



VADILAL DAIRY INTERNATIONAL LTD.
'GUL MANZIL', 1ST FLOOR,
14, DASHRATHLAL JOSHI ROAD,
VILE PARLE (WEST),
MUMBAI - 400 056.
TEL. : +91-22-26170201 / 0301
FAX : +91-22-2617 8843
E-mail: vadilal@vsnl.com / info@vadilal.net
<http://www.vadilalicecream.com>

Date: 12th October, 2017

To,
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Scrip Code: 519451

Dear Sir,

Ref: Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015

As per the Regulation 34 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 please find enclosed the "Annual report" for the Financial Year 2016-2017 duly approved and adopted by the Members at the Annual General Meeting held on 28th September, 2017.

Thanking You,

Yours faithfully,
For Vadilal Dairy International Limited

Uday Sawant
Encl: As above

30th Annual Report 2016-17



VADILAL DAIRY
INTERNATIONAL LTD.

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

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

COMPANY SECRETARY & COMPLIANCE OFFICER**Mr. UDAY ANANT SAWANT**E-mail: uday.csvadilal@gmail.com**STATUTORY AUDITORS****M/s. VINOD K.MEHTA & CO.**B-5, Satyam Shopping Centre, 2nd Floor, M. G. Road,
Ghatkopar (East), Mumbai - 400077**REGISTERED OFFICE**Plot No. M-13, MIDC Ind. Area, Tarapur, Boisar - 401506
Tel No: 02525-272501 / 272697, Fax No.: 02525-273234
Website: www.vadilaldairy.com

Contents	Page No.
Notice	2
Directors' Report	7
Management Discussion & Analysis	28
Managing Directors' & CFO Certification	29
Declaration Regarding Compliance with the Code of Conduct	29
Independent Auditors' Report	30
Balance Sheet	36
Profit & Loss Account	37
Cash Flow Statement	39
Notes Forming Part of the Financial Statements	41
Attendance Slip and Proxy Form	59

BANKERSHDFC Bank Limited,
Federal Bank,
Oriental Bank of Commerce,
State Bank of India & Bank of India**REGISTRAR AND SHARE TRANSFER AGENTS**Sharex Dynamic (India) Pvt. Ltd.
Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool, Andheri (E),
Mumbai-400 072.

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.

THIRTEITH ANNUAL GENERAL MEETING

Day: Thursday

Date: 28th September, 2017

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 THIRTIETH Annual General Meeting of **VADILAL DAIRY INTERNATIONAL LIMITED** will be held at Registered Office of the Company at Plot no. M-13, MIDC, Industrial Area, Tarapur, Boisar- 401506, on Thursday, 28th September, 2017 at 12:00 Noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider & adopt the Audited Balance Sheet as at 31st March 2017 and Profit & Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Bela S. Gandhi (DIN: 03126886), who retires by rotation and being eligible, offers herself for re-appointment.

3. Auditors' Appointment:

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

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s Vinod K. Mehta & Co., Chartered Accountants, (Firm Registration No. 111508W) be and is hereby appointed as Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting until the Annual General Meeting of the Company to be held in Year 2022 for period of 5 years subject to ratification at every Annual General Meeting of the Company to examine and audit the accounts of the Company on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

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

Sd/-

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

Place: Boisar

Date: 14th August, 2017

Registered Office:

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregating not more than 10% of total share of the Company.
2. Corporate members intending to send their authorized representative to attend the meeting in pursuance to Section 113 of Companies Act, 2013 are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at company's registered office not less than 48 hours before the commencement of the meeting (on or before 26th September 2017, 12.00 Noon. IST). A proxy form is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a members would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. The register of Directors and key managerial personnel and their shareholding, maintained under section 170 of Companies, Act 2013 will be available for inspection by the members at the AGM.
6. The Register of contracts or Arrangements, in which the directors are interested, maintained under Section 189 of Companies Act, 2013, will be available for inspection by the members at the AGM.



