

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

Shailesh R. Gandhi	: Managing Director (Executive, Non-Independent)
Rahil S. Gandhi	: Whole-time Director (Executive, Non-Independent)
Bela S. Gandhi	: 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)
Sandeep Patil	: Additional Director (Non-Executive, Director)

COMPANY SECRETARY & COMPLIANCE OFFICER**MR. UDAY ANANT SAWANT**E-mail: 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**WORKS:**Plot No. M-13, MIDC Ind. Area, Tarapur, Boisar - 401506
Tel No: 02525-272501 / 272697, Fax No.: 02525-273234**COPORATE OFFICE :**Gul Manzil, 1st Floor,14, Dashrathlal, Joshi Road, ,
Vile Parle (West) , Mumbai-400056
Tel: 02226170201/ 0301, Email id: vadilal@vsnl.com**BANKERS**HDFC Bank Limited,
Federal Bank,
Oriental Bank of Commerce,
State Bank of India & Bank of India**REGISTRAR AND SHARE TRANSFER AGENTS**Sharex Dynamic (India) Pvt. Ltd.
Luthra Industrial Premises, Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai-400 072. Tel No: 02222641376 / 22702485

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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.

THIRTY FIRST ANNUAL GENERAL MEETING

Day: Thursday

Date: 27th September, 2018

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 THIRTY FIRST 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, 27th September, 2018 at 12:00 Noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider & adopt the Audited Balance Sheet as at 31st March 2018 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. Shailesh R. Gandhi (DIN: 0196317), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Section 149, 150 (2), 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013 (hereinafter referred to as the Act), Mr. Sandeep Patil (DIN: 02977658), who was appointed as an Additional Director of the Company by the Board with effect from January 3, 2018 and who holds office up to the date of the Annual General Meeting, in respect of whom the Company has received a notice in writing from a member signifying his intention to propose Mr. Sandeep Patil as a candidate for the office of a director of the Company, be and is hereby appointed as Director of the Company, not liable to retire by rotation."

4. **Increase in remuneration of Shri Shailesh Gandhi, Managing director of the Company:**

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

RESOLVED THAT pursuant to Section 197, 198 read with Schedule V of the Act and other applicable provisions, if any, of Companies Act, 2013 (including any statutory modification or re enactment thereof, applicable clauses of the Article of association of the company and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and recommendation by Nomination and Remuneration Committee and audit committee, subject to approvals, conditions and modification, as may be prescribed or imposed by any authorities, including central government, if required, the consent of members of the Company be and is hereby accorded for increase in the remuneration of Shri. Shailesh Gandhi (DIN: 01963172), Managing Director of the company from Rs. 51 Lakhs per annum to an amount not exceeding the monetary ceiling of Rs. 102 Lakhs per annum for a period of 3 years with effect from 1st April, 2018 to 31st March, 2021 including all perquisites and all other benefits as specified in part II, part III of Schedule V of the Companies Act, 2013 as given in Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT any two of the directors of the company be and are hereby jointly authorized to do all such acts, deeds and things, to execute all such documents, instruments writing as may be required to give effect to this resolution."

5. **Increase in remuneration of Shri. Rahil Gandhi, Whole Time Director of the company:**

To consider and if thought fit to pass with or without modification of following resolution as Special resolution:

RESOLVED THAT pursuant to Section 197, 198 read with Schedule V of the Act and other applicable provisions, if any, of companies act, 2013 (including any statutory modification or re enactment thereof, applicable clauses of the Article of association of the company and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and recommendation by Nomination and Remuneration Committee and Audit committee, subject to approvals, conditions and modification, as may be prescribed or imposed by any authorities, including central government, if required, the consent of Members of the Company be and is hereby accorded for increase in the remuneration of Shri. Rahil Gandhi (DIN: 03126913), Whole Time Director of the company from Rs. 18 Lakhs per annum to an amount not exceeding the monetary ceiling of Rs. 36 Lakhs per annum for a period of 3 years with effect from 1st April, 2018 to 31st March, 2021 including all perquisites and all other benefits as specified in part II, part III of Schedule V of the Companies Act, 2013 as given in Explanatory Statement annexed hereto.



RESOLVED FURTHER THAT any two of the directors of the company be and are hereby jointly authorized to do all such acts, deeds and things, to execute all such documents, instruments writing as may be required to give effect to this resolution."

6. Increase in remuneration of Mrs. Bela Gandhi, Director of the company:

To consider and if though fit to pass with or without modification of following resolution as Special resolution :

RESOLVED THAT pursuant to Section 197, 198 read with Schedule V of the Act and other applicable provisions, if any, of companies act, 2013 (including any statutory modification or re enactment thereof, applicable clauses of the Article of association of the company and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and recommendation by Nomination and Remuneration Committee and audit committee, subject to approvals, conditions and modification, as may be prescribed or imposed by any authorities, including central government, if required, the consent of Members of the Company be and is hereby accorded for increase in the remuneration of Mrs. Bela Gandhi (DIN: 03126913), Director of the company from Rs. 9 Lakhs per annum to an amount not exceeding the monetary ceiling of Rs. 18 Lakhs per annum for a period of 3 years with effect from 1st April, 2018 to 31st March, 2021 including all perquisites and all other benefits as specified in part II, part III of Schedule V of the Companies Act, 2013 as given in Explanatory Statement annexed hereto.

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

**For and on behalf of the Board
For Vadilal Dairy International Limited**

Sd/-

**Shailesh R. Gandhi
Managing Director**

DIN: 01963172

Place: Boisar

Date: 14th August, 2018

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 25th September 2018, 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, 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 Directors 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 Saturday 22nd September, 2018 to Thursday 27th September, 2018 (both days including) 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 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 26th 2018. 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 uday.csvadilal@gmail.com, vadilal.dairy1987@gmail.com. Duly completed and signed duplicate Ballot Form should, however, reach the Scrutinizer not later than the close of working hours on 5.00 PM, 26th September, 2018. Ballot Forms received after this date will be treated as invalid.

The instructions for voting electronically are as under:

- (i) The voting period begins on Monday , 24th September, 2018 at 9.00 A.M. and ends on Wednesday, 26th September, 2018 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.



- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) 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 which is printed in the attendance slip 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 folio number 100 then enter RA00000001 in the PAN field.
DOB Dividend Bank Details	<p>Enter the Divided Bank Details or Date of Birth (In dd/mm/yy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Divided Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **Vadilal Dairy International Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m- Voting available for android based mobiles. The m- Voting app can be downloaded from Google Play store. Iphone and Windows phone users can download the app from the App Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.



(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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: Boisar

Date: 14th August, 2018

Registered Office:

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

**PROFILE OF DIRECTOR BEING APPOINTED/RE-APPOINTED AT THE ANNUAL GENERAL MEETING**

As required by regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the particulars of director who is proposed to be re-appointed is given below.

Name of Director	Mr. Shailesh Ramchandra Gandhi
Date of birth	08th November 1956
Date of appointment	24/04/1997
Qualification	Diploma in Dairy technology
Expertise in specific functional areas	40 Years of experience of Dairy and Ice-cream industry
Directorship held in other private or public Companies	1. Bela Investment and Finance Company Private Limited 2. Rahil Dairy Industries Private Limited
Membership/Chairmanship of committees of other public companies (includes only Audit committees and Stakeholders relationship Committee.)	NIL
Number of shares held in the Company	18,99,561 Equity Shares

Name of Director	Mr. Sandeep Patil
Date of birth	6th May, 1971
Date of appointment	03/01/2018
Qualification	Production Engineer
Expertise in specific functional areas	Production of Ice Cream
Directorship held in other private or public Companies	Nil
Membership/Chairmanship of committees of other public companies (includes only Audit committees and Stakeholders relationship Committee.)	Nil
Number of shares held in the Company	Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****ITEM NO. 3**

Mr. Sandeep Patil was appointed by the Board of Directors as an Additional Director of the Company with effect from January 03, 2018, pursuant to Section 161(1) of the Companies Act, 2013 (hereinafter referred to as the Act), read with the Articles of Association of the Company. In accordance with the provisions of Section 161 (1) of the Act, Mr. Sandeep Patil holds office up to the date of this Annual General Meeting. A notice has been received from a member proposing the candidature of Mr. Sandeep Patil for the office of Director of the Company.

The Company has received from Mr. Sandeep Patil (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and based on recommendation by the Nomination and remuneration committee, be appointed as Director of the Company.

The resolution seeks the approval of members for the appointment of Mr. Sandeep Patil as Director of the Company pursuant to provisions of the Act and the Rules made thereunder.

None of the directors, key managerial personnel or their relatives, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no.4 for the approval of the members..

ITEM No 4,5 and 6:

The member may note that based on the recommendations by the Nomination and Remuneration committee and Board of Directors of the company at their meeting held on 9th July, 2018 approved to increase remuneration of Shri Shailesh Gandhi, Managing Director, Shri Rahil Gandhi, Whole Time Director and Mrs. Bela Gandhi, Director of the company under the provisions of section 196,197, 198 read with Schedule V of Companies Act, 2013.

They are currently drawing remuneration of Rs. 51 Lakhs, 18 Lakhs and 9 Lakhs respectively. Since the company has inadequate Profit, as defined in Section 198 of the Companies Act, 2013 the above proposal requires approval of shareholders 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 April, 2018 to 31st March, 2021.

The Increase in Remuneration of Shri. Shailesh Gandhi, Shri. Rahil Gandhi and Shimati. Bela Gandhi is as follows:

a) Salary & Perquisites to Shri. Shailesh Gandhi:

- 1 Basic Salary: Salary upto Rs.102.00 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 provisions of the Companies Act, 2013.

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

b) Salary & Perquisites to Shri. Rahil Gandhi:

- 1 Basic Salary: Salary upto Rs.36 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 provisions of the Companies Act, 2013.



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

c) Salary & Perquisites to Mrs. Bela 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 Executive Directors 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 provisions of the Companies Act, 2013.

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

Guideline and Instruction for holding Securities in Dematerialized form

The Circular dated on December, 2017 of SEBI(LODR) regulation, 2015 to all stock exchange and Depository to hold securities in dematerialized form, the shareholding of the Promoters and promoters group, public shareholder non-public non-promoters must be accompanied with PAN number.

Further, every shareholder whose shares are held in physical mode shall have to transfer his/her securities in demat form and the Board hereby requests to every shareholder to update his/her PAN and Email id with RTA of the Company i.e. Sharex Dynamic (India) Private Limited, for any further query E-mail to vadilal.dairy1987@gmail.com or sharexindia@vsnl.com, transfer his/ her shares in demat mode at the earliest.

