



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

Date: 1st September, 2014

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

Dear Sir/Madam,

Sub: Submission of Annual Report

Ref: BSE Script Code: 519451

With Reference to the Clause 31 of the Listing Agreement, please find enclosed herewith 6 copies of the Annual Report of the Company for the year 2013-14, including Notice (forming part of the Annual Report) convening the 27th Annual General Meeting of the Company.

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

Form A

1	Name of the Company	Vadilal Dairy International Limited
2	Annual financial statements for the year ended	31 st March, 2014
3	Type of Audit Observation	Unqualified
4	Frequency of Observation	Not Applicable
5	To be signed by-	
	<ul style="list-style-type: none">Executive Director	<i>S R Khandoo</i>



CIN : L15200MH1997PLC107525

Regd. Office : Plot No.M -13, Tarapur M.I.D.C., Navapur Road, Boisar, Dist. Thane - 401 505. Tel.: (02525) 272697 / 272501 Fax : (02525) 273234



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• CFO	<i>Pai Ag</i>
• Auditor of the Company	<i>Namdev</i>
• Audit Committee Chairman	<i>Banhal</i>

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

You are requested to kindly take note of the above.

Thanking You

Yours Faithfully,

For Vadilal Dairy International Limited

Pai Ag
Director/Authorized Signatory



CIN : L15200MH1997PLC107525



Vadilal Dairy International Ltd.



Twenty Seventh Annual Report
2013-14

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

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

*(Appointed as Additional Director W.e.f 14th February, 2014)

** (Appointed as Additional Director W.e.f. 14th August, 2014)

AUDITORS**M/s. VINOD K. MEHTA & CO.**

B-5, Satyam Shopping Centre,
2nd Floor, M. G. Road,
Ghatkopar (East), MUMBAI - 400077

REGISTRARS AND SHARE TRANSFER AGENTS**SHAREX DYNAMIC (INDIA) PVT. LTD.**

Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool, Andheri (E),
Mumbai-400 072

REGISTERED OFFICE

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

BANKERS

HDFC Bank Limited
Federal Bank
Bank of India

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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.

TWENTY SEVENTH ANNUAL GENERAL MEETING

Day: Monday

Date: 29th September, 2014

Time: 12.00 Noon

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

ATTENTION

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

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



NOTICE

Notice is hereby given that the TWENTY SEVENTH Annual General Meeting of **VADILAL DAIRY INTERNATIONAL LIMITED** will be held at Plot no. M-13, MIDC, Industrial Area Tarapur, Boisar- 401506, on Monday, 29th September, 2014 at 12.00 Noon to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider & adopt the Audited Balance Sheet as at 31st March 2014 and Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To elect and appoint Directors in place of those retiring by rotation.
3. To appoint and fix remuneration of M/s. **Vinod K. Mehta & Co**, Chartered Accountants, as the Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the thirtieth Annual General Meeting subject to ratification in every Annual General Meeting and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. **Vinod K. Mehta & Co**, Chartered Accountants (Registration No. 111508W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirtieth Annual General Meeting (subject to ratification in every Annual General Meeting of the Company) at such remuneration as shall be fixed by the Board of Directors of the Company.”

“FURTHER RESOLVED THAT any of the Directors of the company be and are hereby severally authorized to digitally sign necessary e-Forms and to do all such acts, deeds and things which are necessary and incidental in order to give effect to this resolution.”

SPECIAL BUSINESS:

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

“RESOLVED That pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Rahil S. Gandhi** (holding DIN 030126913), Additional Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retire by rotation.

“RESOLVED FURTHER That pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the consent of the Company, be and is hereby accorded to appoint **Mr. Rahil S. Gandhi** (holding DIN 030126913), as a Whole-time Director of the Company designated for a period of five years and the Board of Directors be and is hereby authorised to alter and vary his current terms of appointment and to fix his remuneration within a monetary ceiling of Rs. 12 Lakhs per annum with effect from 1st October, 2014 as given in the Explanatory Statement annexed hereto.”

“FURTHER RESOLVED THAT any of the Directors of the company be and are hereby severally authorized to digitally sign necessary e-Forms and to do all such acts, deeds and things which are necessary and incidental in order to give effect to this resolution.”



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

“RESOLVED THAT Mrs. Bela S. Gandhi who was appointed by the Board as an Additional Director with effect from 14th August, 2014, in terms of Section 161 of the Act and who holds office upto the date of this Annual General Meeting and is eligible for appointment as Director and in respect of whom the Company has received a notice in writing from a member pursuant to section 160 of the Companies Act, 2013 proposing her candidature for the office of the Director be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

“FURTHER RESOLVED THAT any of the Directors of the company be and are hereby severally authorized to digitally sign necessary e-Forms and to do all such acts, deeds and things which are necessary and incidental in order to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of section 2(78), 2(94), 197, 203 and with schedule V of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force) consent be and is hereby accorded to increase the remuneration payable to Mr. Shailesh R. Gandhi, Managing Director of the Company from the existing remuneration of Rs. 12 Lakhs per annum to Rs. 30 Lakhs per annum effective from April 1, 2014 and the Board and/or Remuneration Committee thereof are hereby authorised to pay remuneration from time to time within the above mentioned limit, as given in the Explanatory Statement annexed hereto..”

“RESOLVED FURTHER THAT the Board of Directors or Remuneration Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

“FURTHER RESOLVED THAT any of the Directors of the company be and are hereby severally authorized to digitally sign necessary e-Forms and to do all such acts, deeds and things which are necessary and incidental in order to give effect to this resolution.”

7. **To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“FURTHER RESOLVED THAT any of the Directors of the company be and are hereby severally authorized to digitally sign necessary e-Forms and to do all such acts, deeds and things which are necessary and incidental in order to give effect to this resolution”.

8. **To appoint Mr. Subhashchandra P. Patil (DIN: 01872909) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Subhashchandra P. Patil (DIN: 01872909), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years i.e up to August 31, 2019.”



“FURTHER RESOLVED THAT any of the Directors of the company be and are hereby severally authorized to digitally sign necessary e-Forms and to do all such acts, deeds and things which are necessary and incidental in order to give effect to this resolution.”

9. **To appoint Mr. Vishnu D. Barhate (DIN: 02648391) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vishnu D. Barhate (DIN: 02648391), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to August 31, 2019.”

“FURTHER RESOLVED THAT any of the Directors of the company be and are hereby severally authorized to digitally sign necessary e-Forms and to do all such acts, deeds and things which are necessary and incidental in order to give effect to this resolution.”

10. **To appoint Mr. Prakash O. Mankar (DIN: 06538895) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Prakash O. Mankar (DIN: 06538895), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to August 31, 2019.”

“FURTHER RESOLVED THAT any of the Directors of the company be and are hereby severally authorized to digitally sign necessary e-Forms and to do all such acts, deeds and things which are necessary and incidental in order to give effect to this resolution.”

11. **To consider and, if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:**

“RESOLVED That pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. V V & Associates a firm of Cost Accountants (Firm Registration Number 000515) and the Cost Auditors of the Company appointed by the Board of Directors to conduct the audit of cost records of the Company for the financial year ending March 31, 2015, be paid a remuneration amounting to 40,000/- (Rupees Forty Thousand only) per annum.

“FURTHER RESOLVED THAT any of the Directors of the company be and are hereby severally authorized to digitally sign necessary e-Forms and to do all such acts, deeds and things which are necessary and incidental in order to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c), other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval by BIFR, wherever applicable, the Company authorises the Board of Directors to borrow from time to time on behalf of the Company, any sum or sums of money on such



terms and conditions and with or without security as the Board of Directors may think fit which, together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs. 5 Crores (Rupees Five Crores Only)."

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

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

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

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

Sd/-

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

Place: Mumbai
Date: 23rd August, 2014

Registered Office:

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



NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE, NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 25th September, 2014 to Monday, 29th September, 2014(both days inclusive) for the purpose of Annual General Meeting, pursuant to the provisions of Section 91 of the Companies Act, 2013.
4. (a) Members are requested to notify change of address, if any, with PIN CODE number and quoting 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.
5. Members are requested to quote Folio Numbers in all correspondences.
6. 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.
7. 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.
8. Members are requested to bring their copy of Annual Report along with them in the Meeting.
9. 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 Sharex Dynamic (India) Private Limited.
10. Voting through electronic means:

The Management hereby regrets for not providing the facility of e-Voting, as the Shares issued by the Company in pursuance to the BIFR Order are in the process of listing. In order to provide e-voting facility all the shares of the Company should be in DEMAT mode. Since the entire share capital of the Company are not listed on stock exchange, the Company cannot avail DEMAT facility due to which we are unable to provide you e-voting facility for this Annual General Meeting.

Further, the management would like to inform the members that in pursuance to Clause 35B of the listing agreement the Company is providing its members voting facility through Postal Ballot.



Instructions:

- i) Mr. Suhas S. Ganpule, Practicing Company Secretary, (Membership No. ACS 12122), has been appointed as the Scrutinizer to scrutinize the Postal Ballot process in a fair and transparent manner.
- ii) The scrutinizer shall, within a period not exceeding three working days from the conclusion of the period of voting through postal ballot, unblock the votes in the presence of atleast 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.
- iii) Members may send completed Ballot Form (enclosed with the Annual Report) so as to reach the scrutinizer appointed by the Board of Directors, Mr. Suhas S. Ganpule, Practicing Company Secretary(Membership No. ACS 12122), at the registered office of the Company not later than Thursday, September 25, 2014(6.00 p.m.).
- iv) Ballot Form received after this date will be treated as invalid.