7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 22nd September, 2017 to Thursday 28th September, 2017 (both days including) for the purpose of Annual General Meeting , pursuant to the provisions of section 91 of the Companies Act, 2013.
8. (a) Members are requested to notify changes of address, if any, with PIN CODE number and quote reference of their Folio Number/s.
(b) In case your mailing address mentioned on this Annual Report is without the PIN CODE then you are requested to inform your PIN CODE immediately.
9. Members are requested to quote Folio Numbers in all correspondences.
10. Documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except holidays between 10.00 a.m. to 12.00 noon up to the date of Annual General Meeting.
11. In case you intend to raise any query in the forthcoming Annual General Meeting you are requested to please forward the same at least 7 days before the date of the meeting to the Registered Office, so that the same may be attended to your entire satisfaction.
12. Members are requested to bring their attendance slip along with copy of Annual Report to the Meeting.
13. SEBI has made it mandatory for every participant in the securities/capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with a photocopy of both sides of the PAN card, duly attested, to the Registrar and Share Transfer Agents of the Company i.e. Sharex Dynamic (India) Private Limited.
14. Information & other instructions relating to E-Voting:
 - i). In compliance with the provisions of Section 108 of the Act and the Rules framed there under and Regulation relating to SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 services provided by CDSL, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Forms are given at the back of the said Form and instructions for e-voting are given herein below. Resolution(s) passed by the Members through Ballot Forms or e-voting is/are deemed to have been passed as if they have been passed at the Annual General Meeting.
 - ii) The Board of Directors has appointed Mr. Suhas S. Ganpule, Practicing Company Secretary, (Membership No. ACS 12122), as the Scrutinizer to scrutinize the voting by remote e-voting process (i.e. casting of votes using electronic voting system from place other than the venue of the Meeting) and the Ballot Form received from the Members in a fair and transparent manner.
 - iii) Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
 - iv) Completed Ballot Forms should reach the Scrutinizer not later than the close of working hours i.e. at 5.00 p.m. on Wednesday, September 27th 2017. Ballot Forms received after this date will be considered as invalid.
 - v) In case a Member is desirous of obtaining a duplicate Ballot Form or having any query/grievance pertaining to the Ballot process can write to the Company at its registered office Plot No. M-13, MIDC Ind. Area, Tarapur, Boisar – 401506 or to the email ID uday.csvadilal@gmail.com, vadilal.dairy1987@gmail.com. Duly completed and signed duplicate Ballot Form should, however, reach the Scrutinizer not later than the close of working hours on 5.00 PM, 27th September, 2017. Ballot Forms received after this date will be treated as invalid.

The instructions for voting electronically are as under:

- (i) The voting period begins on Monday, **25th September, 2017** at 9.00 A.M. and ends on Wednesday **27th September, 2017** at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21st September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.



CIN: L15200MH1997PLC107525

- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is printed in the attendance slip in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000001 in the PAN field.
DOB Dividend Bank Details	<p>Enter the Dividend Bank Details or Date of Birth (In dd/mm/yy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

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



verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m- Voting available for android based mobiles. The m- Voting app can be downloaded from Google Play store. Iphone and Windows phone users can download the app from the App Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

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

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

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

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

Sd/-

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

Place: Boisar
Date: 14th August, 2017

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



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

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

Particulars	Mrs. Bela Gandhi
Date of birth	29 th June, 1962
Date of appointment	14/08/2014
Qualification	B.Com
Expertise in specific functional areas	Procurement of key inputs of the company
Directorship held in other public Companies	1. Bela Investment and Finance Company Private Limited 2. Rahil Dairy Industries Private Limited
Membership/Chairmanship of committees of other public companies (includes only Audit committees and Stakeholders relationship Committee.)	One
Number of shares held in the Company	5,35,969 Equity Shares

**DIRECTORS' REPORT**

To

The Members,**Vadilal Dairy International Limited**

Your Directors are pleased to present the Thirtieth Annual Report on the business and operations of Vadilal Dairy International Limited ('the Company') along with the audited financial statement for the year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS:

(Rs. In Lacs)

