49,100	24,290	-	5,38,318	17,35,072	17,10,782
2	BUILDING	1,64,74,520		2,71,938	1,62,02,582	5,22,536	-	1,14,82,808	55,14,248	47,19,775
3	PLANT & MACHINERY	12,76,44,637	3,69,79,647	10,39,882	16,35,84,402	1,06,89,355	2,78,620	5,60,98,366	8,19,57,006	10,74,86,036
4	FURNITURE & FIXTURES	11,63,525	61,750	-	12,25,275	13,509		11,13,715	63,319	1,11,560
5	OFFICE EQUIPMENTS	13,81,862	1,56,211	-	15,38,073	1,00,155		12,76,345	2,05,672	2,61,728
6	VEHICLES	17,64,007	8,61,262	-	26,25,269	61,611		18,25,618	-	7,99,651
	TOTAL	15,06,77,651	3,80,58,870	13,11,820	18,74,24,701	6,12,02,333	2,78,620	7,23,35,169	8,94,75,318	11,50,89,532
	Previous Year	10,75,79,125	4,13,34,519	-	14,89,13,644	89,59,634	6,34,959	5,94,38,326	5,64,65,474	8,94,75,318

**Note 2.11 - Non-current investments**

Particulars	2016	2015
	₹	₹
(i) Investment In equity Instrument		
Shares Of Sicom (Unquoted)	8,00,000	8,00,000
Total	8,00,000	8,00,000

Note 2.12 - Long-term loans and advances

Particulars	2016	2015
	₹	₹
(a) Security deposits		
Unsecured, considered good	3,70,45,557	3,68,29,668
(b) Other Loans and advances		
Advance Income Tax	50,00,000	-
Total	4,20,45,557	3,68,29,668

Note 2.13 - Current investments

Particulars	2016	2015
	₹	₹
(i) Investment in equity instruments (Quoted)		
Shares (Quoted: Market Value as on 31/3/16- Rs.200.24 lakh)	1,05,20,277	17,00,000
Total	1,05,20,277	17,00,000

Note 2.14 - Inventories

Particulars	2016	2015
	₹	₹
(i) Raw Materials And Packing Materials (At Cost)	3,28,52,167	3,20,29,614
(ii) Finished goods (At cost or net realisable value, whichever is lower)	89,51,430	94,08,722
(iii) Stores and spares (At cost)	18,43,266	25,22,140
Total	4,36,46,863	4,39,60,476



Note 2.15 - Trade receivables

Particulars	2016	2015
	₹	₹
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment. Unsecured, considered good	1,25,40,064	73,07,221
(b) Trade Receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	61,70,982	23,97,815
Total	1,87,11,045	97,05,036

Note 2.16 - Cash and cash equivalents

Particulars	2016	2015
	₹	₹
(a) Cash on hand	6,31,155	4,54,339
(b) Balances with banks		
(i) In current accounts	1,50,88,487	1,04,51,099
(ii) Bank Fixed Deposit	6,45,83,897	90,93,062
Total	8,03,03,539	1,99,98,500

Note 2.17 Short-term loans and advances

Particulars	2016	2015
	₹	₹
(a) Loans and advances to employees Unsecured, considered good	9,86,799	8,19,082
Total	9,86,799	8,19,082

Note 2.18 - Other current assets

Particulars	2016	2015
	₹	₹
(a) Accruals		
(i) Interest accrued on deposits	-	-
	-	-
(b) Others		
TDS on commission received	21,000	-
TDS on FDR interest	9,63,875	5,20,444
TDS on other interest	54,178	39,967
TDS on rent	90,000	90,000
Prepaid Expenses	55,375	1,65,928
Total	11,84,428	8,16,339



Note 3.1 - Revenue from operations

Particulars	2016	2015
	₹	₹
(a) Sale of products (Refer Note (i) below)	43,73,36,829	40,10,45,546
Less:		
Excise duty	88,60,020	80,40,186
Net Sales	42,84,76,809	39,30,05,360
(b) Other operating revenues (Refer Note (ii) below)	4,09,532	5,85,853
Total	42,88,86,341	39,35,91,213

Notes:

Particulars	2016	2015
	₹	₹
(i) Sale of products comprises of :		
Ice Cream Sales	43,73,36,829	40,10,45,546
Total - Sale of products	43,73,36,829	40,10,45,546
(ii) Other operating revenues comprise of:		
Sale of scrap	4,09,532	5,85,853
Total - Other operating revenues	4,09,532	5,85,853