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

Sd/-

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

Place: Mumbai
Date: 23rd August, 2014

Registered Office:

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

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013:**

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

ITEM NO. 4

A Notice pursuant to Sec 160 of the Companies Act, 2013 has been received by the Company along with the requisite deposit from a member of the Company proposing the Appointment of Mr. Rahil S. Gandhi, who was appointed in the Board Meeting held on 14th February, 2014 as an Additional Director and who holds office till this Annual General Meeting.

During the tenure of Mr. Rahil S. Gandhi as an Additional Director he has provided valuable services to the Company and the Board therefore recommends the Members to pass the resolution for his appointment pursuant to Section 160.

The members may note that the Board is desirous to appoint Mr. Rahil S. Gandhi as a Whole Time Director on the Board for administrative convenience as well as to avail the benefits of his valuable services in future also. Further, in absence of Mr. Shailesh R. Gandhi, Mr. Rahil S. Gandhi can be empowered to do all such acts and deeds necessary for completion of procedural formalities. This will help in the smooth functioning of day - to - day business activities.

Further, with the increasing responsibilities and for the valuable services rendered by Mr. Rahil S. Gandhi the Board/ Remuneration Committee recommends to increase his remuneration to Rs. 12 Lakhs per annum effective from 1st October, 2014.

The Board accordingly recommends the Ordinary Resolution for your approval.

None of the Directors except Mr. Shailesh R. Gandhi, Mrs. Bela S. Gandhi & Mr. Rahil S. Gandhi are interested in the above Resolution.

ITEM NO. 5

A Notice pursuant to Section 160 of the Companies Act, 2013 has been received by the Company along with the requisite deposit from a member of the Company proposing the Appointment of Mrs. Bela S. Gandhi, who was appointed in the Board Meeting held on 14th August, 2014 as an Additional Director and who holds office till this Annual General Meeting.

The members may note that the appointment of Mrs. Bela S. Gandhi as a Director of the Company is necessary in order to comply with the proviso of section 149 of Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014.

During the tenure of Mrs. Bela S. Gandhi as an Additional Director she has provided valuable services to the Company and the Board therefore recommends the Members to pass the resolution for her appointment pursuant to Section 160 to avail the benefits of her valuable services in future also.

The Board accordingly recommends the Ordinary Resolution for your approval.

None of the Directors except Mr. Shailesh R. Gandhi, Mrs. Bela S. Gandhi & Mr. Rahil S. Gandhi are interested in the above Resolution.

ITEM NO. 6

Under the able leadership of Mr. Shailesh R. Gandhi, the business of your Company has seen new heights of growth. In view of the vast experience and valuable contribution made by Mr. Shailesh R. Gandhi towards the growth of the Company, it is now proposed to revise remuneration of Mr. Shailesh R. Gandhi, Managing Director of the Company.

The Board therefore recommends shareholders to revise remuneration of Mr. Shailesh R. Gandhi, Managing Director, with retrospective effect from 1st April, 2014 and the terms of payment may be determined by the Board and Remuneration Committee from time to time provided that the total remuneration shall not exceed Rs. 30 Lakh per annum.

**ITEM NO. 7**

The members may note that in terms of Companies Act, 2013, the Company is required to amend the existing Articles of Association of the Company by adopting a new set of Articles of Association to reflect certain provisions of the Companies Act, 2013 and to change the entire set of Articles of Association of the Company.

Accordingly, in lieu of amendments to various articles in the existing articles of association due to introduction of the New Companies Act, 2013, it is considered prudent and desirable to adopt a new set of articles of association of the Company, in substitution for, and to the exclusion of, the existing articles of association of the Company.

Pursuant to Section 14 of the Companies Act, 2013, the consent of the members of the Company by way of a special resolution is required for adoption of a new set of articles of association of the Company. Accordingly, this matter has been placed before the shareholders for approval.

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in the Notice above as Special Resolution.

None of the Directors of the Company and their respective relatives are in any way interested in the resolution except to the extent of their shareholding in the Company.

ITEM NO. 8 to 10

In accordance with the provisions of sub-section (4) of Section 149 of the Companies Act, 2013 ("the Act"), read with Clause 49 of the Listing Agreements with the Stock Exchanges, the Company is required to have at least one-half of its total number of Directors as independent directors. Sub-section (6) of Section 149 of the Act lays down the criteria for independence.

Mr. Subhaschandra P. Patil, Mr. Vishnu D. Barhate and Mr. Prakash O. Mankar, Non-Executive Directors of the Company have furnished declarations to the Company under sub-section (7) of the said Section 149 confirming that they meet the said criteria for independence as prescribed under Section 149(6) of the Act.

In the opinion of the Board, these individuals are persons of integrity, possess the relevant expertise and experience, fulfil the conditions specified in the said Act and the Rules made thereunder.

In terms of Section 149 of the Act, an independent director shall hold office for a term of 5 consecutive years on the Board of a company, and shall be eligible for re-appointment for another consecutive term on the passing of a special resolution by the company and disclosure of the same needs to be provided in the Directors' Report. Further, in terms of Section 149(13) of the Act, independent directors are not liable to retire by rotation.

However, the revised Clause 49 of the Listing Agreement provides that a person who has already served as an independent director for 5 years or more in a company as on October 1, 2014, shall be eligible for appointment, on completion of his present term, for one more term of 5 consecutive years only.

It is proposed to Mr. Subhaschandra P. Patil, Mr. Vishnu D. Barhate and Mr. Prakash O. Mankar as independent directors of the Company for a period of 5 (five) years with effect from the date of this meeting, as set out at Item Nos. 8 to 10 of the Notice. Notices along with requisite deposits as required under Section 160 of the Act, have been received from a member proposing the candidature of the said independent directors of the Company.

Upon approval of the appointment of these individuals as independent directors by the Members of the Company, the appointment shall be formalised by issue of letters of appointment by the Company to the said independent directors.

Brief profile of each of the said independent directors, in terms of Clause 49 of the Listing Agreement is provided as a part of the Report on Corporate Governance.

The Board, accordingly, recommends the resolutions at Item Nos. 8 to 10 of the Notice for the approval of the Members.

None of the said Directors are related to each other or any other Director.

**ITEM NO. 11**

M/s. M/s. V V & Associates, a firm of Cost Accountants, were appointed by the Board of Directors of the Company at their meeting held on 13th June, 2014 to act as the Cost Auditors of the Company to conduct the audit of the cost accounts maintained by the Company in respect of ice-cream and frozen desserts for the Financial Year 2014-15. As per Section 148 of the Act, read with Companies (Audit and Auditors) Rules 2014, the remuneration of the Cost Auditors should be approved by the members of the Company. Accordingly, based on the level of expertise and the scope of work, your Board has recommended to pay a remuneration of 40,000/- (Rupees Forty Thousand only) to the Cost Auditors for the Financial Year 2014-15.

None of the Directors and Key managerial personnel of the Company and their relatives is concerned or interested in the resolution set out at item No. 11.

ITEM NO. 12

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

Keeping in view of the Company's business requirements and its growth plans, it is considered appropriate to increase the aforesaid limit of borrowings. Your consent is therefore sought, to authorize the Board to borrow up to Rs. 5 Crores only (Rupees Five Crores Only) (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) as outstanding, at any time as set out in the resolution.

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

The borrowing limit is proposed to be enhanced to such an extent that the sum(s) so borrowed under this resolution and remaining outstanding at any time shall not exceed in the aggregate of Rs. 5 Crores Only (Rupees Five Crores Only) in excess of and in addition to the paid-up capital and free reserves of the Company for the time being.

The members are requested to approve the same by way of passing the Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said resolution.

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

Sd/-

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

Place: Mumbai
Date: 23rd August, 2014

Registered Office:

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

**DIRECTORS' REPORT****To****The Members,****VADILAL DAIRY INTERNATIONAL LIMITED**

Your Directors have pleasure in presenting the TWENTY SEVENTH Annual Report for the financial year ended on **31st March, 2014.**

1. FINANCIAL HIGHLIGHTS:**(Rs. in lakhs)**

PARTICULARS	2013-2014	2012-2013
Profit Before Depreciation and Financial Charges	123.53	(42.44)
Less: Depreciation	43.01	38.48
Financial Charges	10.14	17.21
Profit before Exceptional Items and Tax	70.38	(98.13)
Exceptional Items	-	-
Profit Before Tax	70.38	(98.13)
Provision for Deferred Tax (Asset)	28.10	-
Profit After Tax	98.48	(98.13)
Profit/(Loss)brought forward from last year	(493.22)	(395.09)
Balance of Profit/(Loss) carried to Balance sheet	(394.74)	(493.22)

2. RESULTS OF OPERATIONS:

The Company achieved the total revenue of Rs. 2634.66 lakhs as against Rs.2459.23 lakhs achieved during the previous year ended on 31st March, 2013.

The Profit for the year was Rs. 98.48 lakhs as against the Loss of Rs.98.13 lakhs during the previous year.