PARTICULARS	2016-2017	2015-2016
Profit Before Depreciation and Financial Charges	553.39	684.01
Less: Depreciation and amortization	153.68	114.11
Financial cost	18.43	30.21
Profit before Exceptional Items and Tax	381.28	539.69
Exceptional Items	—	—
Profit Before Tax	381.28	539.69
Provision for Deferred Tax (Asset)	(2.39)	94.49
Current Tax	110.00	117.00
Profit After Tax	273.67	328.20
Profit/(Loss)brought forward from last year	319.86	(8.33)
Amount available for Appropriation	593.53	319.86
Appropriations:		
- Dividend	—	—
- Corporate Dividend Tax	—	—
- Transferred to General Reserve	—	—
Surplus carried to Balance Sheet	593.53	319.86

STATE OF COMPANY'S AFFAIRS:

The Company has earned revenue from the operations (gross) of Rs.4583.19/- lakhs during the year ended on 31st March, 2017 as against Rs. 4288.63/- lakhs earned during the previous year ended on 31st March, 2016, giving a rise of 7.12% as compared to previous year.

The Company reported Profit of Rs. 273.67 lakhs during the year ended on 31st March, 2017 as compared to Rs. 328.20/- lakhs earned during the previous year ended on 31st March, 2016, showing fall of 16.61%.

The Company's EPS is Rs. 8.57 compared to Rs. 10.28 of the previous year.

BUSINESS OUTLOOK:

The Company's primary target is to improve its performance by achieving substantial double digit growth rate in the next financial year 2017-18. In order to achieve the said target the Company plans to improve supply chain, appoint dynamic marketing team and to deploy quality control teams responsible for enhanced compliance with product and guidelines set down by related regulatory agency.

DIVIDEND:

In order to conserve the resources and for further growth, the Company does not propose to pay any dividend for the Financial Year ended 31st March, 2017.



TRANSFER OF RESERVES:

The Board does not propose transfer of any amount to Reserves for the Financial Year 2016-2017.

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

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

TRANSACTION WITH RELATED PARTIES:

There are some transactions with related parties which fall under the scope of the Section 188 (1) of the Act.

Information on transactions with related parties pursuant to section 134 (3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure B** in form AOC -2 and same forms part of this report.

CASH FLOW STATEMENTS:

In conformity with provisions and Regulation 34 (2) (c) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the cash flow statement for the year ended on March 31, 2017 is attached as a part of the Annual Accounts of the Company.

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

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

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

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

DETAILS OF SUBSIDIARY/ JOINT VENTURES / ASSOCIATE COMPANIES:

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

PREVENTION OF SEXUAL HARASSMENT:

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

DEPOSITS:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

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

The details of the investments made by the Company are given in the Notes to Financial Statements.

BOARD MEETING:



During the year under review, Six (6) Board meetings were convened and held. Intervening gap between the meetings was within the period prescribed by the Companies act 2013 and LODR (Listing Obligation and Disclosure Requirements), Regulations 2015.

Board Meeting held during the Year is as under:

23 rd April, 2016	1 st August, 2016	13 th August, 2016	14 th October, 2016
14 th November, 2016	20 th December, 2016	14 th February, 2017	

A). DIRECTORS:

Changes in Directors and Key Managerial Personnel.

I. CESSATION:

None of director was ceased from their office during the Year 2016-2017.

II. RETIREMENT BY ROTATION:

Mrs. Bela Shailesh Gandhi (DIN: 03126886), Executive Director is liable to retire by rotation at the ensuing Annual General Meeting, pursuant to Section 152 and other applicable provisions of, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and being eligible have offered herself for re-appointment. Appropriate resolutions for her re-appointment is being placed for the approval of the Shareholders of the Company at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening 30th AGM of the Company. The Directors recommend her re-appointment as Executive Director of the Company.

III. APPOINTMENT:

None of director was appointed during the Financial Year 2016-2017.

B) DECLARATION BY AN INDEPENDENT DIRECTOR(S):

All the Independent Directors of the Company have declared that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 which have been relied by the Company and were placed at the Board Meeting held on 23rd April, 2016.