Note 3.2 - Other income

Particulars	2016	2015
	₹	₹
(a) Dividend income:		
From non current investments	3,20,000	2,10,000
From current investments	39,764	-
(b) Interest income comprises:		
Interest from banks on Fixed deposits	44,34,266	5,31,944
MSEB Deposits	1,36,487	1,31,712
MIDC Deposits	5,612	-
(c) Net gain/(loss) on sale of investments:		
Profit on sale of Shares(Long Term)	31,81,863	-
Profit on sale of Shares(Short Term)	(702)	-
Loss On sale of Fixed Assets	(3,17,262)	-
(d) Other non-operating income comprises:		
Rental income from Cold Storage Facility	-	1,80,000
Commission received	2,10,000	-
Service charges received	5,000	-
Sundry balance written back	7,71,270	22,99,362
Excess provision written back	3,817	1,04,35,535
Discount Income	6,358	1,08,067
Miscellaneous Income	8,540	6,12,540
Prior period Income	2,53,893	-
Total	90,58,905	1,45,09,160



Note 3.3 - Cost of materials consumed

Particulars	2016	2015
	₹	₹
(a) Material consumed comprises:		
(i) Packing Material		
Opening stock	1,12,16,668	1,04,59,550
Add: Purchases(Refer Note (i)a)	4,46,66,890	5,11,51,401
	5,58,83,558	6,16,10,951
Less: Closing stock	1,14,85,410	1,12,16,668
Sub-Total	4,43,98,148	5,03,94,283
(ii) Raw Material		
Opening stock	2,08,12,946	2,22,32,185
Add: Purchases (Refer Note (i)b)	14,91,96,994	14,96,29,454
	17,00,09,940	17,18,61,639
Less: Closing stock	2,13,66,757	2,08,12,946
Sub Total	14,86,43,183	15,10,48,693
Total	19,30,41,331	20,14,42,976

Note (i) - Purchases of Raw materials

Particulars	2016	2015
	₹	₹
(a) Packing material	4,46,66,890	5,11,51,401
(b) Raw material		
Butter	1,28,90,000	1,04,69,480
Chocolate	67,03,251	2,50,121
Cone Biscuit	2,11,50,978	1,69,53,068
Dry fruits	1,96,50,278	1,34,39,637
Other	3,26,10,417	3,59,07,106
Palm oil	1,18,86,770	1,18,60,703
S.M.P	3,16,85,000	4,85,55,027
Sugar	1,16,00,950	1,14,64,600
Freight for above purchases	10,19,350	7,29,712
	14,91,96,994	14,96,29,454
Total	19,38,63,884	20,07,80,855

**Note 3.4 - Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	2016	2015
	₹	₹
(a) Inventories at the end of the year:		
Finished goods	89,51,430	94,08,722
(b) Inventories at the beginning of the year:		
Finished goods	94,08,722	85,68,090
Net (increase) / decrease	4,57,292	(8,40,632)

Note 3.5 - Employee benefits expense

Particulars	2016	2015
	₹	₹
(i) Salaries and wages	2,99,70,946	2,58,01,047
(ii) Contributions to provident and other funds	19,87,952	13,40,197
(iii) Staff welfare expenses	7,55,067	9,11,155
Total	3,27,13,965	2,80,52,399

Note 3.6 - Finance Cost

Particulars	2016	2015
	₹	₹
(a) Interest expense on:		
(i) Bank Loan	22,65,986	1,50,414
(ii) C & F deposit	-	35,000
(iii) Cold Room Deposit	2,54,337	2,90,332
(b) Bank Charges	75,099	65,901
(c) Others	4,25,770	29,666
Total	30,21,192	5,71,313