3. Board for Industrial & Financial Reconstruction:

The Company has been declared as a sick unit by BIFR (Board for Industrial & Financial Reconstruction) since 19.06.2000 under Case No.200/1999.The BIFR has sanctioned a Rehabilitation Scheme for the Company (SS-07) vide their Order dated 31.10.2007.This Rehabilitation Scheme is under implementation and with the support of the scheme the Company has generated profit of Rs. 98.48 Lakhs during the year.

The BIFR has granted various reliefs and concessions in its above referred order necessary for rehabilitation of our Company. One of such concessions was granted in the form of exemption from payment of Sales Tax/ VAT for a period of 5 years from cut-off date of the scheme i.e. 31.03.2007 during rehabilitation period. This concession was denied by the Sales Tax Authority of the State Government of Maharashtra during the financial year 2011-12. Against this denial the Company has filed appeal with the BIFR praying to direct the Sales Tax Authorities to grant relief to Our Company. The Final Judgment is yet to be ordered by the BIFR. The Board of the Company is hopeful for a positive order from BIFR.

4. DIVIDEND:

In view of the accumulated losses Directors regret their inability to recommend any dividend for the year.

5. TRANSFER TO RESERVES:

In view of accumulated losses the Company is unable to transfer any amount to the General Reserves.

6. DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Subhashchandra P. Patil, Director of the Company, retire by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.

**7. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis, despite the fact that the Company's net worth is still negative. The Company's Rehabilitation Scheme as sanctioned by BIFR is under implementation. The Directors are very much hopeful that the Company's performance will improve in the forth coming financial years.

You are aware that the Company is a sick Company and therefore there has been frequent turnover of the required personnel. Further despite the Companies efforts to employ whole time Company Secretary, it is unable to employ qualified Company secretary as per the provisions of Section 203 of the Companies Act, 2013.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section which forms, part of the Annual Report.

9. AUDITORS AND AUDITORS' REPORT:

M/s. Vinod K. Mehta & Co., Chartered Accountants, (Registration No. 111508W), the Auditors of the Company hold their office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment as the Company's Statutory Auditors from the ensuing Annual General Meeting till the conclusion of the Thirtieth Annual General Meeting. The Company has received their willingness to act as Auditors of the Company along with a letter from them to the effect that their appointment, if made, would be within the limits prescribed under Section 139 and 141 of the Companies Act, 2013.

Further, it may be noted that M/s Vinod K. Mehta & Co., Chartered Accountants of the Company were appointed as the Auditors in the Extra Ordinary General Meeting held on 14th November, 2013, as our earlier auditor i.e. M/ s. B.V. Shah and Associates had intimated their unwillingness to continue as auditors with the Company due to certain pre-occupations.

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

10. CORPORATE GOVERNANCE REPORT:

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance Practices as prevalent globally.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.



The requisite Certificate from the Auditors of the Company confirming compliance with the condition of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

11. 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 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in the Annexure-A to this Report.

12. COST AUDITORS:

The Board of Directors at their meeting held on 13th June, 2014 appointed M/s V V & Associates a firm of Cost Accountants, as the Cost Auditors of the Company to conduct the audit of the Cost Accounts maintained by the Company in respect of ice-cream and frozen desserts for the financial year 2014-2015.

13. PERSONNEL:

There was no employee employed during the year or part of the year drawing remuneration, which falls within the purview of the provisions of section 217(2A) of the Companies Act, 1956. Therefore the statement for the same is not attached.

14. STATUTORY DISCLOSURES:

None of the Director's of your Company is disqualified as per the provisions of Section 164(1) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under the various provisions of the Act and Clause 49 of the Listing Agreement.

15. ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies 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
Subhaschandra P. Patil
Director
DIN: 01872909**

Place: Mumbai
Date: 23rd August, 2014



ANNEXURE 'A' TO DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY:

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

**FORM – A****(SEE RULE -2)****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:**

A) POWER & FUEL CONSUMPTION	CURRENT YEAR 2013-14	PREVIOUS YEAR 2012-13
1. Electricity		
a) Purchase unit	1773448	1994834
Total amount (Rs.)	13024224	15125178
Rate/ Unit (Rs.)	7.34	7.58
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)	25	27
Total cost (Rs.)	1443765	1300010
Average Rate (Rs.)	57.98	48.15
4 Other/Internal Generation		
Qty (units)	Nil	Nil
Total cost (Rs.)	Nil	Nil
Rate /Unit (Rs.)	Nil	Nil
Consumption per liter of production	2013-14	2012-13
Product	Electricity	Electricity
	(Kwh/Ltrs.)	(Kwh/Ltrs.)
Ice cream	0.48	0.52



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 up gradation.

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

Improvement in quality and material utilization.

c. Future Plan of Action:

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

There was no foreign exchange outgoing for the year ended on 31st March, 2014 (P.Y. USD. 1,07,000).

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

Sd/-	Sd/-
Shailesh R. Gandhi	Subhaschandra P. Patil
Managing Director	Director
DIN: 01963172	DIN: 01872909

Place: Mumbai

Date: 23rd August, 2014



MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis Report form a part of the Annual Report of the Company. It indicates the Company's movement in the external environment Vis-a –Vis its own strengths and resources.

1 PERFORMANCE OF THE COMPANY:

With the Management's efforts and improvements in the working of the organization, the Company was able to earn a Net Profit of Rs. 98.48 lakhs in comparison to the Net Loss of Rs. 98.13 lakhs suffered in the previous year.

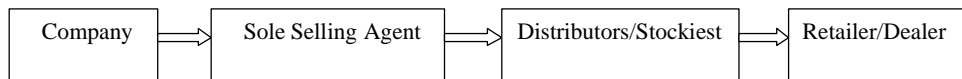
2 STRATEGY:

The Company has introduced new varieties of ice cream in more attractive packs and has made them available with the Company's stockiest/dealers. The Company's policy of innovative scheme to attract consumers will be continued.

3 BUSINESS OUTLOOK:

As per the order of the Board for Industrial and Financial Reconstruction (BIFR) Rehabilitation Scheme is under implementation and the Company is putting its best efforts with a view to take your Company back to its origin of pride and glory.

All along these years the Company has been marketing its product as per the following distribution channel.



In order to achieve higher sales growth the directors have decided to change the above distribution channel in the following manner with effect from next financial year.



4 THREATS

- 1 Marketing will be the most problematic area where improvements are called for Continuous quality improvement will be the need of the hour for which urgent measures are called for from all stakeholders.
- 2 Increasing competition from other manufactures and foreign Companies will be a major problem. Now-a-days the markets are flooded with new local and regional players with cheaper products. There are few concerns like rising infrastructure and input costs, which the Company should take in mind.

5 INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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

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:

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

7 CAUTIONARY STATEMENT:

Statements made in the Management Discussion and analysis describing business outlook, projections, opportunities and threats, etc. may be "forward looking statement" within the meaning of the applicable securities, laws and regulations. Actual results could differ from those expressed or implied. Readers are hence advised not to place undue reliance on these statements and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objections. Further, the discussion herein reflects the perception on major issues as on date and opinions expressed herein are 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: Mumbai
Date: 23rd August, 2014



**REPORT ON CORPORATE GOVERNANCE****1 COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The foundation on which the super structure of Corporate Governance rests is in the "The Theory of Trusteeship". The shareholders while placing their capital in the hands of Board of Directors put them in the fiduciary capacity. The Trustees, in turn are required to run the business with **TRANSPARENCY, FULL DISCLOSURE, FAIRNESS to all and INDEPENDENT MONITORING AND SUPERVISION** which enables the Company to perform efficiently and maximize long term value for shareholders. This is the essence of '**GOOD CORPORATE GOVERNANCE**'. It also puts in place and enhances the trust of creditors, employees, suppliers, customers and public at large.

At Vadilal Dairy International Ltd. it is also considered as a business necessity and thus it has ensured:

- * A strong team of non executive directors.
- * Capable and result oriented management team.
- * Due importance to compliance of laws, rules and regulations.
- * Appropriate internal control systems and procedures to effectively monitor the role of the management and the affairs of the Company.

This year's annual report has made substantial disclosures on the Board of Directors, Financial and Stock performance which are as follows:-

2 BOARD OF DIRECTORS:

- i. The Board of Directors of the Company not only oversees the management functions but also supervises, directs and manages the performance of the Company.

The Board has constituted various committees of Directors', for the matters requiring special attention and their effective and efficient disposal.

- ii. The Board of Directors of the Company consisted of Five Directors including a Managing Director. Out of Five Directors, Three are Non-Executive Independent Directors. The said composition complies with clause 49 of the Listing Agreement entered into with Stock Exchange.

- iii. Details of the Directors constituting the Board, their attendance at the Board Meetings of the Company and the last Annual General Meeting are as follows:

Sr. No	Name of Director	Designation	Attendance in Board meetings		Attendance in last AGM held on 30 th September, 2013
			Held	Attended	
1	Mr. Shailesh R. Gandhi	Managing Director, Non- Independent (Chairman)	6	6	Yes
2	Mr. Subhashchandra P. Patil	Non-Executive Independent Director	6	6	Yes
3	Mr. Vishnu D. Barhate	Non-Executive Independent Director	6	6	Yes
4	Mr. Rahil S. Gandhi #	Executive Non-Independent Director	6	1	No
5	Mr. Prakash O. Mankar	Non-Executive Independent Director	6	6	Yes

#Mr. Rahil S. Gandhi, Executive Non-Independent Director was appointed as an Additional Director on 14th February 2014.