**DIRECTORS' REPORT**

To

The Members,**Vadilal Dairy International Limited**

Your Directors are pleased to present the Thirty First Annual Report on the business and operations of Vadilal Dairy International Limited ('the Company') along with the audited financial statement for the year ended March 31, 2018.

1. FINANCIAL HIGHLIGHTS:

(Rs. In Lacs)

PARTICULARS	2017-2018	2016-2017
Profit Before Depreciation and Financial Charges	673.96	655.50
Less: Depreciation and amortization	178.55	153.68
Financial cost	93.09	94.50
Profit before Exceptional Items and Tax	402.32	407.32
Exceptional Items	--	--
Profit Before Tax	402.32	407.32
Provision for Deferred Tax (Asset)	(8.34)	2.38
Current Tax	128.00	110.00
Profit After Tax	282.66	294.93
Add: Balance brought forward	898.06	523.62
Add: Provision for MAT credit entitlement	-	66.91
Add: Other Comprehensive Income	8.35	12.60
Amount available for Appropriation	1189.07	898.06
Appropriations:		
- Dividend	--	---
- Corporate Dividend Tax	--	--
- Transferred to General Reserve	--	--
Surplus carried to Balance Sheet	1189.07	898.06

STATE OF COMPANY'S AFFAIRS:

The Company has earned revenue from the operations of Rs. 4355.65 lakhs during the year ended on 31st March, 2018 as against Rs. 4583.19 lakhs earned during the previous year ended on 31st March, 2017.

The Company reported Profit of Rs. 282.66 lakhs during the year ended on 31st March, 2018 as compared to Rs. 294.93 lakhs earned during the previous year ended on 31st March, 2017.

The Company's EPS is Rs. 8.85 compared to Rs. 9.23 of the previous year.

BUSINESS OUTLOOK:

The Company's primary target is to improve its performance by achieving substantial double digit growth rate in the next financial year 2018-19. In order to achieve the said target the Company plans to improve supply chain, appoint dynamic marketing team and to deploy quality control teams responsible for enhanced compliance with product and guidelines set down by related regulatory agency.

DIVIDEND:

In order to conserve the resources and for further growth, the Company does not propose to pay any dividend for the Financial Year ended 31st March, 2018.

**TRANSFER TO RESERVES:**

The Board does not propose transfer of any amount to Reserves for the Financial Year 2017-2018.

REVOCAION OF SUSPENSION:

The Company's shares were listed at Bombay Stock Exchange (BSE) in the year 1994-95 and were suspended from trading in the year 2002. The company has been compliant with the regulations of BSE & SEBI. It is pursuing formalities for revocation of suspension of trading of shares with BSE and expecting Revocation order during the current financial year.

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:

There were no material changes and commitments affecting the Financial position of the Company at the end of the Financial Year to which the Financial Statements relates and the date of the report.

TRANSACTIONS WITH RELATED PARTIES:

There are some transactions with related parties which fall 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.

CASH FLOW STATEMENTS:

In conformity with provisions and Regulation 34 (2) (c) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the cash flow statement for the year ended on March 31, 2018 is attached as a part of the Annual Accounts of the Company.

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 statements, commensurate with size, scale and complexity of its operations. During the year, such control was tested and no reportable material weakness in design or operation was observed.

Your Audit committee of the Board of Directors is actively taking part in reviewing the adequacy and effectiveness of internal financial control system and suggests the improvements to strengthen the same.

The Company has adequate internal controls and processes in place with respect to financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. The company has a mechanism of testing the control at regular interval for testing the operating effectiveness, to ascertain the reliability and authenticity of financial information, for safeguarding the assets, for prevention and detection of frauds and errors, for accuracy and completeness of accounting record and for timely preparation of financial information and it also conducts physical verification of inventory, Fixed assets and cash on hand and matches them with the books of accounts.

DETAILS OF SUBSIDIARY/ JOINT VENTURES / ASSOCIATE COMPANIES:

The Company does not have any Subsidiary Company, Joint Ventures or Associate Companies as per provisions of Companies Act, 2013.

PREVENTION OF SEXUAL HARASSMENT:

Your Company laid down a Sexual Harassment policy and it is made available on website of the Company. The company has zero tolerance on sexual harassment at workplace. During the year under review, there was no case pursuant to the sexual harassment at Workplace (Prevention, Prohibition and Redressed) Act, 2013 and there were no case pending to be addressed / resolved either at the beginning or at the end the year.

DEPOSITS:

Your Company has neither invited nor accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 including any statutory modification(s) or re-enactment (s) thereof for the time being in force.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

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 the Company are given in the Notes to Financial Statements.

BOARD MEETING:

During the year under review, Eleven (11) Board meetings were convened and held. Intervening gap between the meetings was within the period prescribed by the Companies act 2013 and LODR (Listing Obligation and Disclosure Requirements), Regulations 2015.

Board Meeting held during the Year is as under:

13th April, 2017	10th May, 2017	30th May, 2017
7th July, 2017	14th August, 2017	14th November, 2017
6th December, 2017	3rd January, 2018	14th February, 2018
14th March, 2018	28th March, 2018	

A) DIRECTORS:

Changes in Directors and Key Managerial Personnel.

I. CESSATION:

None of director was ceased from their office during the Year 2017-2018.

II. RETIREMENT BY ROTATION:

Mr. Shailesh Ramchandra Gandhi (DIN: : 01963172), Executive Director is liable to retire by rotation at the ensuing Annual General Meeting, pursuant to Section 152 and other applicable provisions of, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and being eligible have offered himself for re-appointment.

Appropriate resolution for his re-appointment is being placed before the Members for their approval of the Shareholders of the Company at the ensuing Annual General Meeting. The brief resume of the Director seeking re-appointment and other related information has been detailed in the Notice convening 31st AGM of the Company. The Directors recommend his re-appointment as Managing Director of the Company.

III. APPOINTMENT:

Mr. Sandeep Patil was appointed as Additional Director during the Financial Year 2017-2018.

B) DECLARATION BY AN INDEPENDENT DIRECTOR(S):

All the Independent Directors 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(1) (b) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 which have been relied by the Company and were placed at the Board Meeting held on 30th May, 2018.

C) FORMAL ANNUAL EVALUATION:

Pursuant to the provisions of the Companies Act 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of Board and its committee, culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the independent directors was completed. The performance evaluation of chairman and the non independent director was carried by the Independent director. The Board of directors expressed their satisfaction with the evaluation process.

D) REMUNERATION POLICY:

The Board of Directors has framed a policy which lay down a framework in relation to remunerations of directors and key managerial personnel of the company. This policy amongst others lays down the criteria for selection and appointment of Board of Directors. The Details of the policy is posted on website.

**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 on website of Company 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 profit 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

Remuneration of Directors:

Name	Title	% Increase in the remuneration for the year ended 31 st March, 2018	Ratio as related to employees
Shailesh Gandhi	Managing Director	-	31
Bela Gandhi	Executive Director	-	5
Rahil Gandhi	Whole Time Director	-	11

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.

1. There was no increase in the remuneration of Directors as mentioned above.
2. As on 31st March, 2018 there were total of 169 employees on the roll of the Company.
3. Increase in remuneration depends upon factors like Company performance, Bench Marking, Inflationary trends, talent availability, turnover and regulatory provisions part 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:**
Average percentile increase in the remuneration for all employees other than managerial personnel was 3%, while there was no change in the managerial remuneration.
7. The Company affirms that the remuneration is as per the remuneration policy.

**STATUTORY AUDITORS AND AUDITORS REPORT:**

M/s. **Vinod K. Mehta & Co**, Chartered Accountants (Registration No. 111508W), appointed as Statutory Auditors of the Company in its 30th AGM for tenure of 5 years i.e till the Conclusion of AGM to be held in the Year 2022. (As per the new Companies Amendment Act 2017 read with Notification S.O. 1833(E) dated 7th May 2018 deletes provision of annual ratification of the appointment of Auditor.)

M/s Vinod K Mehta & Co have given a written confirmation to the company to the effect that their appointment, if made would satisfy the criteria provided in Section 141 Companies Act 2013 and would also be in conformation within the limits specified in Section 139 of the Companies Act , 2013.

The Notes on Financial Statement referred to in Auditors Report are self explanatory and do not call for any further comments. The Auditors Report does not contain any qualifications, reservations, or adverse remarks.

SECRETARIAL AUDITOR:

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 M/s S.G. & 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 forms an integral part of this Report and gives details of overall industry structure, economic developments, performance and state of affairs of the Company's business.

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.

The Code of conduct for the Board of Directors and Senior Management states that Directors and Senior Managers of the Company shall endeavor to promote ethical behavior and to provide opportunity to employees to report violation of laws, rules, regulations or code of conduct and policy directives adopted by the Company to the appropriate personnel without fear of retaliation of any kind for reports made by the employees in good faith.

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 Directors and the designated employees have confirmed compliance with the Code.

**RISK MANAGEMENT:**

The Company has a well defined process to ensure risk is identified and steps to treat them are put in place at the right level in the management.

The Company's risk management framework is based on a clear understanding of various risks, disciplined risk assessment and measurement procedure and continues monitoring. The policies and procedure established for this purpose are continuously benchmarking with international best practice. The risk management process is continuously improved and adapted to the changing global risk scenario.

The risk identified are updated along with the mitigation plans as part of annual planning cycle. The senior leadership team reviews the status of initiatives as part of business review meetings.

ENVIRONMENT AND SAFETY:

Your company has adopted all essential Techniques, Mechanisms and International Standard Measures for the Safety and Protection of workers at factory of the company. Your company has consistently emphasized sustainability in use of natural and non renewable resources. Within the factory the efforts are on going to continuously assess and improve operational efficiencies , minimize consumption of water , energy and emission of CO2 even as production volume are maximized. Within the factory your Company constantly evaluates new initiatives that could reduce waste and emissions and actively engages the employees to increase awareness about the need to sustain the environment. Your Company believes that safety practices are important in every activity, function and location wherever the employees are engaged, and is committed to maintaining the safety culture.

CORPORATE SOCIAL RESOPOSIBILITY (CSR):

In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a committee of the Directors of the Company has been constituted as Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee has formulated a policy on the Corporate Social Responsibility measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.

The Corporate Social Responsibility Policy is available on the Company's web-site viz. www.vadilaldairy.com. However, due to shortage of manpower and resources required in the respective activity, the Company could not spend towards Corporate Social Responsibility measures during the year 2017-2018.