Note 3.7 - Other expenses

Particulars	2016	2015
	₹	₹
Consumption of stores and spare parts	99,71,650	89,37,307
Power and fuel	1,66,90,908	1,68,83,902
Water	14,58,480	16,25,901
Rent	15,85,264	14,43,553
Repairs and maintenance	19,94,085	15,90,298
Insurance	7,96,925	3,72,637
Royalty	1,04,44,878	71,66,869
Rates and taxes	75,88,487	1,07,07,295
Telephone Expenses	7,39,241	5,29,253
Printing and stationery	8,59,693	8,65,305
Freight and forwarding	2,88,06,316	2,94,92,165
Business promotion	53,77,315	54,37,451
Donations and contributions	9,02,688	4,77,251
Legal and professional	49,16,261	38,91,803
Payments to auditors (Refer Note (i) below)	2,45,117	1,70,394
Prior period items (net) (Refer Note (ii) below)	-	8,62,090
Advertisement	1,50,62,481	58,76,176
Selling and Distribution	82,30,381	61,73,083
Commission	60,96,564	27,76,255
Cold Storage	76,92,716	1,01,41,221
Travelling & Conveyance	56,36,682	56,00,561
Loss on Stock	-	1,11,890
Miscellaneous expenses	82,34,382	51,90,936
Total	14,33,30,514	12,63,23,596

Notes:

(i) Payments to the auditors comprises of:

Particulars	2016	2015
	₹	₹
As auditors - Statutory audit	2,45,117	1,70,394
Total	2,45,117	1,70,394

(ii) Prior Period Item

Particulars	2016	2015
	₹	₹
Details of Prior period items (net)		
Prior period:		
Expenses	-	8,62,090
Total	-	8,62,090

**Note 4 Disclosures under Accounting Standards****Note 4.1 - Details of transactions with Related Parties**

Description of relationship	
Associates	Bela Investment & Finance Co. Pvt Ltd
Directors	Shri S.R.Gandhi
	Smt. B.S. Gandhi
	Shri R.S. Gandhi

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2016:

Particulars	Associates	Directors
Royalty paid to Bela Investment & Finance Co. Pvt Ltd	1,04,44,878	-
	(71,66,869)	-
Process Hire Charges paid to Bela Investment & Finance Co. Pvt. Ltd	1,20,000	-
	(1,20,000)	-
Loan taken from:		
Shri S.R.Gandhi(Opening Balance - Rs. 31785000)		40,00,000
Shri R.S. Gandhi (opening balance Rs. 500000)		5,00,000
Loan repaid to:		
Shri S.R.Gandhi		11,50,000
Shri R.S. Gandhi		10,00,000
Directors Remuneration:		
Shri S.R.Gandhi		30,00,000
		(30,00,000)
Shri R.S. Gandhi		12,00,000
		(8,88,000)

Note: Figures in bracket relates to the previous year



Note 4.3 - Contingent Liabilities

Note Particulars

4.3.1 Contingent Liabilities are not recognised but are disclosed in financial statements. Provision involving substantial degree of estimation in measurement is recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are estimated till the date of the financial statements.

Note	Particulars	2016	2015
		(Rs. In lakh)	(Rs. In lakh)
4.3.2	Contingent liabilities and commitments (to the extent not provided for)		
	(a) Claims against the Company not acknowledged as debt (Excluding interest claimed by the parties)	-	26.82
	(b) Interest on VAT, as per Order of Additional Commissioner of Sales Tax for the Period April 2007 to March 2012 Challenged by company with BIFR (See Note No.5 mentioned below)	-	375.84
	(c) Income tax demand for A.Y.2003-04, appeal pending with Tribunal	-	19.73
	(d) Income tax penalty for A.Y.2003-04, appeal pending with Board for Industrial and Financial Reconstruction (BIFR)	21.30	21.30
	(e) Difference in Rate of VAT contested under MVAT Act before Maharashtra VAT Tribunal for the period April 2005 to March 2008	147.71	147.71
	Interest on above	195.34	195.34
	(f) Difference in Rate of VAT contested under Bombay Sales-tax Act before Supreme Court for the period 1995-96	25.88	25.88
	Interest on above	12.33	12.33
	(g) Issue of adding turnover/additional tax in computing Notional Sales Tax Liability under Bombay Sales-tax Act contested before Bombay High Court for the period 1992-93 & 1993-94	52.07	52.07
	Interest on above	81.57	81.57
	(h) Arbitration proceedings defended against one unsecured creditor of company	20.00	20.00