Note: None of the Directors are related except Mr. Shailesh R. Gandhi & Mr. Rahil S. Gandhi.

Non-Executive Director means an 'Independent Director' who apart from receiving Director's remuneration does not have any material pecuniary relationship or transactions with the Company, its promoters, its directors, its management or its subsidiaries and associates and nor is a substantial shareholder of the Company, which may affect independence of the Director.



As stipulated under Clause 49 (I) (C) of the Listing Agreement, none of the Director is a Member of more than 10 Committees or a Chairman of more than 5 Committees across all the companies in which he is a Director. (Committees being Audit Committee and the Shareholders'/Investors' Grievance Committee)

- iv. Eight Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follow:

15th May, 2013	13th June, 2013	14th August, 2013
2nd September, 2013	14th November, 2013	12 th February, 2014
14th February, 2014	29 th March, 2014	

Details of Directors seeking Appointment/ Re-appointment at the Annual General Meeting.

Name of Director	Vishnu D. Barhate	Subhaschandra P. Patil	Prakash O. Mankar
Date of Appointment	23/09/1999	1/5/2005	1/2/2013
Qualification	M.Tech	Dairy Technologist	Dairy Technologist
Nature of expertise in specific functional areas	Production of Dairy & Milk Products & maintenance of accounting records related thereto.	Refrigeration of Dairy, Milk Products, Ice -cream & frozen desserts & Knowledge of Accounts related thereto.	Production of Ice-cream & frozen desserts.
Directorship held in other public companies (excluding foreign companies)	NIL	NIL	NIL
Membership/Chairmanship of Committees of other public companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committee)	NIL	NIL	NIL

Committees of the Board

As of 31st March, 2014, your Company has three committees. They are:

- Audit Committee
- Shareholder's/Investor's Grievance Committee
- Remuneration Committee

a) Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchange read with Section 177 of the Companies Act, 2013.

Objective:

The Audit Committee reviews, acts and reports to the Board of Directors, inter-alia, with respect to:

- discussion and review of quarterly, half yearly and annual financial results;
- review of the adequacy of the internal control system with the Management, Internal Auditors and Statutory Auditors;
- review of Company's financial reporting processes, changes in the Accounting Policies and its compliance with regulatory guidelines;
- review of financial and risk management system;
- recommendation for appointment of Statutory Auditors and the remuneration payable to them.



The Committee also reviews the observations of the Internal and Statutory Auditors along with the comments and action taken thereon by the management and invites senior executives to its meetings as and when necessary.

Composition & Meetings:

The Audit Committee is composed of Executive / Non-Executive Independent Directors as per the requirement of Clause 49 of the Listing Agreement. The members of the Audit Committee have requisite financial, legal and management expertise.

During the year under review four meetings of the Audit Committee were held on:

15 th May, 2013		14 th August, 2013		14 th November, 2013		14 th February, 2014	
Sr. No	Name of Director	Designation	Attendance in Audit Committee meetings				
			Held	Attended			
1	Mr. Vishnu D. Barhate	Non-Executive Independent Director (Chairman)	4	4			
2	Mr. Shailesh R. Gandhi	Executive Non-Independent Director	4	4			
3	Mr. Subhashchandra P. Patil :	Non-Executive Independent Director	4	4			

b) Shareholder's/ Investor's Grievance Committee:**Objective:**

The Company has a Shareholders'/Investors' Grievance Committee which reviews & approves:

- i. issue of Duplicate Share Certificates;
- ii. matters connected with transfer/credit of Securities
- iii. redressal of Investors' / Shareholders' complaints related to non-receipt of declared dividend, transfer of shares, non-receipt of annual reports, non receipt of duplicate share certificates, etc.
- iv. carrying out the secretarial audits.

Compliance Officer

Mr. Prakash Mistry

Vadilal Dairy International Ltd.
Plot No. M-13, MIDC Industrial Area,
Tarapur, Boisar, Maharashtra.

Composition & Meetings:

During the year under review Two meetings of Shareholders'/Investors' Grievance Committee were held on 28th June, 2013, 20th August, 2013.

The composition of the Shareholders'/Investors' Grievance Committee and the attendance record of the members of the Committee at the Meetings are given below:

Sr. No.	Name of Director	Designation	Attendance in Shareholders'/ Investors' Grievance Committee meetings	
			Held	Attended
1	Mr. Vishnu. D. Barhate	Non-Executive Independent Director (Chairman)	2	2
2	Mr. Subhashchandra P. Patil	Non-Executive Independent Director	2	2
3	Mr. Prakash O. Mankar	Non-Executive Independent Director	2	2

**c) Remuneration Committee & Director's Remuneration:****Objective:**

The broad terms of reference of the Remuneration Committee are as under:

- i. to review and approve the Company's policy on remuneration packages for the Chairman, Managing Director and other Senior Management of the Company including pension rights and any compensation payment;
- ii. to review and approve the minimum and maximum remuneration payable to such Directors in terms of such provisions as may be in force from time to time;
- iii. to review and approve the commission and/or other incentive payable to Non-Executive Directors of the Company;
- iv. Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.

Composition & Meetings:

The composition of the Remuneration Committee is as under and the attendance record of the members of the Committee at the Meetings is given below:

During the year under review, one Remuneration Committee meeting was held on 14th November, 2013

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

Remuneration of Directors:

A. The details of Sitting Fees paid to **Non-Executive Directors** during the year under review are as follows:

Name of Directors	Sitting Fees for various Meetings attended
Mr. Subhashchandra P. Patil	2500/-
Mr. Vishnu D. Barhate	2500/-
Mr. Prakash O. Mankar	2500/-

*Includes sitting fees paid for attending Audit Committee / Shareholder's & Investor's Grievance Committee / Remuneration Committee Meetings.

B. Remuneration to Managing Director

During the year under review, provisions have been made for remuneration to be paid to Mr. Shailesh R. Gandhi @ Rs. 1 Lakh per month (inclusive of perquisites & allowances).

**3. General Body Meetings:**

The details of the date, time and location for the last three Annual General Meetings (AGM) including Extraordinary General Meeting (EGM) are as follows:

YEAR	AGM/EGM	LOCATION	DATE & TIME
2010-2011	24th AGM	Plot no. M-13, MIDC, Industrial Area Tarapur, Boisar, Thane-401506, Maharashtra	September 29, 2011 11.30 AM.
2011-2012	25th AGM	Plot no. M-13, MIDC, Industrial Area Tarapur, Boisar, Thane-401506, Maharashtra	September 28, 2012 11.30 AM.
2012-2013	EGM	Plot no. M-13, MIDC, Industrial Area Tarapur, Boisar, Thane-401506, Maharashtra	March 30, 2013 10.00 A.M.
2012-2013	26th AGM	Plot no. M-13, MIDC, Industrial Area Tarapur, Boisar, Thane-401506, Maharashtra	September 30th, 2013 11.30 A.M.

Details of Special Resolutions passed during the last 3 General Meetings

Financial Year	Special Resolutions passed for:
2010-2011	NOT APPLICABLE
2011-2012	NOT APPLICABLE
2012-2013	<u>In EGM held on 14th November, 2013.</u>
	<ol style="list-style-type: none">To appoint M/s Vinod K. Mehhta & Co., as the Statutory Auditors of the Company in place of M/s B.V. Shah and Associates.To fix salary of Mr. Rahil S. Gandhi as per the provisions of section 314(1) of the Companies Act, 1956.

4. DISCLOSURES:

The Company has received disclosures from Directors/ Key Managerial Personnel where they and/or their relatives have personal interest. None of the transactions with related parties are in conflict with the interests of the Company at large.

5. MEANS OF COMMUNICATION:**Financial Results**

The quarterly, half yearly and annual results are published in widely circulating national and local dailies viz. The Free Press Journal (English) and Navshakti (Marathi).

6. Management Discussion and Analysis:

Management Discussion and Analysis Report forms a part of the Annual Report for the year 2013-14.

**7. General Shareholder information:****Annual General Meeting**

Date	29 th September, 2014
Time	12.00 Noon
Place	Plot No. M-13, MIDC Ind.Area, Tarapur, Boisar, Maharashtra Thane -401506.
Financial Year	2013-14
Book Closure	25th September, 2014 to 29th September, 2014
Dividend Payment Date	Nil
Listed on Stock Exchange	Bombay Stock Exchange
Stock Code	519451
Registrar and Transfer Agents	Sharex Dynamic (India) Private Limited. Unit No. 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai - 400072 Tel: (022) 2851 5606/ 2851 5644 Fax No. 2851 2885 Email: sharexindia@vsnl.com
Distribution of Shareholding as on 31st March, 2014	As per Annexure A

Annexure A

Category	No. of shares	% of shares
Promoter's holding	2961260	92.71%
Non Promoter's holding	232890	7.29%
Total	3194150	100%

SHARE(OR DEBENTURE)	No. of Shareholders	% of Shareholders	Total Shares	% of Shares
UPTO TO 100	5354	98.27	116631	3.65
101 TO 200	52	0.95	8017	0.25
201 TO 500	24	0.44	7620	0.24
501 TO 1000	3	0.06	1840	0.06
1001 TO 5000	2	0.04	4260	0.13
5001 TO 10000	2	0.04	15260	0.48
10001 TO 100000	6	0.11	270692	8.47
100001 - above	5	0.09	2769830	86.72
TOTAL	5448	100.00	3194150	100.00

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

Sd/-

Shailesh R. Gandhi
Managing Director

DIN: 01963172

Place: Mumbai

Date: 23rd August, 2014



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of
Vadilal Dairy International Limited**

We have examined the compliance of conditions of Corporate Governance by **VADILAL DAIRY INTERNATIONAL LIMITED**. ("The Company") for the year ended 31st March, 2014, as stipulated by Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sd/-

**Vinod K. Mehta
(Partner)**

M.No.: 006647

Place: Mumbai

Date: 28th June, 2014



MANAGING DIRECTORS' CERTIFICATION

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

- a. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2014 and that to the best of our knowledge and belief;
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have disclosed, based on our evaluation wherever applicable, to the Auditors and the Audit Committee that;
 - i. There were no material deficiencies in internal controls over financial reporting during the year;
 - ii. All the significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements; and
 - iii. There were no instances of significant fraud of which we are aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Sd/-

**Shailesh R. Gandhi
Managing Director**

DIN: 01963172

Place: Mumbai
Date: 23rd August, 2014



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

The Board of Directors of Vadilal Dairy International Limited has adopted Code of Conduct to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the revised Clause 49 of the Listing Agreement with the Stock Exchanges where the shares of the Company are listed.