The Directors hereby ensures that the Company will spend sufficient amount towards Corporate Social measures in the next financial year. The CSR activities is annexed herewith marked as Annexure - H.

PARTICULARS OF EMPLOYEES:

During the Year under report, your Company has not employed any person who is in receipt of remuneration in excess of the limits specified under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details required as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is disclosed in Directors report. As per provisions of Section 136(1) of the Companies Act, 2013, the Annual Report excluding the information required as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 on employees particulars is being sent to the Members which, is however available for inspection at the Registered Office of the Company during the working hours of the Company upto the date of ensuing Annual General Meeting. If any member is interested in obtaining such information may write to the Company Secretary in this regard.

CORPORATE GOVERNANCE REPORT:

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, a Report on Corporate Governance is not applicable to the Company as it does not fall under the criteria of Paid Up Share Capital of Rs. 10 Crore. But certain important points has been highlighted as below:

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

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



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	11	11	Yes
2.	Mrs. Bela Gandhi	Director	11	11	Yes
3.	Mr. Rahil Gandhi	Whole Time Director	11	11	Yes
4.	Mr. Vishnu Barhate	Director	11	11	Yes
5.	Mr. Subhaschandra Patil	Director	11	11	Yes
6.	Mr. Prakash Mankar	Director	11	11	Yes
7.	Mr. Sandeep Patil	Additional Director	3	3	No

Audit Committee:

The composition of the Audit Committee is in alignment with the provisions of Section 177 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

The details of meetings, composition and attendance of Members of the Committee are as follows:

Four Audit Committee meetings were held as follows:

30 th May, 2017	14 th August, 2017	14 th November, 2017	28 th March, 2018
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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 (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 composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of meeting held and attended by the Members of the Committee during the Financial Year 2017-2018 is detailed below:

14 th August, 2017	14 th November, 2017
-------------------------------	---------------------------------

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

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 Composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 read with rules issued thereunder and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

The constitution of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the Members of the Committee during the Financial Year 2017-2018 is detailed below:

30 th May, 2017	14 th August, 2017	14 th November, 2017	28 th March, 2018
----------------------------	-------------------------------	---------------------------------	------------------------------

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

The details of Complaints received and resolved during the Year ended 31st March, 2018 are as follows:

No. of Complaints Received- 0

No. of Complaints Resolved- 0

No. of Complaints Pending- 0

Independent Directors:

The independent Directors meet without the presence of Non- Independent Directors. These meetings are formal and enable the Independent Directors to interact and discuss matters including review of performance of the Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company, taking into account views of Executive/ Non- Executive Directors and assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

The Meeting of Independent Director was held on 14th February, 2018 and all the Independent Directors of the Company were present at the Meeting.

The Composition of Independent Director is 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)

Corporate Social Responsibility Committee:

The Company is covered under the provisions of Section 135 and Rules made thereunder for Corporate Social Responsibility. The Company has formulated a policy on the Corporate Social Responsibility measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.

The Meeting of Corporate Social Responsibility Committee was held on 28th March, 2018.

The Composition of Corporate Social Responsibility Committee is as follows:

Sr. No.	Name and Designation	Designation
1.	Mr. Shailesh Gandhi	Executive Non- Independent Director
2.	Mrs. Bela Gandhi	Executive Non- Independent Director
3.	Mr. Prakash Mankar	Non- Executive Independent Director

**GENERAL SHAREHOLDERS INFORMATION:**

Date	27 th September, 2018
Time	12.00 Noon
Place	Plot No. M-13, MIDC, Industrial Area, Tarapur, Boisar-401506
Financial Year	2017 - 2018
Book Closure	22 nd September, 2018 to 27 th September, 2018
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 for the co-operation and assistance received from shareholders, bankers, regulatory bodies, distributors, suppliers, 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/-
Shailesh R. Gandhi
Managing Director
DIN: 01963172**

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

Place: Boisar

Date: 14th August, 2018



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) i) Energy conservation measures taken with respect to optimum utilization of cold storage by switching off power supply at cold storages whenever temperature reaches the desired level and switching off power supply whenever not required in office premises.
- ii) Following measures are proposed for reduction of consumption of energy.
 - a) Improving power factor by adding capacitors.
 - b) Replacing existing machines/equipments with more productive energy efficient machines/ equipments.
- iii) The above measures will reduce energy consumption and result in control/reduction in the cost of production of goods. The measures taken have controlled the cost of production.
- iv) Total energy consumption & energy consumption per unit of production was as under (Form 'A').



FORM – A
(SEE RULE -2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY: (Details required from them)

A) POWER & FUEL CONSUMPTION	CURRENT YEAR 2017-18	PREVIOUS YEAR 2016-17
1. Electricity		
a) Purchase unit	2044495	1952176
Total amount (Rs.)	18506580	17297070
Rate/ Unit (Rs.)	9.05	8.86
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	12
Total cost (Rs.)	1170580	706410
Average Rate (Rs.)	61.61	58.87
4 Other/Internal Generation		
Qty (units)	Nil	Nil
Total cost (Rs.)	Nil	Nil
Rate /Unit (Rs.)	Nil	Nil
Consumption per liter of production	2017-2018	2016-2017
Product	Electricity (Kwh/Ltrs.)	Electricity (Kwh/Ltrs.)
Ice cream	0.46	0.42

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:

To introduce new varieties of ice cream & frozen desserts by continuous R & D efforts..

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

There was no foreign exchange earnings or outgoings for the year ended on 31st March, 2018 (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 Lacs)

SL No.	Particulars	Details		
	Name (s) of the related party & nature of relationship	Name		Nature of Relationship
		<u>Loan taken and repaid from/to Directors</u>		
		1. Shailesh Gandhi 2. Bela Gandhi		Directors
		Remuneration to Directors		
1. Shailesh Gandhi 2. Bela Gandhi 3. Rahil Gandhi				
	Bela Investment and Finance Company Private Limited			Body corporate in which some directors are substantially interested
	Duration of the contracts/arrangements/transaction	As and when required by the Company (Loan)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	Loan taken	136.50
		2. Bela Gandhi	Loan Repaid	148.88
			Loan Taken	44.30
			Loan Repaid	30.00
	1. Shailesh Gandhi	Remuneration to Directors	51.00	
	2. Bela Gandhi		9.00	
	3. Rahil Gandhi		18.00	
	Bela Investment and finance limited	Royalty paid	103.29	
	Justification for entering into such con- tracts or arrangements or transactions	For Business purpose		
	Date of approval by the Board	NA		
	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	29th September, 2016 (Increase in Remuneration of Directors)		

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/-

Sd/-

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

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

Place: Boisar
Date: 14th August, 2018



ANNEXURE C TO DIRECTORS REPORT

SECRETARIAL AUDIT REPORT

Form No. MR-3

[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, 2018

**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, 2018 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, 2018 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (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;
 - f. The Securities and Exchange Board of India (listing Obligation and Disclosure Requirements) Regulation, 2015.
- 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) The Factories Act, 1948
 - (ii) The Payment of Wages Act, 1936
 - (iii) The Minimum Wages Act, 1948
 - (iv) The Employees' State Insurance Act, 1948



- (v) 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.

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 for the proposed Board Meetings along with agenda and detailed notes on agenda which 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.

We further report that during the Audit period the Company had not gone through any specific events having a major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- i. Public / Rights / Preferential issue of shares / debentures / sweat equity.
- ii. Buy-Back of securities.
- iii. Merger / amalgamation / reconstruction etc.
- iv. Foreign technical collaborations

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned.

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: 14th August, 2018

Place: Mumbai



Annexure A To Secretarial Audit Report

To
The Members,
Vadilal Dairy International Limited,
Mumbai

My 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 my 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. Wherever required, we have 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,

Sd/-
Suhas Ganpule,
Proprietor,
Practicing Company Secretaries
Membership No: 12122
C. P. No: 5722

Date: 14.08.2018

Place: Mumbai



ANNEXURE 'D' TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2018

[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 International Limited
Category / Sub-Category of the Company	Category : Public Company Sub- Category : Limited by shares
Address of the Registered office and contact details:	Plot No. M-13, MIDC Industrial Area, Tarapur, Boisar- 401506 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 as on during the Financial Year 2017 - 2018.

D. SHARE HOLDING PATTERN

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% 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	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 / FI	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	1540	129600	131140	4.109	0
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	0	27950	27950	0.875	27950	0	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	27950	165290	166190	5.203	00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	232890	232890	7.291	29600	231990	232890	7.291	0
C. Shares held by Custodian for GDRs & ADRs	0								
Grand Total (A+B+C)	0	3194150	3194150	100.00	29600	3164550	3194150	100.00	0



(ii) Promoter's Shareholding:

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2017			Share holding at the end of the Year 31/03/2018			% 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 2017-2018.

(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	1/4/2017 31/3/2018			16700	0.523
2	KANTILAL CHUNILAL CHOKSHI - Closing Balance	490	0.015	1/4/2017 31/3/2018			490	0.015
3	PRISM FINANCE LTD. - Closing Balance	620	0.019	1/4/2017 31/3/2018			620	0.019
4	ARTI A VIRANI - Closing Balance	1010	0.032	1/4/2018 31/3/2018			1010	0.032
5	PERSIS A KHAMBATTA - Closing Balance	650	0.02	1/4/2017 31/3/2018			650	0.02
6	K SIYER - Closing Balance	570	0.018	1/4/2017 31/3/2018			570	0.018
7	KINETIC FINCAP LIMITED - Closing Balance	490	0.015	1/4/2017 31/3/2018			490	0.015
8	UNION BANK OF INDIA - Closing Balance	50000	1.565	1/4/2017 31/03/2018			50000	1.565
9	WINDIA INFRASTRUCTURE FINANCE LTD - Closing Balance	3250	0.102	1/4/2017 31/3/2018			3250	0.102
10	RAHILL GANDHI - Closing Balance	27950	0.875	1/4/2017 31/3/2018			27950	0.875



(v) Shareholding of Directors and Key Managerial Personnel:

SI No.		Shareholding at the beginning of the year 01/04/2017		Cumulative Shareholding during the year 31/03/2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2463480	77.12	--	--
	At the End of the year	--	--	2463480	77.12

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	39214306	53604405	--	92818711
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	39214306	53604405	--	92818711
Change in Indebtedness during the financial year				
• Addition	64151597	25834880	--	89986477
• Reduction	43802808	21626700	--	65429508
Net Change	20348789	4208180	--	24556969
Indebtedness at the end of the financial year				
i) Principal Amount	59563095	57812585		117375680
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not	—	—	—	—
Total (i+ii+iii)	59563095	57812585	—	117375680



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	BELA GANDHI	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51,00,000	18,00,000	9,00,000	78,00,000
	(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)	51,00,000	18,00,000	9,00,000	78,00,000
	Ceiling as per the Act	As per Companies Act, 2013 and Schedule V ceiling limit is 84 lacs approx.			