Note 5- Availment of Amnesty Scheme for Disputed MVAT dues

5.1	<p>The company has made provision in respect of principal amount of VAT claimed by VAT Department, Govt. of Maharashtra for the period from 01.04.2007 till 31.03.2012 amounting to Rs.6.81 crore approx.(balance outstanding as on date Rs.70 lakh approx.), though as per the provisions of SS-07 sanctioned by Hon'ble BIFR, the company was allowed exemption from payment of VAT during the said period. The company's application for issuance of directions to VAT Department, Govt. of Maharashtra to provide the said exemption to the company as per SS-07 is still under the consideration of the Hon'ble BIFR .The provision of principal dues was made in the respective years out of abundant caution and without prejudice to the right of the Company to reverse the same after receipt of favourable order from Hon'ble BIFR. Interest on the amount of VAT claimed, as estimated at Rs.3.75 crores approx., has, however, not been provided in the books of accounts in view of the provisions of SS-07 and pendency of the application of company before Hon'ble BIFR.</p> <p>Meanwhile, the State Government of Maharashtra in it's Budget on 18th March,2016 has announced an amnesty scheme so as to unlock the arrears pending at the appellate forum under various acts administered by the Maharashtra Sales Tax Department."The Maharashtra Settlement of Arrears in Disputes Acts,2016" has been enacted for the purpose on 26th April,2016.</p> <p>As per the scheme, if the company pays 100% of the disputed tax and 25% of the interest amount on or before 30th September,2016,75% of interest will be waived.</p> <p>The company has decided to pay 100% of the balance amount of disputed tax & 25% of interest amount to settle the aforesaid disputed dues of MVAT under the said Amnesty scheme.</p> <p>Thus, the dispute of the company as aforesaid regarding MVAT dues & interest thereon will be fully settled soon.</p>
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(Pursuant to Section 105 (6) of Companies act 2013 and rule 19 (3) of Companies (Management and Administered) Rules, 2014- Form No MGT- 11)

Form No. MGT-11

Proxy form

CIN : L15200MH1997PLC107525
Name of the Company : Vadilal Dairy International Limited
Registered Office : Plot No. M - 13, MIDC Industrial Area, Tarapur, Boisar - 401506

Name of the member (s):
Registered address:
E-mail Id:
Folio No:

I/We, being the member (s) of shares of the above named Company, hereby appoint:

1.
Name :
Address :
E-mail Id :
Signature :....., or failing him

2.
Name :
Address:
E-mail Id :
Signature:....., or failing him

3.
Name :
Address:
E-mail Id:
Signature:.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the Annual General Meeting, to be held on Wednesday, September 30, 2016 at 12.00 Noon at Plot No. M- 13, MIDC Industrial Area, Tarapur, Boisar- 401506 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

- 1. Approval of Annual Accounts.
2. To re-appoint Mr. Rahil Gandhi who is liable to retire by rotation at this AGM.
3. To appoint M/s. Vinod K. Mehta as Statutory Auditors of the Company and fix their Remuneration.
4. Increase in Remuneration of Shri. Shailesh Gandhi, Managing Director of the Company.
5. Increase in Remuneration of Shri. Rahil Gandhi, Whole Time Director of the Company.
6. Remuneration to Mrs. Bela Gandhi, Director of the Company.



- 7. Approval to borrow money in excess of Paid Up Capital & Free Reserves of the Company, pursuant to the provisions of Section 180(1)(c) and other applicable provisions if any of the Companies Act, 2013.

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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ATTENDANCE SLIP

VADILAL DAIRY INTERNATIONAL LIMITED

Plot No. M - 13, MIDC Industrial Area, Tarapur, Boisar - 401506

DP ID- Client ID/	:	
Folio No.	:	
Name and Address of sole Member	:	
Name of Joint Holder(s)	:	
No. of Shares held	:	

I certify that I am a Member/ Proxy for the Member of the Company.

I hereby record my presence at the Annual General Meeting of the Company scheduled to be held on Thursday, September 29, 2016 at 12.00 Noon at Plot No. M-13, MIDC Industrial Area, Tarapur, Boisar- 401506.

Signature of Member/Joint Member/ Proxy

..... cut here

EVSN (Electronic Voting Sequence Number)	User ID	(Pan / Seq No.)
160826017		

Note: Please read the Complete instructions given under the Note (The Instructions for Shareholders voting electronically) to the Notice of Annual General Meeting. The voting time starts from September 26, 2016 from 9.00 a.m and ends on September 28, 2016 at 5.00 p.m. The Voting module shall be disabled by CDSL for voting thereafter



Sr. No.: _____

VADILAL DAIRY INTERNATIONAL LIMITED
PLOT NO. M-13, MIDC INDUSTRIAL AREA, TARAPUR, BOISAR - 401506
CIN: L15200MH1997PLC107525

VOTING BY BALLOT PAPER

Twenty Ninth Annual General Meeting of the Members of Vadilal Dairy International Limited to be held on Thursday, September 29, 2016 at 12.00 Noon at Plot No. M-13, MIDC Industrial Area, Tarapur, Boisar- 401506.