I confirm that the Company has in respect of the financial year ended 31st March, 2014, received from the Senior Management Team of the Company and the Members of the Board a declaration of Compliance with the Code of Conduct as applicable to them.

As provided under Clause 49 of the Listing Agreement executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2014.

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

Sd/-

**Shailesh R. Gandhi
Managing Director**

DIN: 01963172

Place: Mumbai

Date: 23rd August, 2014



Independent Auditors' 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, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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 and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1) (g) of the Act.

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

Sd/-

**Vinod K. Mehta
(Partner)**

M.No.: 006647

**Place: Mumbai
Date: 28th June, 2014**



Annexure to Independent Auditors' Report

Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of Our Report of even date.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets:

- a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- c. In our opinion and according to the information and explanations given to us, no substantial fixed asset has been disposed off during the year and therefore does not affect the going concern assumption.

2. In respect of its inventories:

- a. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. As explained to us, the discrepancies noticed in physical verification of the stock as compared to book records were not material and the same have been properly dealt with in the books of accounts.

3. In respect of loans covered under Section 301 of the Companies Act, 1956.

- a. As per the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured, to any Company, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b. The Company has taken unsecured loan from parties covered in the register maintained under section 301 of the Companies Act, 1956 whose terms are not prejudicial to the interest of the company.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to the purchases of inventories, fixed assets and with regard to sale of goods. As per the information given to us, no major weaknesses in the internal controls have been identified by the management or the internal audit department of the company during the year. During the course of our audit, nothing had come to our notice that may suggest a major weakness in the internal control systems of the company.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

- a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. As per information & explanations given to us and in our opinion, transactions exceeding value of Rs. 5,00,000/- have been entered into during the financial year are reasonable and for price justification, reliance is placed on the information and explanation given by the management.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government for maintenance of Cost Records under Section 209 (1)(d) of the Companies Act, 1956.



9. In respect of statutory dues:

- a. According to the information and explanations given to us, undisputed statutory dues including Provident Fund, E.S.I.C., Profession Tax, Investor Education and Protection Fund, Income Tax, TDS, Wealth Tax, Custom Duty, Cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities except in few cases.
- b. According to the information and explanation given to us, undisputed amounts payable in respect of income tax, wealth tax, customs duty, excise duty and cess and various other authorities were in arrears as at 31.03.2014 for a period of more than six months from the date they became payable is as follows :

Sr. No	Name of the Statute	Name of the Dues	Amount (in Lakhs)	Period to which the amounts relates
1	Central Sales Tax Act and Sales Tax Act of various states	MVAT	426.35	2007-12
2	Income Tax Act 1961	Fringe Benefit Tax	1.81	2008-09
3	Central Excise Act, 1944	Excise Duty	4.24	March 99 – June 99

- c. According to the information and explanation given to us, following are the various disputed liabilities against which appeals are pending with various statutory authorities:

Sr. No	Name of the Statute	Nature of dues	Amount of Dispute (Net) (In Lakhs)	Period to which the amounts relates	Forum where dispute is pending
1	Central Sales Tax Act and Sales Tax Act of	Sales Tax	43.05	1992-93	Maharashtra Sales various states Tax Tribunal and Bombay High Court.
			12.60	1993-94	
			103.50	1994-95	
			25.88	1995-96	
			1.50	1999-00	
		0.29	2000-01		
		0.10	2001-02		
		MVAT & CST including interest	140.28	2005-06	Joint Commissioner of Sales Tax (Appeals)
			172.86	2006-07	
			8.60	2008-09	
315.27	2007-12				
17.52	2009-10				
2	Central Excise Act 1944	Excise Duty	101.35	1-4-98 to Feb'99	Refer Note 2

Note 1: The BIFR has granted various reliefs and concessions in its order necessary for rehabilitation of our Company. One of such concessions was granted in the form of exemption from payment of Sales Tax/ VAT for a period of 5 years from cut-off date of the scheme i.e. 31.03.2007 during rehabilitation period. This concession was denied by the Sales Tax Authority of the State Government of Maharashtra during the financial year 2011-12. Against this denial the Company has filed appeal with the BIFR praying to direct the Sales Tax Authorities to grant relief to Our Company. The Final Judgment is yet to be ordered by the BIFR.



Note 2: The Tribunal Appeal has been allowed in favour of the company. However the excise department may file appeal to the higher authorities

10. In our opinion, the accumulated losses are more than fifty per cent of its net worth. The company has not incurred cash losses during the financial year covered by the audit but the company has however incurred cash losses in the immediately preceding financial years.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. According to information and explanations given to us, the Company has not made any investments in shares during the year.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment similarly no funds raised on long term basis have been used for short term investment. During the year, the company has invested the funds in modernisation of plant which were raised through Unsecured loans.
18. The Company has not issued any shares.
19. The Company has not issued any debenture.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Sd/-

**Vinod K. Mehta
(Partner)
M.No.: 006647**

**Place: Mumbai
Date: 28th June, 2014**



BALANCE SHEET AS AT 31ST MARCH, 2014

	Particulars	Note No.	2014 ₹	2013 ₹
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2.1	31,941,500	31,941,500
	(b) Reserves and surplus	2.2	(35,724,988)	(45,572,508)
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	2.3	35,332,134	41,616,797
	(b) Deferred tax liabilities (net)		-	-
	(c) Other long-term liabilities	2.4	50,525,120	53,683,623
	(d) Long-term provisions	2.5	12,700,594	12,514,430
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables	2.6	43,502,718	44,955,770
	(c) Other current liabilities	2.7	8,936,453	18,059,948
	(d) Short-term provisions	2.8	5,781,137	5,455,661
	TOTAL		152,994,669	162,655,220
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	2.9	56,465,474	50,134,739
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		205,189	-
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
	(b) Non-current investments	2.10	5,721,471	6,071,400
	(c) Deferred tax assets (net)		2,810,561	-
	(d) Long-term loans and advances	2.11	36,384,714	23,274,714
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments	2.12	-	13,164,810
	(b) Inventories	2.13	43,405,367	56,445,206
	(c) Trade receivables	2.14	1,282,897	4,925,041
	(d) Cash and cash equivalents	2.15	5,410,216	7,597,928
	(e) Short-term loans and advances	2.16	573,920	380,612
	(f) Other current assets	2.17	734,859	660,770
	TOTAL		152,994,669	162,655,220

As per our report of even date

For VINOD K MEHTA & Co.

Chartered Accountants

Firm Registration No. : 111508W

Sd/-

VINOD K MEHTA

(Partner)

M.No.: 006647F

Place: Mumbai

Date: 28th June, 2014

For and on behalf of the Board of Directors

Sd/-

SHAILESH R. GANDHI .

MANAGING DIRECTOR

DIN: 01963172

Sd/-

S. P. PATIL

DIRECTOR

DIN: 01872909


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

	Particulars	Note No.	2014 ₹	2013 ₹
A	CONTINUING OPERATIONS			
1	Revenue from operations (net)	3.1	263,466,675	245,923,171
2	Other income	3.2	2,488,092	3,256,432
3	Total revenue (1+2)		265,954,767	249,179,603
4	Expenses			
	(a) Cost of materials consumed	3.3	169,700,972	164,364,250
	(b) Purchases of stock-in-trade			
	(c) Changes in inventories of finished goods work-in-progress and stock-in-trade"	3.4	(2,125,732)	(2,162,768)
	(d) Employee benefits expense	3.5	15,557,414	15,668,801
	(e) Finance costs	3.6	1,014,012	1,720,652
	(f) Depreciation and amortisation expense		4,301,676	3,848,401
	(g) Other expenses	3.7	70,469,466	75,553,771
	Total expenses		258,917,808	258,993,107
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)"		7,036,959	(9,813,504)
6	Exceptional items		-	-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)		7,036,959	(9,813,504)
8	Extraordinary items		-	-
9	Profit / (Loss) before tax (7 + 8)		7,036,959	(9,813,504)
10	Tax expense:			
	(a) Current tax expense for current year		-	-
	(b) Deferred tax		2,810,561	-
11	Profit / (Loss) from continuing operations (9 +10)		9,847,520	(9,813,504)