C) FORMAL ANNUAL EVALUATION:

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

D) REMUNERATION POLICY:

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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



Details of familiarization program are provided on website of Company www.vadilaldairy.com.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i). in the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii). they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were generally operating effectively;
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MANAGERIAL REMUNERATION:

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

Remuneration of Directors:

Name	Title	% Increase in the remuneration for the year ended 31 st March, 2017	Ratio as related to employees
Shailesh Gandhi	Managing Director	35%	29.37
Bela Gandhi	Executive Director	100%	3.26
Rahil Gandhi	Whole Time Director	25%	10.88

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

- 1. There was increase in the remuneration of Directors as mentioned above.
- 2. As on 31st March, 2017 there were total of 208 employees on the roll of the Company.
- 3. Increase in remuneration depends upon factors like Company performance, Bench Marking, Inflationary trends, talent availability, turnover and regulatory provisions part from the individual performance of employees.
- 4. **Comparison of Average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:**
Average percentile increase in the remuneration for all employees other than managerial personnel was 18%, while the average increase in the managerial remuneration was 43%.
- 7. The Company affirms that the remuneration is as per the remuneration policy.

STATUTORY AUDITORS AND AUDITORS REPORT:

M/s. **Vinod K. Mehta & Co**, Chartered Accountants (Registration No. 111508W), who was appointed as Statutory Auditors of the Company in its 27th AGM for tenure of 3 years i.e till the Conclusion of AGM to be held in the Year 2017. The Board recommended the appointment of Ms/ **Vinod K. Mehta & Co**, Chartered Accountants (Registration No. 111508) as the Statutory Auditors of the Company for period of 5 years from conclusion of this Annual General Meeting until conclusion of Annual General Meeting to be held in the Year 2022, subject to ratification at every Annual General Meeting of the Company, for approval of Shareholders of the Company, based on recommendation of the Audit Committee.



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

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

SECRETARIAL AUDITOR:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report forms an integral part of this Report and gives details of overall industry structure, economic developments, performance and state of affairs of the Company’s business.

EXTRACT OF THE ANNUAL RETURN:

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

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

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

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

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

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

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

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

PREVENTION OF INSIDER TRADING:

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

RISK MANAGEMENT:

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

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



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

ENVIRONMENT AND SAFETY:

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

CORPORATE SOCIAL RESOPOSIBILITY (CSR):

The CSR committee had series of meetings and detailed discussions with number of projects to actively support the CSR objectives. However, even after meeting of committee, the Company could not identify any suitable projects and therefore could not incur any expenditure towards Corporate Social Responsibility for financial year. The Directors ensure that the Company will spend sufficient amount in the next financial year.

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

PARTICULARS OF EMPLOYEES:

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

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

CORPORATE GOVERNANCE REPORT:

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, a Report on Corporate Governance is not applicable to the Company as it does not fall under the criteria of Paid Up Share Capital of Rs. 10 Crore and Turnover of Rs. 25 Crores. But certain important points has been highlighted as below:

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

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

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

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

**Audit Committee:**

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

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

Four Audit Committee meetings were held as follows:

1 st August, 2016	13 th August, 2016	14 th November, 2017	14 th February, 2017
------------------------------	-------------------------------	---------------------------------	---------------------------------

Sr. No.	Name of Director	Designation	Attendance in Audit Committee	
			Held	Attended
1.	Mr. Vishnu Barhate	Non- Executive, Independent Director (Member)	4	4
2.	Mr. Shailesh Gandhi	Executive Director (Member)	4	4
3.	Mr. Subhaschandra Patil	Non Executive Director (Chariman)	4	4

Nomination and Remuneration Committee:

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

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of meeting held and attended by the Members of the Committee during the Financial Year 2016-2017 is detailed below:

1 st August, 2016	13 th August, 2016
------------------------------	-------------------------------

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

Stakeholders Relationship Committee:

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

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

The constitution of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the Members of the Committee during the Financial Year 2016-2017 is detailed below:

1 st August, 2016	13 th August, 2016	14 th November, 2016	14 th February, 2017
------------------------------	-------------------------------	---------------------------------	---------------------------------

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



The details of Complaints received and resolved during the Year ended 31st March, 2017 are as follows:

No. of Complaints Received- 2

No. of Complaints Resolved- 2

No. of Complaints Pending- 0

Independent Directors:

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

The Company has Independent Directors as per The Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

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

The Composition of Independent Director is as follows:

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

Corporate Social Responsibility Committee:

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

The Meeting of Corporate Social Responsibility Committee was held on 14th February, 2017.