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Vishnu Barhate	Prakash Mankar	Subhashchandra 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	12,25,760	13,45,760
	(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	12,25,760	13,45,760

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
Managing Director
DIN: 01963172**

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

Place: Boisar

Date: 14th August, 2018



"Annexure E"

MANAGEMENT DISCUSSION ANALYSIS

1 PERFORMANCE OF THE COMPANY:

The Company's revenue reduced during the Financial year due to severe drought in the State of Maharashtra and slightly affected due to demonetization, GST introduction and severe competition. The net profit reduced due to occurrence of some exceptional expenses during the year.

2 STRATEGY:

The strategy of the management is to introduce new varieties of ice cream & frozen desserts, more than the competitors, to provide quality of the products better than the competitors and to expand network of distributors/stockists and dealers/retailers, larger than the competitors, to achieve volume growth of at least 15% in FY 18-19 over the current year .

3 BUSINESS OUTLOOK:

The consumption of ice cream has always been increasing . There is always good scope for business growth. The company's outlook is promising. The approach would be to continue with the growth momentum while balancing risk.

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 manufacturers 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 paramount importance. The refrigeration and deep freezing are important for company.

5 INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company maintains an adequate internal control system, commensurate with size and complexity of its business. Among other things 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.

Audit Committee, the details of which has been provided in the Corporate Governance Report has been entrusted with detailed terms of reference to review and look into proper recording of transactions and preparation of financial statement. 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:

At Vadilal , Human capital is our most crucial resource contribution towards the success of the Organization. Our aim is to ensure that only individuals perfectly matching the required trade skill sets, attributes and soft skills for each position are hired. Our constant focus is to orient and induct the hire resource with a structured induction programme. Apart from this, we have introduced several notable initiatives to retain and nurture our human capital.

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: 14th August, 2018**



"Annexure F"

CEO/ CFO 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, 2018 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/-**

**Place: Mumbai
Date: 14th August, 2018**

**Prakash Mistry
Chief Financial Officer**

"Annexure G"

CODE OF CONDUCT DECLARATION

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that-

The Company has obtained from all members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the Financial Year 31st March, 2018.

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

**Place: Mumbai
Date: 14th August, 2018**

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

**ANNEXURE- H TO DIRECTORS' REPORT****Annual Report on Corporate Social Responsibility (CSR) activities for the financial year - 2017-2018**

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Refer Section on Corporate Social Responsibility in Directors' Report
2.	Composition of CSR Committee	1. Mr. Shailesh Gandhi - Chairman 2. Mrs. Bela Gandhi 3. Mr. Prakash Mankar
3.	Average net profit of the Company for last three financial years	Rs. 4,42,79,542
4.	Prescribed CSR expenditure(two percent of the amount mentioned in item 2 above)	Rs. 8,85,591
5.	Details of CSR spent during the financial year:	NIL

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

Due to shortage of manpower and resources required in the respective activity , the company could not spent amount towards Corporate Social Responsibility during the year - 2017-2018, as required.

RESPONSIBILITY STATEMENT

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

'The company is committed to comply with Corporate Social Responsibility (CSR) Policy in current FY 18-19 & forthcoming years.'

Date :.14th August , 2018

Place : Boisar .

**Chairman of CSR Committee
Vadilal Dairy International Limited**

**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, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, The Cash Flow Statement and the Statement Of Changes in Equity 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, other Comprehensive Income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act. 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 2018, and its profit including other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and The Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of written representations received from the directors as on 31st March,2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March,2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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.
 - g) 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.31 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.
- 2 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

Mumbai
Date: 15th June, 2018



"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, 2018 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, 2018, 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

Mumbai
Date: 15th June, 2018

**"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 true copies of the title deeds of the immovable properties of the company were 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 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 complied with the provisions of Section 186 of the Act.
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. Therefor, 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, 2018 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 amount relates
1	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	40.05	1992-93	Bombay High Court
			12.02	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	29.88	2005-06	Joint Commissioner Sales Tax (Appeals) And Bombay High Court
			168.04	2006-07	Joint Commissioner of Sales Tax (Appeals) (Refer note below)
			186.82	2007-08	do (Refer note below)
			22.33	2009-10	do
			42.69	2010-11	do
3	The Income Tax Act, 1961	Income Tax	133.43	2014-15	Commissioner Of Income Tax (Appeals)

Note: The company has won the appeals in the Tribunal. The VAT authorities had challenged the decision of the tribunal in Bombay High Court but their petition was not admitted by the honorable court.

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

Mumbai

Date: 15th June, 2018



BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note	31-Mar-18	31-Mar-17	1-Apr-16
A. ASSETS				
1 Non-Current Assets				
a) Property, plant and equipment	2	127,706,107	130,009,651	115,089,532
b) Capital work-in-progress	3	1,195,404	1,056,726	-
c) Financial assets				
(i) Investments	4	800,000	800,000	800,000
(ii) Loans & Advances	5	28,776,782	23,995,193	42,045,557
d) Other non-current assets	6	-	3,840,375	-
Total Non-Current Assets		158,478,293	159,701,945	157,935,089
2 Current Assets				
a) Inventories	7	67,462,248	69,004,994	43,646,863
b) Financial assets				
(i) Investments	8	37,067,540	31,139,999	20,023,999
(ii) Trade receivables	9	31,946,182	22,504,803	18,711,045
(iii) Cash and cash equivalents	10	13,707,110	17,911,790	15,719,642
(iv) Bank balances other than cash and cash equivalents above	11	52,474,188	48,418,614	64,583,897
(v) Loans & Advances	12	21,840,043	1,135,926	986,799
c) Other current assets	13	4,254,123	3,555,594	1,184,428
Total Current Assets		228,751,434	193,671,720	164,856,673
TOTAL ASSETS		387,229,726	353,373,664	322,791,762
B. EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	14	31,941,500	31,941,500	31,941,500
b) Other equity	15	122,658,006	93,556,222	56,111,582
Total equity		154,599,506	125,497,722	88,053,082
Liabilities				
1 Non-Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	16	72,452,512	53,604,405	45,129,524
(ii) Other financial liabilities	17	28,326,244	26,406,171	32,905,729
b) Provisions	18	6,916,844	5,795,148	7,725,631
c) Deferred Tax Liabilities Net`		6,672,277	7,454,551	7,693,745
d) Other non-current liabilities	19	9,816,756	19,130,135	12,819,341
Total Non-Current Liabilities		124,184,632	112,390,410	106,273,970
2 Current Liabilities				
a) Financial liabilities				
(i) Borrowings	20	44,923,168	39,214,305	51,873,046
(ii) Trade payables	21	38,388,854	57,448,684	46,828,175
b) Other current liabilities	22	11,657,336	9,141,871	13,427,937
c) Provisions	23	13,476,230	9,680,672	16,335,553
Total Current Liabilities		108,445,588	115,485,532	128,464,711
Total Liabilities		232,630,221	227,875,942	234,738,681
TOTAL EQUITY AND LIABILITIES		387,229,726	353,373,664	322,791,763

Significant Accounting Policies

1

The accompanying notes form 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

Sd/-

DIVYESH V MEHTA

(Partner)

M.No.: 044293F

Place: Mumbai

Date: 15th June, 2018

For and on behalf of the Board of Directors

Shailesh R. Gandhi - Managing Director (DIN:01963172)

Bela S. Gandhi - Director (DIN:03126886)

Rahil S. Gandhi - Wholetime Director (DIN:03126913)

Prakash C. Mistry - Chief Financial Officer

Uday Sawant - Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	Note No.	2017-18	2016-17
		Rs.	Rs.
REVENUE			
Revenue from operations	24	435,565,217	467,878,706
Other income	25	18,859,292	22,219,561
TOTAL INCOME		454,424,509	490,098,267
EXPENSES			
Cost of materials consumed	26	196,452,756	212,016,393
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(4,198,129)	(1,214,570)
Excise duty on sale of goods		3,497,966	9,559,254
Employee benefit expenses	28	41,848,902	33,892,094
Finance costs	29	9,308,819	9,449,634
Depreciation and amortisation expense	2	17,855,457	15,368,343
Other expenses	30	149,426,585	170,295,000
TOTAL EXPENSES		414,192,355	449,366,147
Profit / (loss) before Exceptional Items and Tax		40,232,154	40,732,119
Exceptional items		-	-
Profit / (loss) before Tax for the year		40,232,154	40,732,119
Tax expense			
Current tax		12,800,000	11,000,000
Deferred tax		(834,236)	238,839
Total Tax Expense		11,965,764	11,238,839
Profit / (loss) for the Year		28,266,390	29,493,280
Other Comprehensive Income			
a) Items that will not be reclassified to profit and loss			
i) Remeasurements of the defined benefit plans		188,596	(1,734,991)
b) Income tax related to item no (a) above		(51,963)	478,033
Other Comprehensive Income, net of tax		136,633	(1,256,958)
Total comprehensive income for the year		28,403,023	28,236,323
Earnings per share - Face Value Rs. 10.00 per share	32		
(1) Basic (in Rs.)		8.85	9.23
(2) Diluted (in Rs.)			