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

	Particulars	Note No.	2014 ₹	2013 ₹
B	DISCONTINUING OPERATIONS			
12. i	Profit / (Loss) from discontinuing operations (before tax)		-	-
12. ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12. iii	Add / (Less): Tax expense of discontinuing operations		-	-
	(a) on ordinary activities attributable to the discontinuing operations		-	-
	(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
13	Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)		-	-
14	Profit / (Loss) for the year (11 + 13)		9,847,520	(9,813,504)
15	Earnings per share (of `10 /- each):			
	(a) Basic			
	(i) Continuing operations		3.08	(3.07)
	(ii) Total operations		3.08	(3.07)
	(b) Diluted			
	(i) Continuing operations		-	-
	(ii) Total operations		-	-
	See accompanying notes forming part of the financial statements			

In terms of our report attached**As per our report of even date****For VINOD K MEHTA & Co.**

Chartered Accountants

Firm Registration No. : 111508W

Sd/-**VINOD K MEHTA****(Partner)****M.No.: 006647F**

Place: Mumbai

Date: 28th June,2014

For and on behalf of the Board of Directors**Sd/-****SHAILESH R. GANDHI .****MANAGING DIRECTOR****DIN: 01963172****Sd/-****S. P. PATIL****DIRECTOR****DIN: 01872909**



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	2014		2013	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		7,036,959		(9,813,504)
<i>Adjustments for:</i>				
Depreciation and amortisation	4,301,676		3,848,401	
Finance costs	1,014,012		1,720,652	
Interest income	(398,469)		(1,634,908)	
Dividend income	(650,000)		(421,434)	
Net (gain) / loss on sale of investments	-		(192,087)	
Rental income from investment properties	(240,000)		(240,000)	
Liabilities /provisions no longer required written back	(51,949)		(31,980)	
Other non-cash charges (specify)			-	
Discount Income	(37,682)			
		3,937,589		3,048,644
Operating profit / (loss) before working capital changes		10,974,547		(6,764,860)
<i>Adjustments for -</i>				
Trade and Other Receivables	(9,697,571)		27,399,956	
Inventories	13,039,839		(22,970,944)	
Trade and Other Payables	(13,171,461)	(9,829,193)	(9,920,227)	(5,491,215)
Cash Flow from extraordinary items				
Prior year adjustment	-		-	
Cash generated from operations	-		-	
Net Income tax (paid) / refunds	-		-	
	(9,829,193)		(5,491,215)	
Net cash flow from / (used in) operating activities (A)		1,145,354		(12,256,075)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(10,837,600)		(19,799,350)	
Proceeds from sale of fixed assets	-		-	
Purchase of Investments	-		-	
Proceeds from sale of Investments	13,514,739		12,147,887	
Interest received	398,469		1,634,908	
Dividend received	650,000		421,434	
Rental income from investment properties	240,000		240,000	
Net cash flow from / (used in) investing activities (B)		3,965,608		(5,355,121)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	2014		2013	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Share application money received / (refunded)				
Proceeds from long-term borrowings	-6284662.77		24,859,004	
Repayment of long-term borrowings				
Finance cost	(1,014,012)		(1,720,652)	
Net cash flow from / (used in) financing activities (C)		(7,298,675)		23,138,352
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(2,187,712)		5,527,156
Cash and cash equivalents at the beginning of the year		7,597,928		2,070,772
Cash and cash equivalents at the end of the year		5,410,216		7,597,928
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet	7,597,928		2,070,772	
Net Cash and cash equivalents	(2,187,712)		5,527,156	
Cash and cash equivalents at the end of the year	5,410,216		7,597,928	
Cash And cash equivalent comprises of:				
(a) Cash on hand	188,413		229,602	
(b) Balances with banks				
(i) In current accounts	5,221,803	5,410,216	7,368,326	7,597,928
See accompanying notes forming part of the financial statements				

In terms of our report attached

As per our report of even date

For VINOD K MEHTA & Co.

Chartered Accountants

Firm Registration No. : 111508W

Sd/-

VINOD K MEHTA

(Partner)

M.No.: 006647F

Place: Mumbai

Date: 28th June,2014

For and on behalf of the Board of Directors

Sd/-

SHAILESH R. GANDHI .

MANAGING DIRECTOR

DIN: 01963172

Sd/-

S. P. PATIL

DIRECTOR

DIN: 01872909



1 Significant accounting policies

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. In applying the Accounting Policies, considerations have been given to prudence, substance over form and Materiality. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Inventories

"Inventories are valued as under :“ - Raw Materials, Packing Materials, Stores & Spares are valued at cost on FIFO basis after making provision for obsolescence & un-serviceability.“ - FINISHED GOODS & WORK IN PROGRESS at lower of cost or net realisable value. Cost comprises Material cost, cost of conversion, other expenses incurred to bring the inventories to their current condition and location.”“

1.4 Depreciation and amortisation

Depreciation on fixed assets has been provided on Straight line method as the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

1.5 Revenue recognition

Sale of goods

Sales are recognised, net of VAT, CST and excise duty, on transfer of significant risks and rewards of ownership to the buyer.

1.6 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation. The cost of fixed assets include original cost of acquisition and installation. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

1.7 Investments

Long-term investments are carried individually at cost. Current investments are also carried individually at cost

1.8 Employee benefits

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

1.9 Borrowing costs

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

1.10 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the number of equity shares outstanding during the year. Since there are no dilutive potential equity shares, Diluted earnings per share is computed in the manner same as used for basic earnings per share.

**1.11 Taxes on income**

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. As per the past records and future aspects of the company, calculation of deferred tax assets/liabilities is not made.

Particulars	As on 3/31/2014	As on 3/31/2013
Deferred Tax Assets/(Liability)	2810561	0

1.12 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. After review of this year, no impairment is recognized, as there was no necessity.

1.13 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events 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) are not discounted to their present value and are determined based on the 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 in the Notes.

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

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

1.15 Cash flow statement

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

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

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the company for the purpose of current-non-current classification of assets and liabilities.

1.17 Others

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


Note 2.1 - Share capital

Particulars	2014		2013	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ` 10 each with voting rights	10,000,000	100,000,000	10,000,000	100,000,000
13.5% Non cummulative redeemable preference shares of `100 each	5,000,000	50,000,000	5,000,000	50,000,000
Total	15,000,000	150,000,000	15,000,000	150,000,000
(b) Issued				
Equity shares of ` 10/- each with voting rights	3,194,150	31,941,500	3,194,150	31,941,500
(c) Subscribed and fully paid up				
Equity shares of ` 10/- each with voting rights	3,194,150	31,941,500	3,194,150	31,941,500
Total	3,194,150	31,941,500	3,194,150	31,941,500

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

Particulars	2014		2013	
	Number of shares	₹	Number of shares	₹
Equity Shares				
Opening Balance	3,194,150	31,941,500	694,150	6,941,500
<u>Changes made during the year</u>				
Fresh Issue	0	0	2,500,000	25,000,000
Closing Balance	3,194,150	31,941,500	3,194,150	31,941,500

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

Class of shares / Name of shareholder	2014		2013	
	Number of shares	₹	Number of shares	₹
Equity shares with voting rights				
Shailesh R.Gandhi	1,899,561	59.47	1,899,561	59.47
Bela S.Gandhi	535,969	16.78	535,969	16.78
Bela Investment & Finance Co. Ltd.	459,830	14.40	459,830	14.40
Total	2,895,360	90.65	2,895,360	90.65



Note 2.2 - Reserves and surplus

Particulars	2014 ₹	2013 ₹
(a) Capital reserve		
Opening balance	3,750,000	3,750,000
Closing balance	3,750,000	3,750,000
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(49,322,508)	(39,509,004)
Add: Profit / (Loss) for the year	9,847,520	(9,813,504)
Amounts transferred from: profit and loss appropriation		
Closing balance	(39,474,988)	(49,322,508)
Total	(35,724,988)	(45,572,508)

Note 2.3 - Long-term borrowings

Particulars	2014 ₹	2013 ₹
(a) Term loans (Refer Note no (i))		
From banks		
Secured	-	10,814,584
Unsecured	-	-
	-	10,814,584
(b) Deposits		
Secured	-	-
Unsecured (Against Cold Rooms, from Agents & Distributors)	28,421,000	25,947,902
	28,421,000	25,947,902
(c) Loans and advances from related parties		
Secured	-	-
Unsecured	491,134	1,934,311
	491,134	1,934,311
(d) Other loans and advances (specify nature)		
Secured		
Unsecured	6,420,000	2,920,000
	6,420,000	2,920,000
Total	35,332,134	41,616,797


Notes:

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings.