The Composition of Corporate Social Responsibility Committee is as follows:

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

GENERAL SHAREHOLDERS INFORMATION:

Date	28 th September, 2017
Time	12.00 Noon
Place	Plot No. M-13, MIDC, Industrial Area, Tarapur, Boisar- 401506
Financial Year	2016- 2017
Book Closure	22 nd September, 2017 to 28 th September, 2017
Dividend payment	NIL
Listed on Stock Exchange	The Bombay Stock Exchange
Stock Code	519451
Demat ISIN No. in CDSL	INE159T01016
Registrar and Share Transfer Agents	Sharex Dynamic (India) Private Limited Address: Unit -1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai- 400072, Tel : (022) 28515606/ 28515644 Fax no. 28512885 E Mail: sharexindia@vsnl.com



VADILAL DAIRY INTERNATIONAL LTD.

THIRTIETH ANNUAL REPORT 2016- 2017

CIN: L15200MH1997PLC107525

STATUTORY DISCLOSURES:

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

ACKNOWLEDGEMENT:

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

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

Sd/-

Sd/-

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

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

Place: Boisar

Date: 14th August, 2017



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



FORM – A
(SEE RULE -2)

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

A) POWER & FUEL CONSUMPTION	CURRENT YEAR 2016-17	PREVIOUS YEAR 2015-16
1. Electricity		
a) Purchase unit	1952176	1827119
Total amount (Rs.)	17297070	14849371
Rate/ Unit (Rs.)	8.86	8.13
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)	12	19
Total cost (Rs.)	706410	1028970
Average Rate (Rs.)	58.87	54.16
4 Other/Internal Generation		
Qty (units)	Nil	Nil
Total cost (Rs.)	Nil	Nil
Rate /Unit (Rs.)	Nil	Nil
Consumption per liter of production	2016-2017	2015-16
Product	Electricity	Electricity
(Kwh/Ltrs.)	(Kwh/Ltrs.)	
Ice cream	0.42	0.43

B) RESEARCH & DEVELOPMENT:

a. Specific areas in which R & D carried out by the Company:

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

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

Improvement in quality and material utilization.

c. Future Plan of Action:

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

There was no foreign exchange earnings or outgoings for the year ended on 31st March, 2017 (P.Y. Nil).



ANNEXURE B TO DIRECTORS REPORT

FORM NO. AOC -2

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

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

(Rs. In Lacs)

SL No.	Particulars	Details		
	Name (s) of the related party & nature of relationship	Name		Nature of Relationship
		<u>Loan taken and repaid from/to Directors</u>		
		1. Shailesh Gandhi 2. Bela Gandhi		
	Duration of the contracts/ arrangements/transaction	Remuneration to Directors		Directors
		1. Shailesh Gandhi 2. Bela Gandhi 3. Rahil Gandhi		
		As and when required by the Company (Loan)Annually (Remuneration to Directors)		
	Salient terms of the contracts or arrangements or transaction including the value, if any	Name	Nature of Transactions	Value (In Lakhs)
		1. Shailesh Gandhi	Loan taken	47.80
		2. Bela Gandhi	Loan Repaid	52.50
			Loan Taken	65.20
Justification for entering into such con- tracts or arrangements or transactions	1. Shailesh Gandhi	Remuneration to Directors	40.50	
	2. Bela Gandhi		4.50	
	3. Rahil Gandhi		15.00	
Date of approval by the Board	For Business purpose			
Amount paid as advances, if any	14th August, 2016			
Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL			
	29th September, 2016 (Increase in Remuneration of Directors)			

1. Details of contracts or arrangements or transactions not at Arm's length basis- NIL
2. Details of contracts or arrangements or transactions at Arm's length basis- Same as above

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

Sd/-

Sd/-

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

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

Place: Boisar

Date: 14th August, 2017



ANNEXURE C TO DIRECTORS REPORT
SECRETARIAL AUDIT REPORT
Form No. MR-3
Secretarial Audit Report