Significant Accounting Policies

1

The accompanying notes form 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

Sd/-

DIVYESH V MEHTA

(Partner)

M.No.: 044293F

Place: Mumbai

Date: 15th June, 2018

For and on behalf of the Board of Directors

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Bela S. Gandhi - Director (DIN:03126886)

Rahil S. Gandhi - Wholetime Director (DIN:03126913)

Prakash C. Mistry - Chief Financial Officer

Uday Sawant - Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	2018		2017	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow from Operating Activities				
Net Profit / (Loss) for the year after extraordinary items and tax		28,403,023		28,236,323
<i>Adjustments for:</i>				
Appropriation for MAT credit entitlement	-		6,690,894	
Depreciation and amortisation	17,855,457		15,368,343	
Finance costs	9,308,819		9,449,634	
Interest income	(16,170,148)		(12,958,484)	
Dividend income	(1,109,651)		(379,569)	
Net (gain) / loss on sale of investments	1,130,475		(6,139,279)	
Net (gain) / loss on sale of Fixed Assets	0		128,808	
Liabilities /provisions no longer required written back	(1,441,493)		(6,007,503)	
Provsion for Taxation	12,800,000		11,000,000	
Deferred Tax	(782,273)		(239,194)	
		21,591,186		16,913,650
Operating Profit / (loss) before Working Capital Changes		49,994,209		45,149,973
<i>Adjustments for -</i>				
Trade and Other Receivables	(31,785,239)		7,895,940	
Inventories	1,542,746		(25,358,131)	
Trade and Other Payables	(30,378,925)	(60,621,418)	(13,262,409)	(30,724,600)
Net Cash Flow from / (used in) Operating Activities (A)		(10,627,209)		14,425,373
B. Cash flow from Investing Activities				
Capital expenditure on fixed assets, including capital advances	(15,690,591)		(31,555,716)	
Proceeds from sale of fixed assets	-		81,720	
Redemption of FD/ (Investment in FD)	(4,055,574)		16,165,284	
Purchase of Investment	(27,397,145)		(24,718,732)	
Proceeds from sale of Investments	20,339,129		18,725,294	
Interest received	16,170,148		4,482,159	
Dividend received	1,109,651		379,569	
Net Cash Flow from / (used in) Investing Activities (B)		(9,524,382)		(16,440,422)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	2018		2017	
	Rs.	Rs.	Rs.	Rs.
C. Cash flow from financing activities				
Proceeds from long-term borrowings	86,946,037		11,300,000	
Repayment of long-term borrowings	(61,690,308)		(5,250,000)	
Finance cost	(9,308,819)		(1,842,802)	
Net Cash Flow from / (used in) Financing Activities (C)		15,946,910		4,207,198
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		(4,204,681)		2,192,148
Cash and cash equivalents at the beginning of the year		17,911,790		15,719,642
Cash and Cash Equivalents at the end of the year		13,707,110		17,911,790
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet	17,911,790		15,719,642	
Net Cash and cash equivalents	(4,204,680)		2,192,148	
Cash and Cash Equivalents at the end of the year	13,707,110		17,911,790	
Cash And Cash Equivalent Comprises of:				
(a) Cash on hand	253,811		1,081,370	
(b) Balances with banks				
(i) In current accounts	13,453,299	13,707,110	16,830,420	17,911,790
Significant Accounting Policies	1			
The accompanying notes form 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

Sd/-
DIVYESH V MEHTA
(Partner)
M.No.: 044293F

Place: Mumbai
Date: 15th June, 2018

For and on behalf of the Board of Directors

Shailesh R. Gandhi - Managing Director (DIN:01963172)
Bela S. Gandhi - Director (DIN:03126886)
Rahil S. Gandhi - Wholetime Director (DIN:03126913)
Prakash C. Mistry - Chief Financial Officer
Uday Sawant - Company Secretary

**Statement of Changes in Equity for the year ended March 31, 2018****A. Equity Share Capital**

Particulars	Amount
As at April 01, 2016	31,941,500
Changes in Equity share capital during the year	-
As at March 31, 2017	31,941,500
Changes in Equity share capital during the year	-
As at March 31, 2018	31,941,500

B. Other Equity

Particulars	Reserves and Surplus					Other Reserves	Total other Equity
	Securities Premium Reserve	General Reserve	Capital reserve	Capital redemption reserve	Retained Earnings	FVOCI Adjustments	
As at April 01, 2016	-	-	3,750,000	-	42,664,606	9,696,976	56,111,582
Profit for the year	-	-	-	-	36,184,174	-	36,184,174
Other Comprehensive Income	-	-	-	-	-	1,260,465	1,260,465
Total comprehensive income for the year	-	-	-	-	36,184,174	1,260,465	37,444,640
As at March 31, 2017	-	-	3,750,000	-	78,848,780	10,957,441	93,556,222
Profit for the year	-	-	-	-	28,266,390	-	28,266,390
Other Comprehensive Income	-	-	-	-	-	835,394	835,394
Total comprehensive income for the year	-	-	-	-	28,266,390	835,394	29,101,784
As at March 31, 2018	-	-	3,750,000	-	107,115,170	11,792,835	122,658,006

Significant Accounting Policies 1

The accompanying notes form 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

Sd/-
DIVYESH V MEHTA
(Partner)
M.No.: 044293F

Place: Mumbai
Date: 15th June, 2018

For and on behalf of the Board of Directors

Shailesh R. Gandhi - Managing Director (DIN:01963172)
Bela S. Gandhi - Director (DIN:03126886)
Rahil S. Gandhi - Wholetime Director (DIN:03126913)
Prakash C. Mistry - Chief Financial Officer
Uday Sawant - Company Secretary



Notes to the Financial Statements

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.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

(A) Statement of Compliance

- (i) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2017. Previous periods have been restated to IndAS. In accordance with IndAS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation of financial statements prepared under Accounting Standards notified under the Companies (Accounting Standards) Rule, 2006 ("Previous GAAP") and IndAS as at 31 March 2017 and 1 April 2016.

These financial statements have been prepared in accordance with IndAS as notified under the Companies (Indian Accounting Standards) Rule, 2015 read with Section 133 of the Companies Act, 2013.

(B) Basis of preparation

"These financial statements have been prepared on the historical cost basis, except for "(i) certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. "(ii) Defined benefit plans - plan assets measured at fair value."Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."The financial statements for the year ended March 31, 2018 are the First Ind AS Financial Statements of the Company. The financial statements for the year ended March 31, 2017 were prepared as per the Companies (Accounting Standards) Rules 2006 (IGAAP), have now been restated to give effect of IndAS and to arrive at comparable figures for the year ended March 31, 2018, by availing voluntary exemptions and subject to mandatory exemption as per Ind AS 101 'First-time adoption of Indian Accounting Standards "Ind AS 101" .Reconciliation and descriptions of the effect of the transition has been summarized in note no. 38. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use."

(C)

The preparation of these financial statements in conformity with the recognition and measurement principles of IndAS requires the management of the Company to make estimates and assumptions that affect the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Impairment of investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. A deferred tax asset shall be recognised for all deductible temporary differences and unused losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and unused losses can be utilised.

Provisions and contingent liabilities

"A provision is required when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates."Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements."

(D) Revenue recognitionSale 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/GST, 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.

Interest & Dividend:

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

(E) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and Deferred taxes are recognised in Statement of Profit & Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.



Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

(F) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

(G) Property, plant and equipment

Depreciation is provided for property, plant and equipment so as to amortise the cost over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period,

SN	Type of asset	Method	Useful lives
1	Factory Buildings	Straight line	30 years
2	Other Buildings	Straight line	60 years
3	Furniture And Fixtures	Straight line	10 years
4	Computer equipment	Straight line	03 years
5	Vehicles	Straight line	08 years
6	Office equipments	Straight line	05 years
7	Electrical installations	Straight line	10 years
8	Plant & Machinery - other than continous process plant	Straight line	15 years
9	Plant & Machinery - continous process plant	Straight line	08 years

**(H) Impairment*****Financial assets (other than at fair value)***

The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. IndAS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Financial assets (other than at fair value)***Tangible and intangible assets***

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (of CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (of CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(I) Employee benefits***Defined benefit plans***

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit & Loss for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

(J) Inventories

Company has Raw Material, Packing Material, Work in Progress and Finished Goods as inventory. Raw Material, packing material and Work in Progress are carried at cost. Finished Goods are carried at the lower of cost and net realisable value. Cost is determined on a FIFO basis.

(K) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

The company has borrowing from banks & financial institutions which are secured by its own fixed deposits & shares. It also has loans from directors. It does not have borrowing from any other external sources.



(L) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years' presented. "Diluted earnings per share are computed by dividing net profit net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares unless the results would be anti - dilutive. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds"

(M) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.



NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land		Buildings (Rs.)	Plant, Machinery & Equipment (Rs.)	Other Equipments (Rs.)	Furniture & Fittings (Rs.)	Vehicles (Rs.)	Total (Rs.)
	Owned (Rs.)	Leased (Rs.)						
Gross carrying amount								
Cost as at April 01, 2016*	-	2,249,100	16,202,582	163,584,402	1,538,073	1,225,275	2,625,269	187,424,701
Additions	-	-	-	33,174,771	317,480	277,232	-	33,769,483
Other adjustments	-	-	-	-	-	-	-	-
Disposals, transfers and adjustments	-	-	-	4,393,609	-	-	-	4,393,609
As at March 31, 2017	-	2,249,100	16,202,582	192,365,564	1,855,553	1,502,507	2,625,269	216,800,575
Additions	-	-	-	14,056,874	94,794	-	3,998,976	18,150,644
Other adjustments	-	-	-	-	-	-	-	-
Disposals, transfers and adjustments	-	-	520,995	3,044,559	-	-	-	3,565,554
As at March 31, 2018	-	2,249,100	15,681,587	203,377,879	1,950,347	1,502,507	6,624,245	231,385,665
Depreciation Amortisation								
Cost as at April 01, 2016*	-	538,318	11,482,808	56,098,366	1,276,345	1,113,715	1,825,618	72,335,169
For the year	-	24,290	521,109	14,630,869	86,651	23,649	81,775	15,368,343
Disposals and adjustments	-	-	-	912,588	-	-	-	912,588
Upto March 31, 2017	-	562,608	12,003,917	69,816,647	1,362,996	1,137,364	1,907,393	86,790,924
For the year	-	24,290	521,109	17,032,521	124,515	43,433	109,589	17,855,457
Disposals and adjustments	-	-	520,995	445,828	-	-	-	966,823
Upto March 31, 2018	-	586,898	12,004,031	86,403,340	1,487,511	1,180,797	2,016,982	103,679,558
Net carrying amount								
As at 01-04-2016	-	1,710,782	4,719,774	107,486,036	261,728	111,560	799,651	115,089,532
As at 31-03-2017	-	1,686,492	4,198,665	122,548,917	492,557	365,143	717,876	130,009,651
As at 31-03-2018	-	1,662,202	3,677,556	116,974,539	462,836	321,710	4,607,263	127,706,107

**NOTE 3:- CAPITAL WORK IN PROCESS**

Particulars	Amount (Rs.)
Gross carrying amount cost as at April 01, 2016	-
Additions	1,056,726
Disposals, transfers and adjustments	-
As at March 31, 2017	1,056,726
Additions	138,678
Disposals, transfers and adjustments	-
As at March 31, 2018	1,195,404

NOTE 4 : NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
a) Investment in equity instruments of Other Company (Unquoted)	800,000	800,000	800,000
Total non-current investments	800,000	800,000	800,000

NOTE 5 : NON-CURRENT LOANS & ADVANCES

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
a) Deposits & Advances	28,776,782	23,995,193	42,045,557
Total loans	28,776,782	23,995,193	42,045,557