Particulars	Terms of repayment and security	2014 ₹	2013 ₹
Secured			
Loan against FD	To be repaid on the maturity of the fixed deposit against which the loan is secured, or repayable when funds are available, secured by Fixed Deposits with Banks. (previous year)*	0	0
	Total - loans from banks	0	(10,814,584)
	Total - loans from banks (P.Y.)	(10,814,584)	(10,090,000)
* Previous Years Figures are in brackets ()			

Note 2.4 - Other long-term liabilities

Particulars	2014 ₹	2013 ₹
(a) Trade Payables:		
(i) Acceptances	3,335,113	1,268,274
(ii) Other than Acceptances		
	3,335,113	1,268,274
Others:		
(i) Vat Payable	42,634,590	45,634,590
(ii) M.S.T. Payable	-	1,125,345
(iii) Debtors credit under protest	4,131,281	4,131,281
(iv) Excise Duty (highest MRP)	424,137	636,205
(v) Others -	887,929	
	47,190,008	52,415,350
Total	50,525,120	53,683,623



Note 2.5 - Long-term provisions

Particulars	2014 ₹	2013 ₹
(a) Provision for gratuity (net)	1,637,452	1,451,288
Sub Total	1,637,452	1,451,288
(b) Provision - Others:		
Provision for FBT	627,608	627,608
Provision for Excise Duty	10,376,999	10,376,999
Provision for Expenses	58,535	58,535
Sub Total	11,063,142	11,063,142
Total	12,700,594	12,514,430

Note 2.6 - Trade payables

Particulars	2014 ₹	2013 ₹
Trade payables:		
Acceptances	43,502,718	44,955,770
Other than Acceptances	-	-
Total	43,502,718	44,955,770

Note 2.7- Other current liabilities

Particulars	2014 ₹	2013 ₹
(a) Unpaid dividends	-	162,402
(b) <u>Other payables</u>		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	4,575,251	14,666,573
(ii) Others	4,361,202	3,230,973
Total	8,936,453	18,059,948


Note 2.8 - Short-term provisions

Particulars	2014	2013
	₹	₹
(a) Provision for employee benefits:		
(i) Provision for leave encashment	3,518,836	3,267,506
	3,518,836	3,267,506
(b) Provision - Others:		
(i) Provision for bonus	1,721,189	1,715,098
(ii) Provision for audit fees	-	-
(iii) Provision for expenses	541,112	473,057
	2,262,301	2,188,155
Total	5,781,137	5,455,661

Note 2.9 - Fixed assets

Sr. No.	Particulars	Gross Block at cost				Depreciation				Net Block	
		As on 01.04.2013	Addition	Deductions/ Adjustment	As on 31.03.2014	As on 01.04.2013	For the year	Deductions/ Adjustment	As on 31.03.2014	As on 31.03.2013	As on 31.03.2014
	TANGIBLE ASSETS										
1	LEASEHOLD LAND	2,249,100	-	-	2,249,100	465,448	24,290	-	489,738	1,783,652	1,759,362
2	BUILDING	15,421,315	375,662	-	15,796,977	10,058,773	426,662	-	10,485,435	5,362,542	5,311,542
3	PLANT & MACHINERY	76,767,691	10,256,750	-	87,024,441	34,177,118	3,803,316	-	37,980,434	42,590,573	49,044,007
4	FURNITURE & FIXTURES	1,163,525	-	-	1,163,525	1,083,631	6,131	-	1,089,762	79,894	73,763
5	OFFICE EQUIPMENTS	1,345,082	-	-	1,345,082	1,027,006	41,277	-	1,068,283	318,076	276,799
	TOTAL	96,946,713	10,632,412	-	107,579,125	46,811,975	4,301,676	-	51,113,651	50,134,738	56,465,474
	Previous Year	69,722,260	19,799,350	-	89,521,610	35,538,470	3,848,401	-	39,386,871	34,183,790	50,134,738

Notes:

Assets appearing in the financial statement of the company, which are fully depreciated over the period of their estimated life but still forming part of gross block are being adjusted and shifted off the financial statements in view of proper and appropriate presentation of the financial statement.



Note 2.10 - Non-current investments

Particulars	2014 ₹	2013 ₹
(a) Other non-current investments		
(i) Investment In equity Instrument		
Shares Of BOB (Quoted: Market Value as on 31/3/14- ` 14415000)	1,700,000	1,700,000
Shares Of Sicom (Unquoted)	800,000	800,000
	2,500,000	2,500,000
(ii) Investment in Fixed Deposits	3,221,471	3,571,400
	3,221,471	3,571,400
Total	5,721,471	6,071,400

Note 2.11 - Long-term loans and advances

Particulars	2014 ₹	2013 ₹
(a) Security deposits		
Unsecured, considered good	36,384,714	23,274,714
Total	36,384,714	23,274,714

Note 2.12 - Current investments

Particulars	2014 ₹	2013 ₹
A) Other current investments		
(i) Investment in equity instruments (Quoted)	-	-
(ii) Investment in Fixed Deposits	-	13,164,810
Total	-	13,164,810

Note 2.13 - Inventories

Particulars	2014 ₹	2013 ₹
(i) Raw Materials And Packing Materials (At Cost)	32,691,735	46,966,517
(ii) Finished goods (At cost or net realisable value, whichever is lower)	8,568,090	6,442,358
(iii) Stores and spares (At cost)	2,145,542	3,036,331
Total	43,405,367	56,445,206


Note 2.14 - Trade receivables

Particulars	2014 ₹	2013 ₹
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment. Unsecured, considered good	-167,551	4,561,009
(b) Trade Receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	1,450,448	364,032
Total	1,282,897	4,925,041

Note 2.15 - Cash and cash equivalents

Particulars	2014 ₹	2013 ₹
(a) Cash on hand	188,413	229,602
(b) Balances with banks		
(i) In current accounts	5,221,803	7,368,326
Total	5,410,216	7,597,928

Note 2.16 Short-term loans and advances

Particulars	2014 ₹	2013 ₹
(a) Loans and advances to employees Unsecured, considered good	573,920	380,612
Total	573,920	380,612

Note 2.17 - Other current assets

Particulars	2014 ₹	2013 ₹
((a) Accruals		
(i) Interest accrued on deposits	112,364	81,594
	112,364	81,594
(b) Others		
TDS on FDR interest	467,600	439,624
TDS on interest	26,796	14,311
TDS on rent	72,000	48,000
Prepaid Expenses	56,099	77,241
	622,495	579,176
Total	734,859	660,770


Note 3.1 - Revenue from operations

Particulars	2014 ₹	2013 ₹
(a) Sale of products (Refer Note (i) below)	269,405,332	251,877,179
(b) Other operating revenues (Refer Note (ii) below)	1,309,932	1,138,749
<u>Less:</u>		
Excise duty	7,248,589	7,092,757
Total	263,466,675	245,923,171

Notes

Particulars	2014 ₹	2013 ₹
(i) Sale of products comprises of :		
Ice Cream Sales	269,405,332	251,877,179
Total - Sale of products	269,405,332	251,877,179
(ii) Other operating revenues comprise of:		
Sale of scrap	1,309,932	1,138,749
Total - Other operating revenues	1,309,932	1,138,749

Note 3.2 - Other income

Particulars	2014 ₹	2013 ₹
(a) Dividend income:		
From non current investments	650,000	340,000
From current investments	-	81,434
(b) Net gain on sale of:		
Current investments (Mutual funds)	-	-
Non-Current Investments (Shares)	-	192,087
(c) Interest income comprises:		
Interest from banks on Fixed deposits	273,620	1,544,248
MSEB Deposits	124,849	90,660
(d) Other non-operating income comprises:		
Rental income from Cold Storage Facility	240,000	240,000
Sundry balance written back	51,949	31,980
Excess provision written back		270,504
Discount Income	37,682	-
Miscellaneous Income	1,109,992	-
Prior Period item net (Refer note (i) below)	-	465,520
Total	2,488,092	3,256,432


(i) Prior Period Item

Particulars	2014 ₹	2013 ₹
Details of Prior period items (net)		
Prior period:		
Expenses	-	-
Income	-	465,520
Total	-	465,520

Note 3.3 - Cost of materials consumed

Particulars	2014 ₹	2013 ₹
(a) Material consumed comprises:		
(i) Packing Material		
Opening stock	18,915,950	10,955,680
Add: Purchases(Refer Note (i)a)	31,727,526	51,347,652
	50,643,476	62,303,332
Less: Closing stock	10,459,550	18,915,950
Sub-Total	40,183,926	43,387,382
(ii) Raw Material		
Opening stock	28,050,567	16,577,703
Add: Purchases (Refer Note (i)b)	123,698,664	132,449,732
	151,749,231	149,027,435
Less: Closing stock	22,232,185	28,050,567
Sub Total	129,517,046	120,976,868
Total	169,700,972	164,364,250

Note (i) - Purchases of Raw materials

Particulars	2014 ₹	2013 ₹
(a) Packing material	31,727,526	51,347,652
(b) Raw material		
Butter	12,817,133	12,090,500
Chocolate	333,406	6,654,532
Dry fruits	12,433,896	8,103,150
Other	42,485,054	37,599,489
Palm oil	9,291,381	13,141,203
S.M.P	34,896,501	41,084,850
Sugar	10,548,584	12,340,372
Freight for above purchases	892,709	1,435,636
	123,698,664	132,449,732
Total	155,426,190	183,797,384

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

Particulars	2014 ₹	2013 ₹
(a) Inventories at the end of the year:		
Finished goods	8,568,090	6,442,358
	8,568,090	6,442,358
(b) Inventories at the beginning of the year:		
Finished goods	6,442,358	4,279,590
	6,442,358	4,279,590
Net (increase) / decrease	(2,125,732.00)	(2,162,768)

Note 3.5 - Employee benefits expense

Particulars	2014 ₹	2013 ₹
(i) Salaries and wages	14,216,621	14,395,938
(ii) Contributions to provident and other funds	596,694	640,140
(iii) Staff welfare expenses	744,099	632,723
Total	15,557,414	15,668,801