1.	Name and Registered Address of the sole / First Named Shareholder	:	
2.	Name of Joint Holders If Any	:	
3.	Registered Folio No./ DP ID No. And Client ID No. * *(Applicable to Investors Holding Shares in Dematerialised Form)	:	
4.	Number of Ordinary Share(s) Held	:	
5.	I/ We hereby exercise my/ our vote in respect of the Resolution to be passed through Ballot for the Business stated In the Notice dated 13th August, 2016 of the Company by sending my/ our assent or dissent to the said Resolution by placing the tick (✓) mark in the appropriate column.		

Agenda Item No.	Description of Resolution	I/We assent to the resolution (Vote in Favour)	I/We dissent to the resolution (vote against)
		Place the tick (Place the tick [✓] mark)	
1.	Adoption of the Audited Balance Sheet as at 31st March, 2016 and Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr. Rahil Gandhi who is liable to retire by rotation at this AGM.		
3.	Re-appointment of M/s. Vinod K. Mehta & Co., Chartered Accountants (Firm Reg. No. - 111508W) as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the thirtieth Annual General Meeting subject to ratification in every Annual General Meeting of the Company		
4.	Increase in Remuneration of Shri. Shailesh Gandhi, Managing Director of the Company.		
5.	Increase in Remuneration of Shri. Rahil Gandhi, Whole Time Director of the Company.		
6.	Remuneration to Mrs. Bela Gandhi, Director of the Company.		
7.	Approval to borrow money in excess of Paid Up Capital & Free Reserves of the Company, pursuant to the provisions of Section 180(1)(c) and other applicable provisions if any of the Companies Act, 2013.		

Place: _____

Date: _____

Signature of the Member: _____

EVS (Electronic Voting Sequence Number)	User ID	(Pan / Seq No.)
160826017		



INSTRUCTIONS

1. GENERAL INFORMATION

- a) There will be one Postal Ballot Form, irrespective of the number of joint holders.
- b) Voting rights in the Postal Ballot cannot be exercised by a proxy.

2. PROCESS FOR VOTING BY POSTAL BALLOT

- a) Members desiring to cast their vote by Postal Ballot should complete and sign this Postal Ballot Form and send it to the Scrutinizer, Mr. Suhas S. Ganpule, C/O GUL MANZIL 1ST FL14, DASHRATHLAL JOSHI RD, VILE PARLE (W) MUMBAI - 400056 in the enclosed postage prepaid self-addressed envelope. Postal Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted.
- b) In case of joint holding, this Postal Ballot Form should be completed and signed by the first named Member and in his absence by the next named Member.
- c) In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the Completed Postal Ballot Form should be accompanied by a certified copy of the relevant board resolution / appropriate authorization, with the specimen signature(s) of the authorised signatory (ies) duly attested.
- d) The signature of the Member on this Postal Ballot Form should be as per the specimen signature already registered with the company.
- e) Completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours i.e at **Wednesday, September 28, 2015 by 5.00 P.M.** Postal Ballot Forms received after this date will be considered invalid.
- f) Postal Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.
- g) A Member seeking duplicate Postal Ballot Form or having any grievance pertaining to the Postal Ballot process can write to the Company's Registrars- Sharex Dynamic (India) Pvt. Ltd , Unit 1, Luthra Ind Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072 or to the e-mail ID sharexindia@vsnl.com. Duly completed and signed duplicate Postal Ballot Forms should, however, reach the Scrutinizer not later than the close of working hours on Wednesday, September 28, 2015 by 5.00 P.M.
- h) Members are requested not to send any paper (other than the resolution/authority as mentioned under "Process for voting by Postal Ballot" point 2c above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.

BOOK POST

If undelivered please return to :

Vadilal Dairy International Ltd.

Regd. Office : Plot No. M-13, MIDC Indl. Area,
Tarapur, Boisar, Thane, Maharashtra - 401 506.