NOTE 6 : OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
a) Other non current assets	-	3,840,375	-
Total other assets	-	3,840,375	-

NOTE 7 : INVENTORIES

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
a) Raw Material & Packing Material	50,498,119	56,938,994	32,852,167
b) Work-in-progress	-	-	-
c) Finished goods (Manufactured components)	14,364,129	10,166,000	8,951,430
d) Stores, Spares	2,600,000	1,900,000	1,843,266
Total inventories	67,462,248	69,004,994	43,646,863



NOTE 8 : CURRENT INVESTMENTS

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
Investments in equity instruments			
Shares	37,067,540	31,139,999	20,023,999
	37,067,540	31,139,999	20,023,999

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
Aggregate amount of quoted investments			
Cost	26,338,033	22,652,994	10,520,277
Market Value	37,067,540	31,139,999	20,023,999

NOTE 9 : TRADE RECEIVABLES - CURRENT

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment.			
Unsecured, considered good	17,406,798	15,376,986	12,540,064
(b) Trade Receivables outstanding for a period exceeding six months from the date they were due for payment			
Unsecured, considered good	14,539,384	7,127,817	6,170,982
	31,946,182	22,504,803	18,711,045

NOTE 10 : CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
a) Balances with banks:			
In current accounts	13,453,299	16,830,420	15,088,487
b) Cash on hand	253,811	1,081,370	631,155
	13,707,110	17,911,790	15,719,642

NOTE 11 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
a) Short-term bank deposit with original maturity between 3 to 12 months	52,474,188	48,418,614	64,583,897
	52,474,188	48,418,614	64,583,897

**NOTE 12 : CURRENT LOANS & ADVANCES**

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
a) Loans and advances to employees	1,173,073	985,926	986,799
b) Other Advances	20,666,970	150,000	-
Total loans	21,840,043	1,135,926	986,799

NOTE 13 : OTHER CURRENT ASSETS

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
a) Balances with the Government Authorities	1,977,498	3,174,697	1,129,053
b) Advances for expenses	349,435	380,897	55,375
c) Other current assets	1,927,190	-	-
Total other assets	4,254,123	3,555,594	1,184,428



NOTE 14 : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
Authorised			
Equity shares of Rs. 10 each	100,000,000	100,000,000	100,000,000
13.5% Non Cumulative Redeemable Preference shares of Rs.100 each	50,000,000	50,000,000	50,000,000
	150,000,000	150,000,000	150,000,000
Issued, Subscribed and Fully Paid-up			
Equity shares of Rs. 10 each	31,941,500	31,941,500	31,941,500
	31,941,500	31,941,500	31,941,500

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

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. in Lacs	Rs. In Lacs	No. in Lacs	Rs. In Lacs	No. in Lacs	Rs. In Lacs
At the beginning of the Period	3,194,150	31,941,500	3,194,150	31,941,500	3,194,150	31,941,500
Add : Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	3,194,150	31,941,500	3,194,150	31,941,500	3,194,150	31,941,500

Terms/Rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per Share. Each holder of equity shares is entitled to one vote per share.

c) Details of Shareholders holding more than 5% of Equity shares:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Holding %	No. of shares	Holding %	No. of shares	Holding %	No. of shares
Equity shares with voting rights			-	-	-	-
Shailesh R.Gandhi	59.47%	1,899,561	59.47%	1,899,561	59.47%	1,899,561
Bela S.Gandhi	16.78%	535,969	16.78%	535,969	16.78%	535,969
Bela Investment & Finance Co. Pvt. Ltd.	14.40%	459,830	14.40%	459,830	14.40%	459,830
Total	90.65%	2,895,360	90.65%	2,895,360	90.65%	2,895,360

**NOTE 15 : OTHER EQUITY**

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
a) Capital reserve	3,750,000	3,750,000	3,750,000
b) Retained Earnings	-	-	-
Balance at the beginning of the year	78,848,780	42,664,606	(833,806)
Add: Profit for the year	28,266,390	29,493,280	43,498,412
Add: Provision for MAT credit entitlement		6,690,894	
Balance as at the end of the year	107,115,170	78,848,780	42,664,606
f) Other reserves			
i) Fair Value through other comprehensive Income			
Balance as at the beginning of the year	10,957,441	9,696,976	
Add: Adjustments through other comprehensive income	835,394	1,260,465	9,696,976
Balance as at the end of the year	11,792,835	10,957,441	9,696,976
Total	122,658,006	93,556,222	56,111,582

NOTE 16: LONG TERM BORROWINGS

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
Secured			
Loans from bank & financial institution against security of vehicle & Company's owned shares respectively	14,639,927	-	-
Unsecured			
Loans from directors	57,812,585	53,604,405	45,129,524
	72,452,512	53,604,405	45,129,524

NOTE 17 : OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
Deposits from customers	28,326,244	26,406,171	32,905,729
	28,326,244	26,406,171	32,905,729

NOTE 18 : NON CURRENT PROVISIONS

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
<u>Provision for employee benefits</u>			
Provision for earned leave wages	1,437,432	606,348	4,853,741
Provision for Gratuity	4,650,209	4,533,175	2,393,011
Provision for Bonus	829,203	655,625	478,879
	6,916,844	5,795,148	7,725,631

**NOTE 19 : OTHER NON CURRENT LIABILITIES**

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
a) Debtors credit under protest	4,131,281	4,131,281	4,131,281
b) Statutory dues	-	-	8,688,060
c) Others	5,685,475	14,998,854	-
	9,816,756	19,130,135	12,819,341

NOTE 20 : SHORT TERM BORROWINGS

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
Loan against Security of of Company's owned Fixed Deposits: (Secured)		-	-
From Bank	44,923,168	39,214,305	51,873,046
	44,923,168	39,214,305	51,873,046

NOTE 21 : CURRENT - TRADE PAYABLES

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
Trade Payables	38,388,854	57,448,684	46,828,175
	38,388,854	57,448,684	46,828,175

NOTE 22 : OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
a) Statutory dues	8,517,917	8,851,744	4,508,230
b) Others	3,139,419	290,127	8,919,707
	11,657,336	9,141,871	13,427,937

NOTE 23 : CURRENT PROVISIONS

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
Provision for expenses	7,928,969	6,580,672	4,007,945
Provision for taxation	5,547,261	3,100,000	12,327,608
	13,476,230	9,680,672	16,335,553

**NOTE 24 : REVENUE FROM OPERATIONS**

Particulars	2017-18 (Rs.)	2016-17 (Rs.)
Sale of Products	434,643,013	467,203,104
Other operating revenues		
Scrap Sales	922,204	675,602
	435,565,217	467,878,706

NOTE TO NOTE NO.24

Particulars	2017-18 (Rs.)	2016-17 (Rs.)
(i) Sale of products comprises of:		
Sales of ice-cream & frozen desserts	434,643,013	467,203,104
Total - Sale of products	434,643,013	467,203,104
(ii) Other operating revenues compromise of:		
Sale of scrap	922,204	675,602
Total - Other operating revenues	922,204	675,602
	435,565,217	467,878,706

NOTE 25 : OTHER INCOME

Particulars	2017-18 (Rs.)	2016-17 (Rs.)
Dividend from equity investment measured at FVTPL	1,109,651	379,569
Interest income from financial assets measured at amortised cost	12,168,851	8,476,325
Interest from bank deposits and other deposits etc.	4,001,297	4,482,159
Gain on disposal of investment	-	6,139,279
Sundry Balance Written Back	1,441,493	2,727,291
Miscellaneous Income	138,000	14,938
	18,859,292	22,219,561



NOTE 26 : COST OF MATERIALS CONSUMED

Particluars	2017-18 (Rs.)	2016-17 (Rs.)
Material consumed comprises:		
(i) Packing Materials		
Opening stock	14,698,715	11,485,410
Add: Purchases	41,560,007	53,261,174
	56,258,722	64,746,584
Less : Closing Stock	(15,102,833)	(14,698,715)
	41,155,889	50,047,869
ii) Raw Materials		
Opening stock	42,240,279	21,366,757
Add: Purchases	148,451,874	182,842,045
	190,692,153	204,208,802
Less : Closing Stock	(35,395,286)	(42,240,279)
	155,296,867	161,968,523
	196,452,756	212,016,393

NOTE TO NOTE NO.26 - Purchases of raw material & packing materials

Particluars	2017-18 (Rs.)	2016-17 (Rs.)
(a) Packing materials	41,560,007	53,261,174
(b) Raw materials		
Butter	11,559,000	27,879,891
Chocolate	16,753,426	2,414,541
Cone Biscuit	22,138,547	16,269,620
Dry fruits	11,159,317	13,503,571
Milk	6,913,934	5,591,486
Other	17,508,437	49,551,932
Palm oil	16,616,419	16,619,050
S.M.P	29,850,400	39,047,400
Sugar	15,243,347	10,433,850
other expenses	709,048	1,530,704
	148,451,874	182,842,045
Total:	190,011,881	236,103,220

**NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	2017-18 (Rs.)	2016-17 (Rs.)
Stocks at commencement		
Finished goods	10,166,000	8,951,430
Less: Stocks at closing		
Finished goods	14,364,129	10,166,000
(Increase) Decrease in stock of Finished Goods	(4,198,129)	(1,214,570)

NOTE 28 : EMPLOYEE BENEFIT EXPENSES

Particulars	2017-18 (Rs.)	2016-17 (Rs.)
Salaries, wages, bonus and allowances	39,064,436	30,999,592
Contribution to Provident and other funds	2,213,729	2,132,199
Staff welfare	570,737	760,303
	41,848,902	33,892,094

NOTE 29 : FINANCE COSTS

Particulars	2017-18 (Rs.)	2016-17 (Rs.)
Interest on borrowings		
(i) Bank Loan	1,957,650	1,274,112
(ii) Cold room deposit	569,405	461,981
(iii) Other Borrowing Costs	6,781,764	7,713,541
	9,308,819	9,449,634