Note 3.6 - Finance Cost

Particulars	2014 ₹	2013 ₹
(a) Interest expense on:		
(i) Bank Loan	162,365	1,112,489
(ii) C & F deposit	140,000	140,040
(iii) Cold Room Deposit	250,442	217,453
(b) Bank Charges	18,120	32,942
(c) Others	443,085	217,728
Total	1,014,012	1,720,652


Note 3.7 - Other expenses

Particulars	2014 ₹	2013 ₹
Consumption of stores and spare parts	7,378,756	6,818,831
Power and fuel	15,158,818	17,077,509
Water	1,202,403	1,153,051
Rent	798,212	380,809
Repairs and maintenance - Buildings	410,075	400,385
Repairs and maintenance - Machinery	945,892	1,492,319
Insurance	265,029	176,456
Royalty	4,618,717	4,125,946
Rates and taxes	1,882,783	1,379,821
Telephone Expenses	357,325	370,191
Printing and stationery	640,742	236,583
Freight and forwarding	24,623,437	24,572,273
Turnover Discount	734,674	9,394,835
Business promotion	1,621,371	701,497
Donations and contributions	36,003	30,003
Legal and professional	1,947,497	1,592,444
Payments to auditors (Refer Note (i) below)	151,106	187,416
Loss on fixed assets sold	-	-
Prior period items (net) (Refer Note (ii) below)	1,295,186	-
Advertisement	54,964	253,754
Commission	877,275	325,000
Travelling & Conveyance	1,250,936	1,217,245
Loss on Stock	157,661	238,841
Loss by theft	-	385,000
Miscellaneous expenses	4,060,603	3,043,562
Total	70,469,466	75,553,771

Notes : (i) Payments to the auditors comprises of:

Particulars	2014 ₹	2013 ₹
As auditors - Statutory audit	123,596	67,416
- Energy audit	-	120,000
- Reimbursement of Expenses	27,510	-
Total	151,106	187,416

(ii) Prior Period Item

Particulars	2014 ₹	2013 ₹
Details of Prior period items (net)		
Prior period:		
Expenses	1,295,186	-
Income	-	-
Total	1,295,186	-



Note 4 Disclosures under Accounting Standards

Note 4.1 - Related Party

Note	Particulars		
4.1.1	<p>Details of related parties:</p> <p>Description of relationship</p> <p>Associates</p> <p>Key Management Personnel (KMP)</p>		
	<p>Vadilal Industries Ltd</p> <p>Bela Investment & Finance Co.</p> <p>Shree Jay Ambe Company</p> <p>S R Gandhi HUF</p> <p>Shri S.R.Gandhi</p>		
	<p>Note: Related parties have been identified by the Management.</p>		
	<p>Details of related party transactions during the year ended 31 March, 2014:</p>		
4.1.2	Particulars	Associates	KMP
	Purchase of Packing/ Raw Material	1,944,831	-
		(1,864,527)	-
	Royalty	4,618,717	-
		(4,125,946)	-
	Process Hire Charges	120,000	-
		(120,000)	-
	Directors Remuneration	-	797,600
		-	(1,200,000)
	<p>Note: Figures in bracket relates to the previous year</p>		



Note 4.2 - Earning Par Share

Note	Particulars	2014 ₹	2013 ₹
4.2.1	Earnings per share		
	Basic		
4.2.2	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations	9,847,520	(9,813,504)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	9,847,520	(9,813,504)
	Earnings per share from continuing operations - Basic	3.08	(3.07)
4.2.3	<u>Total operations</u>		
	Net profit / (loss) for the year	9,847,520	(9,813,504)
	Less: Preference dividend and tax thereon		
	Net profit / (loss) for the year attributable to the equity shareholders		
	Earnings per share - Basic	3.08	(3.07)
	<u>Basic (excluding extraordinary items)</u>		
4.2.4	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations	9,847,520	(9,813,504)
	(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	-	-
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	9,847,520	(9,813,504)
	Earnings per share from continuing operations, excluding extraordinary items - Basic	3.08	(3.07)
4.2.5	<u>Total operations</u>		
	Net profit / (loss) for the year	9,847,520	(9,813,504)
	(Add) / Less: Extraordinary items (net of tax)	-	-
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	9,847,520	(9,813,504)
	Earnings per share, excluding extraordinary items - Basic	3.08	(3.07)



Note 4.3 - Contingent Liabilities

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

Note	Particulars	2014 ₹	2013 ₹
4.3.2	Contingent liabilities and commitments (to the extent not provided for)		
	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt (Excluding interest claimed by the parties)	7,601,886	7,601,886
	(b) Claims from Creditors/Stockiest whose credit balance have been assigned to a customer of the company	18,880,734	18,880,734
	(c) Interest on VAT, as per Order of Additional Commissioner of Sales Tax for the Period April 2007 to March 2012 Challenged by company with BIFR	31,526,630	23,318,001
	(d) Water Charges not acknowledged	-	2,876,675
	(e) Difference in Rate of VAT contested before Maharashtra VAT Tribunal for the period Feb 2006 to January 2008	14,019,268	14,019,268
	Interest for above period	11,080,125	-



Form No. MGT-11

Proxy form

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

Name of the member (s):

Registered address:

E-mail Id:

Folio No:

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

1.

Name :

Address :

E-mail Id :

Signature :....., or failing him

2.

Name :

Address:

E-mail Id :

Signature:....., or failing him

3.

Name :

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting, to be held on Monday, September 29, 2014, at 12.00 Noon at Plot No. M - 13, MIDC Industrial Area, Tarapur, Boisar - 401506 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

1. Approval of Annual Accounts.
2. To re-appoint Mr. Subhashchandra P. Patil who is liable to retire by rotation at this AGM.
3. To Appoint of M/s. Vinod K. Mehta as Statutory Auditors of the Company and fix their remuneration.
4. To Appoint Mr. Rahil S. Gandhi as a Whole Time Director of the Company liable to retire by rotation.
5. To Appoint Ms. Bela Gandhi as a Director of the Company, liable to retire by rotation.
6. To approve increase in the remuneration of Mr. Shailesh R. Gandhi, the Managing Director of the Company.



- 7. Alteration of Articles of Association pursuant to Companies Act 2013.
- 8. To Appoint of Mr. Subhashchandra P. Patil as an Independent Director.
- 9. To Appoint of Mr. Vishnu D. Barhate as an Independent Director.
- 10. To Appoint Mr. Prakash O. Mankar as an Independent Director.
- 11. To Appoint V V & Associates as Cost Auditors of the Company.
- 12. To borrow money pursuant to Section 180(1)(c) of the Companies Act, 2013

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

Signature of shareholder

Signature of Proxy holder(s)

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

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ATTENDANCE SLIP

VADILAL DAIRY INTERNATIONAL LIMITED

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

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 Monday, September 29, 2014, at 12.00 Noon 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

Sr. No.: _____

VADILAL DAIRY INTERNATIONAL LIMITED

PLOT NO. M-13, MIDC INDUSTRIAL AREA, TARAPUR, BOISAR - 401506

CIN: L15200MH1997PLC107525

VOTING BY BALLOT PAPER

Twenty Seventh Annual General Meeting of the Members of Vadilal Dairy International Limited to be held on **Monday, September 29, 2014 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 [✓] mark	
1.	Adoption of the Audited Balance Sheet as at 31st March, 2014 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. Subhashchandra P. Patil who is liable to retire by rotation at this AGM.		
3.	Re-appointment of M/s. Vinod K. Mehta & Co., Chartered Accountants (Firm Reg. No. - 111508W) as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the thirtieth Annual General Meeting subject to ratification in every Annual General Meeting of the Company.		
4.	Regularization & Appointment of Mr. Rahil S. Gandhi as a Whole Time Director of the Company for a period of five years, liable to retire by rotation.		
5.	Regularization of Mrs. Bela Gandhi as a Director of the Company, liable to retire by rotation.		
6.	Approval for increase in the remuneration of Mr. Shailesh R. Gandhi, the Managing Director of the Company.		
7.	Alteration of Articles of Association pursuant to Companies Act 2013.		
8.	Appointment of Mr. Subhashchandra P. Patil as an Independent Director for a term of five years upto 31st August, 2019.		
9.	Appointment of Mr. Vishnu D. Barhate as an Independent Director for a term of five years upto 31st August, 2019.		
10.	Appointment of Mr. Prakash O. Mankar as an Independent Director for a term of five years upto 31st August, 2019.		
11.	Appointment of V V & Associates as Cost Auditors of the Company for financial year ending March 31, 2015.		
12.	Approval to borrow money in excess of Paid Up Capital & Free Reserves of the Company, pursuant to the provisions of Section 180(1)(c) and other applicable provisions if any, of the Companies Act, 2013.		

Place: _____

Date: _____

Signature of the Member: _____

Note: Duly completed ballot form should reach the Scrutinizer, at the Registered Office of the Company not later than Thursday, September 25, 2014 by 6.00 P.M. Any ballot form received beyond said time shall be treated as invalid.

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 authorisation, 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 6.00 p.m. on Thursday, 25th day of September, 2014. 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 Thursday, 25th September, 2014.
- h) Members are requested not to send any paper (other than the resolution/authority as mentioned under "Process for voting by Postal Ballot" point 2c above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.

BOOK POST

If undelivered please return to :

Vadilal Dairy International Ltd.

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