**NOTE 30 : OTHER EXPENSES**

Particluars	2017-18 (Rs.)	2016-17 (Rs.)
Consumption of stores and Consumables	3,467,699	7,294,265
Power & Fuel	20,902,788	18,932,912
Water	1,240,123	1,309,986
Rent	830,377	878,666
Royalty	10,329,269	15,212,002
Rates & Taxes	2,526,161	16,175,537
Telephone Expenses	968,440	1,245,597
Insurance	715,550	699,517
Printing and Stationery	498,213	708,774
Travelling and conveyance	5,842,718	5,439,266
Commission	12,432,299	9,610,538
Cold Storage	8,145,350	8,321,837
Repairs and maintenance	1,037,459	2,946,639
Business Promotion	6,600,309	11,454,337
Advertisement	12,697,635	13,273,699
Selling and Distribution	13,200,262	11,316,168
Loss on disposal of fixed assets		128,808
Prior period items (net) (Refer Note below)	2,541,608	118,729
Donations	1,194,551	844,300
Freight And Handling Charges	27,967,890	30,034,626
Loss on disposal of investment	1,130,475	-
Legal and Professional Fees	4,394,865	4,208,756
Audit fees incl. tax audit	300,000	244,375
Miscellaneous expenses	10,462,544	9,895,666
	149,426,585	170,295,000

NOTE TO NOTE NO.30**Prior period items**

Particluars	2017-18 (Rs.)	2016-17 (Rs.)
Details of prior period items		
Expenses	2,541,608	118,729
	2,541,608	118,729



NOTE 31 - Note on Contingent Liabilities

Note	Particulars	2018 (Rs. In lakh)	2017 (Rs. In lakh)
	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	26.82
(b)	Income tax demand for A.Y.2003-04 erroneously shown in Intimation u/s. 245 but as per AO demand is NIL	-	19.02
(c)	Difference in Rate of VAT contested under MVAT Act before Joint Commissioner of Sales Tax and Bombay High Court for the year April 2005 to March 2006	29.88	29.88
(d)	Difference in Rate of VAT contested under MVAT Act before Joint Commissioner of Sales Tax and Supreme Court (by Vat Authorities) for the period April 2006 to March 2008 (See Note below)		
	Principal	152.01	152.01
	Interest on above	202.85	229.21
(e)	Input Tax Credit disallowed in assessment is contested under MVAT Act before Joint Commissioner of Sales Tax for the period April 2009 to March 2011		
	Principal	30.97	30.97
	Interest on above	34.05	29.40
(f)	Difference in Rate of VAT contested under Bombay Sales-tax Act before Supreme Court for the year 1995-96	25.88	25.88
(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
(h)	Arbitration proceedings defended against one unsecured creditor of company (excluding interest claimed by party)	20.00	20.00
(i)	Appeal filed with Commissioner of Income tax (Appeals) under Income-tax Act, 1961 during the year against Assessment order for A.Y. 2015-16		
	Principal	98.56	-
	Interest on above	34.87	-
(j)	Civil suit is defended against one unsecured creditor of company at Bombay City Civil Court (excluding interest claimed by party)	0.63	-

Note: The company had won the case of vat in VAT Tribunal for the period April-2006 to March-2008. The VAT authorities had challenged the same judgement of tribunal in Bombay High Court. The appeal of the VAT authorities was rejected and not admitted by the Bombay High court which is in favour of the company.

Further SLP of the VAT authorities on the same issue has been still pending at Supreme Court in case of other companies.

**Note 32 - Particulars of Earnings Per share**

Particulars	31/03/2018	31/03/2017
a) Net Profit for the year	28266389.94	29493280.27
b) Number of equity shares outstanding at the beginning and at the end of the year	3194150	3194150
c) Nominal Value of the shares (Rs.)	10.00	10.00
d) Basic and diluted Earning per share (Rs.) (a/b)	8.85	9.23

NOTE 33 - CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

a) Income Tax Expense

Particulars	2017-18	2016-17
i) Current tax		
Current tax on profits for the year	12,800,000	11,000,000
Total current tax expense	12,800,000	11,000,000
ii) Deferred tax		
(Decrease) Increase in deferred tax liabilities	(834,236)	238,839
Decrease (Increase) in deferred tax assets	-	-
Trfd to OCI on actuarial gain or loss	51,963	(478,033)
Total deferred tax expense (benefit)	(782,273)	(239,194)
Income tax expense	12,017,727	10,760,806

b) The reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows

Particulars	2017-18	2016-17
a) Statutory income tax rate	27.55%	30.00%
b) Differences due to:		
i) Expenses not deductible for tax purposes	26.69%	14.92%
ii) Income exempt from income tax	2.40%	0.00%
iii) Income tax incentives	0.00%	0.00%
iv) Others	-24.83%	-17.91%
Effective income tax rate	31.82%	27.01%

c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.**d) Unrecognised temporary differences**

The Company has not recognised deferred tax liability associated with fair value gains on equity share measured at OCI as based on Management projection of future taxable income and existing plan it is not probable that such difference will reverse in the foreseeable future.



NOTE 34 - EMPLOYEE BENEFIT OBLIGATIONS

Funded Scheme

a) Defined Benefit Plans:

Gratuity

Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Balance sheet amount (Gratuity)

Particulars	Amount
April 1, 2016	
Liability at the beginning of the year	2,393,011
Current service cost	273,662
Interest expense (income)	167,511
Total amount recognised in profit and loss	2,834,184
Remeasurements	
Return on plan assets, excluding amount included in interest expense (income) (Gain) Loss from change in financial assumptions	1,734,991
Experience (gains) losses	-
Total amount recognised in other comprehensive income	1,734,991
Employer contributions	
Benefit payments	
March 31, 2017	4,569,175
Current service cost	331,822
Interest expense (income)	302,576
Total amount recognised in profit and loss	634,398
Remeasurements	
Return on plan assets, excluding amount included in interest expense (income) (Gain) Loss from change in financial assumptions	-
Experience (gains) losses	(382,704)
Total amount recognised in other comprehensive income	(382,704)
Employer contributions	
Benefit payments	(170,660)
Balances at the end of the year	4,650,209



The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
Present value of unfunded obligations	4,650,209	4,569,175	2,393,011
Deficit of Gratuity plan	4,650,209	4,569,175	2,393,011

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)	As at April 01, 2016 (Rs.)
Discount rate	7.60%	7.00%	7.00%
Attrition rate	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages
Rate of return on plan assets	N/A	N/A	N/A
Salary escalation rate	6.50%	6.50%	6.50%

Sensitivity analysis

The above sensitivity analyses are based on same assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

ii) Provident fund:

The Company makes monthly contribution to Government approved Provident Fund.



NOTE 35 - a) Fair Value Measurement

Particulars	31-Mar-18			31-Mar-17			1-Apr-16		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investments:									
Equity instruments	37,067,540		800,000	31,139,999	-	800,000	20,023,999	-	800,000
Trade receivables			31,946,182			22,504,803			18,711,045
Cash and bank balances			66,181,298			66,330,404			80,303,539
Other receivables	28,776,782		21,840,043	23,995,192		1,135,927	30,624,119	-	12,408,237
Total Financial assets	65,844,322	-	120,767,523	55,135,191	-	90,771,134	50,648,118	-	112,222,821
Financial liabilities									
Borrowings	57,812,585		59,563,095	53,604,405		39,214,305	45,129,524		51,873,046
Trade payables			38,388,854			57,448,684			46,828,175
Security deposits	28,326,244		-	26,406,171	-	-	32,905,729	-	-
Total financial liabilities	86,138,829	-	97,951,949	80,010,576	-	96,662,989	78,035,253	-	98,701,221

Fair Value Hierarchy

This section explains the judgement and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- i) the use of quoted market prices or dealer quotes for similar instruments
- ii) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- iii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date
- iv) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- v) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

c) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

**NOTE 36 - CAPITAL MANAGEMENT**

Risk management

The primary objective of the Company's Capital Management is to maximise shareholder value. The Company monitors capital using Debt-Equity ratio, which is total debt divided by total capital plus total debt.

For the purposes of the Company's capital management, the Company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the Balance Sheet includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt.

Particulars	31-Mar-18	31-Mar-17
Total Debt	117,375,680.01	92,818,710.00
Total Equity	154,599,505.61	125,497,721.67
Debt-Equity ratio	0.76	0.74

NOTE 37 - REGROUPED | RECAST | RECLASSIFIED

Figures of the earlier year have been reclassified to conform to Ind AS presentation requirements

NOTE 38 - TRANSITION TO IND AS

These are the First Financial Statements of the Company prepared in accordance with Ind AS.

The Accounting Policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018, the comparative information presented in these Financial Statements for the year ended March 31, 2017 "and in the preparation of an opening Ind AS Balance Sheet as at April 1, 2016 (the date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act

(IGAAP). An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company is set out in the following tables and notes.

NOTE 38.1- EXEMPTIONS AND EXCEPTIONS AVAILED

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This Note explains the adjustments made by the Company in restating its IGAAP Financial Statements, including the Balance Sheet as at April 1, 2016 and the Financial Statements as at and for the year ended March 31, 2017.

a) Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS.

i) Deemed cost

Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings.

The Plant, Equipment and Intangible assets are measured at its carrying value at the transaction date.

ii) Investments in subsidiary companies, associate company and joint venture company

Ind AS 101 permits a first-time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be its fair value at



date of transition to Ind AS of the Company, or IGAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary companies, associate company and joint venture company under IGAAP carrying amount as its deemed cost on the transition date.

b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i) Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

NOTE 38.2 RECONCILIATION BETWEEN IGAAP AND IND AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

a) Reconciliation of equity as at March 31, 2017 and April 1, 2016

Particulars	Notes to reconciliation	As at March 31, 2017			As at April 01, 2016		
		Regrouped IGAAP*	Adjustments	Ind AS	Regrouped IGAAP*	Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	a	130,009,651	-	130,009,651	115,089,532	-	115,089,532
Capital work-in-progress		1,056,726	-	1,056,726	-	-	-
Investment properties		-	-	-	-	-	-
Intangible assets		-	-	-	-	-	-
Financial assets		800,000	-	800,000	800,000	-	800,000
i) Investments	c	-	-	-	-	-	-
ii) Trade receivables		-	-	-	-	-	-
iii) Loans		29,433,231	(5,438,039)	23,995,193	42,045,557	-	42,045,557
iv) Other financial assets		-	-	-	-	-	-
Current tax assets (net)		-	-	-	-	-	-
Deferred tax assets (net)		-	-	-	-	-	-
Other non-current assets		-	3,840,375	3,840,375	-	-	-
Total non-current assets		161,299,608	(1,597,664)	159,701,945	157,935,089	-	157,935,089
Current assets							
Inventories		69,004,994	-	69,004,994	43,646,863	-	43,646,863
Financial assets		-	-	-	-	-	-
i) Investments	c	22,652,994	8,487,005	31,139,999	10,520,277	9,503,722	20,023,999
ii) Trade receivables		22,504,803	-	22,504,803	18,711,045	-	18,711,045
iii) Unbilled Revenue		-	-	-	-	-	-
iii) Cash and cash equivalents		17,911,790	-	17,911,790	15,719,642	-	15,719,642
iv) Bank balances other than cash and cash equivalents above		48,418,614	-	48,418,614	64,583,897	-	64,583,897
v) Loans		1,135,926	-	1,135,926	986,799	-	986,799



vi) Other financial assets	-	-	-	-	-	-	-
Current tax assets (net)	-	-	-	1,184,428	-	-	1,184,428
Other current assets	1,957,930	1,597,664	3,555,594	-	-	-	-
Total current assets	183,587,051	10,084,669	193,671,720	155,352,951	9,503,722	164,856,673	
Assets held-for-sale / Assets included in disposal group(s) held-for-sale	-	-	-	-	-	-	-
TOTAL ASSETS	344,886,659	8,487,005	353,373,665	313,288,040	9,503,722	322,791,762	
EQUITY AND LIABILITIES							
Equity							
Equity share capital	31,941,500	-	31,941,500	31,941,500	-	-	31,941,500
Other equity	a,e 69,794,155	23,762,067	93,556,222	35,736,432	20,375,150	-	56,111,582
Total equity	101,735,655	23,762,067	125,497,722	67,677,932	20,375,150	88,053,082	
LIABILITIES							
Non-current liabilities							
Financial liabilities							
i) Borrowings	60,876,500	(7,272,095)	53,604,405	54,826,500	(9,696,976)	-	45,129,524
ii) Other financial liabilities	52,952,270	(26,546,099)	26,406,171	46,899,522	(13,993,793)	-	32,905,729
Provisions	5,795,148	-	5,795,148	7,725,631	-	-	7,725,631
Deferred tax liabilities	7,454,551	-	7,454,551	7,693,745	-	-	7,693,745
Other liabilities	-	19,130,135	19,130,135	-	12,819,341	-	12,819,341
Total non-current liabilities	127,078,469	(14,688,059)	112,390,410	117,145,398	(23,690,769)	106,273,970	
Current liabilities							
Financial liabilities							
i) Borrowings	39,214,305	-	39,214,305	51,873,046	-	-	51,873,046
ii) Trade payables	57,448,684	-	57,448,684	46,828,175	-	-	46,828,175
iii) Other financial liabilities	-	-	-	-	-	-	-
Unearned and deferred revenue	-	-	-	-	-	-	-
Current tax liabilities (net)	-	-	-	-	-	-	-
Provisions	9,680,672	-	9,680,672	16,335,553	-	-	16,335,553
Other liabilities	9,728,873	(587,002)	9,141,871	13,427,937	-	-	13,427,937
Total current liabilities	116,072,534	(587,002)	115,485,532	128,464,711	-	128,464,711	
Total liabilities	243,151,003	(15,275,061)	227,875,942	245,610,109	(23,690,769)	234,738,681	
TOTAL EQUITY AND LIABILITIES	344,886,658	8,487,006	353,373,664	313,288,041	(3,315,619)	322,791,763	

* The IGAAP figures have been reclassified & regrouped to conform to Ind AS presentation requirements for the purposes of this note.


b) Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Notes to reconciliation	Regrouped IGAAP*	Adjustments	Ind AS
Revenue from operations		467,878,706	-	467,878,706
Other income		16,894,640	5,324,921	22,219,561
Total income		484,773,346	5,324,921	490,098,267
Expenses				
Cost of materials consumed		212,016,393	-	212,016,393
Purchase of stock-in-trade		-	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(1,214,570)	-	(1,214,570)
Excise duty		9,559,254	-	9,559,254
Employee benefit expenses	d	35,627,085	(1,734,991)	33,892,094
Finance costs		1,842,802	7,606,832	9,449,634
Depreciation and amortisation expenses		15,368,343	-	15,368,343
Other expenses		173,446,404	(3,151,404)	170,295,000
Total expenses		446,645,711	2,720,437	449,366,147
Profit before exceptional items and tax		38,127,635	2,604,484	40,732,119
Exceptional items		-	-	-
Profit before tax from continuing operations		38,127,635	2,604,484	40,732,119
Tax expense				
Current tax		11,000,000	-	11,000,000
Deferred tax		(239,194)	478,033	238,839
Earlier years		-	-	-
Total tax expense		10,760,806	478,033	11,238,839
Profit for the Year		27,366,829	2,126,451	29,493,280
Other comprehensive income	f,d	-	(1,256,958)	(1,256,958)
Total comprehensive income for the year		27,366,829	869,493	28,236,323

* The IGAAP figures have been reclassified & regrouped to conform to Ind AS presentation requirements for the purposes of this note.

c) Impact of Ind AS adoption on the Standalone Statements of Cash Flows for the year ended March 31, 2017

The transition from Indian GAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

**NOTE 38.3 :- NOTES TO RECONCILIATION BETWEEN IGAAP AND IND AS****a) Property, plant and equipment**

- i. The company has not exercised option to consider fair value of property, plant & equipment.

b) Deferred tax

Under IGAAP, deferred tax were accounted for using the income statement approach which focuses on differences between taxable profit and accounting profit for the period. Ind AS requires entities to account for deferred taxes using the Balance Sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred taxes on temporary differences which were not required to be recorded under IGAAP.

In addition, the various transitional adjustments have led to deferred tax implications which the Company has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction either in Retained earnings or Other Comprehensive Income on the date of transition.

c) Fair valuation of investments

Under IGAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be measured at fair value and the Company has elected to classify such investments at FVTPL. This has not affected the Retained earnings.

d) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements that is actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of profit or loss. Under the IGAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs 62.66 Lakhs. There is no impact on the total equity as at April 1, 2016.

e) Retained earnings

Retained earnings as at April 1, 2016 have been adjusted consequent to the above Ind AS transition adjustments.

f) Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss, but are shown in the Statement of Profit and Loss as Other Comprehensive Income which includes remeasurement of defined benefit plans, effective portion of gain | (loss) on cash flow hedging instruments and fair value gain | (loss) on FVOCI equity instruments. The concept of Other Comprehensive Income did not exist under IGAAP.

**NOTE 39 Disclosures under Accounting Standards****Details of transactions with Related Parties**

Description of relationship	
Body corporate in which directors are substantially interested	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, 2018:

Particulars	Directors
Royalty paid to Bela Investment & Finance Co. Pvt Ltd	10,329,269
	(15,212,002)
Loan taken from:	
Shri S.R.Gandhi(Opening Balance - Rs. 34165000)	13,650,000
Bela S. gandhi(Opening Balance - Rs. 26711500)	4,430,000
Loan repaid to:	
Shri S.R.Gandhi	14,887,500
Smt. Bela S. Gandhi	3,000,000
Directors Remuneration:	
Shri S.R.Gandhi	5,100,000
	(4,050,000)
Shri R.S. Gandhi	1,800,000
	(1,500,000)
Smt. Bela Gandhi	900,000
	(450,000)
Balance Outstanding at year end:	
i) Trade deposit with Bela Investment & Finance Co. Pvt. Ltd.	25,000,000
	(25,000,000)
ii) Other Advances:	
Bela Investment & Finance Co. Pvt. Ltd.	5,216,648
iii) Loan from directors:	
Shri S.R.Gandhi	32,927,500
Smt. Bela Gandhi	28,141,500

Note: Figures in bracket relates to the previous year



(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:.....

4.

Name :

Address:

E-mail Id:

Signature:.....



5.

Name :

Address:

E-mail Id:

Signature:.....

6.

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 Thursday, September 27, 2018 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 Shri Shailesh Gandhi who is liable to retire by rotation at this AGM.
3. To appoint Shri Sandip Patil as an Executive Director
4. Increase in remuneration of Shri. Shailesh Gandhi, Managing director of the Company
5. Increase in remuneration of Shri. Rahil Sailesh Gandhi Whole Time director of the Company
6. Increase in remuneration of Shrimati. Bela Gandhi, director of the Company

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.

.....cut here



ATTENDANCE SLIP

VADILAL DAIRY INTERNATIONAL LIMITED

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

No. of shares	:	
Folio No./DP ID - Client ID No.	:	
Name & Address:		

I hereby record my presence at the Annual General Meeting of the Company scheduled to be held on Thursday, September 27, 2018 at 12.00 at Plot No. M-13, MIDC Industrial Area, Tarapur, Boisar- 401506.

Signature of Member/Joint Member
Proxy attending the meeting

Please complete this Attendance Slip and bring the Slip to the meeting

.....cut here.....

EVSN (Electronic Voting Sequence Number)	User ID	(Pan / Seq No.)
170829023		

Note: Duly completed ballot form should reach the Scrutinizer, at the Registered Office of the Company not later than Wednesday , September 26, 2018 by 5.00 P.M. Any ballot form received beyond said time shall be treated as invalid.



Sr. No.: _____

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

VOTING BY BALLOT PAPER

Thirty First Annual General Meeting of the Members of Vadilal Dairy International Limited to be held on Thursday , September 27, 2018 at 12.00 Noon at Plot No. M-13, MIDC Industrial Area, Tarapur, Boisar- 401506.

1.	Name(s) of Shareholder(s) (in block letters) including joint holders, (if any).	:	
2.	Registered Folio No. / DP ID No. / Client ID No.	:	
3.	Address	:	
4.	No. of Equity Shares held	:	

I/We hereby exercise my/our vote in respect of the following Ordinary/ Special Resolutions to be passed through ballot:

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, 2018 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.Shailesh Gandhi who is liable to retire by rotation at this AGM.		
3.	To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution : Appointment of Mr Sandeep Patil as an Additional director.		
4.	Increase in remuneration of Shri. Shailesh Gandhi, Managing director of the Company : To consider and if thought fit, to pass with or without modification (s) , the following resolution as a Special Resolution :		
5.	Increase in remuneration of Shri. Rahil Gandhi, Whole Time Director of the company:		
6.	Increase in remuneration of Mrs. Bela Gandhi, Director of the company:		

Place: _____

Date: _____

Signature of the Member: _____

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



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 Plot No. M-13, MIDC Industrial Area, Tarapur, Boisar - 401506 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 26, 2018 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 26, 2018 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.
- g) ***Shareholder are advised to convert their physical holding in demat mode , as per new SEBI circular it is mandatory to convert the Shares in to demat mode otherwise transfer shares not be allowed to get transfer, hence you are requested to convert you physical holding before 5th December, 2018. After dematerialisation, you may correspondence to demat no in mail id vadilal.dairy1987@gmail.com or sharexindia@vsnl.com***