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

Secretarial Audit Report

For the Financial Year ended 31st March, 2017

To,

The Members,

Vadilal Dairy International Limited,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f. The Securities and Exchange Board of India (listing Obligation and Disclosure Requirements) Regulation, 2015.
- V. Other laws applicable to the Company as per the representations made by the Company. We have also examined compliance with the applicable clauses of the following:
 - (i) The Factories Act, 1948
 - (ii) The Payment of Wages Act, 1936



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

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

- a) Secretarial Standards by The Institute of Company Secretaries of India.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that the Company pursuant to Section 180(1) (c) had approved increase in the borrowing limits of the Company to Rs. 15 crores vide its Annual General Meeting held on 29th September, 2016.

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

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

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

**For SG and Associates,
Company Secretaries**

Sd/-

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

Date: 14th August, 2017

Place: Mumbai



Annexure A to MR-3

To,

The Members,

Vadilal Dairy International Limited.

Boisar

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For SG and Associates,
Company Secretaries**

Sd/-

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

Date: 14th August, 2017

Place: Mumbai



ANNEXURE 'D' TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2017

[Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

A. REGISTRATION AND OTHER DETAILS:

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

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Holding, Subsidiary and Associate Company as on the Financial Year 2016- 2017.

D. SHARE HOLDING PATTERN

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN									
(a). individual	0	2501430	2501430	78.313	0	2501430	2501430	78.313	0
(b). Central Govt.	0	0	0	0	0	0	0	0	0
(c). State Govt(s).	0	0	0	0	0	0	0	0	0
(d). Bodies Corpp.	0	459830	459830	14.396	0	459830	459830	14.396	0
(e). FIINS / BANKS.	0	0	0	0	0	0	0	0	0
(f). Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	2961260	2961260	92.709	0	2961260	2961260	92.709	0
(2). FOREIGN									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0



(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FI	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter									
(A)=(A)(1)+(A)(2)	0	2961260	2961260	92.709	0	2961260	2961260	92.709	0
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0	0	0	0	0	0	0	0	0
(b). Banks / FI	0	50000	50000	1.565	0	50000	50000	1.565	0
(c). Central Govt.	0	0	0	0	0	0	0	0	0
(d). State Govt.	0	16700	16700	0.523	0	16700	16700	0.523	0
(e). Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f). Insurance Companies	0	0	0	0	0	0	0	0	0
(g). FIs	0	0	0	0	0	0	0	0	0
(h). Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i). Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	66700	66700	2.088	0	66700	66700	2.088	0
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	0	6990	6990	0.219	0	6990	6990	0.219	0
(ii). Overseas									
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	280	1030970	131250	4.109	900	130350	131250	4.109	0
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	27950	27950	0.875	0	27950	27950	0.875	0
(c). Other (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Boodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	280	165910	166190	5.203	900	165290	166190	5.203	0
Total Public Shareholding									
(B)=(B)(1)+(B)(2)	280	232610	232890	7.291	900	231990	232890	7.291	0
C. Shares held by Custodian for GDRs & ADRs	0								
Grand Total (A+B+C)	280	3193870	3194150	100.00	900	3194150	3194150	100.00	0



(ii) Promoter's Shareholding:

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2016			Share holding at the end of the Year 31/03/2017			% change in share holding during theyear
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	SHRI. SHAILESH R GANDHI	1899561	59.469	—	1899561	59.469	—	—
2	S R GANDHI (H U F)	65900	2.063	—	65900	2.063	—	—
3	SMT. BELA S GANDHI	535969	16.779	—	535969	16.779	—	—
4	BELA INVT & FINANCE CO PVT LTD	459830	14.396	—	459830	14.396	—	—

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

There are no changes in Promoter' Shareholding during the Financial Year 206-2017.

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

SI No.	Name	No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	STATE IND & INVT CORPN OF MAH LTD - Closing Balance	16700	0.523	1/4/2016 31/3/2017			16700	0.523
2	KANTILAL CHUNILAL CHOKSHI - Closing Balance	490	0.015	1/4/2016 31/3/2017			490	0.015
3	PRISM FINANCE LTD. - Closing Balance	620	0.019	1/4/2016 31/3/2017			620	0.019
4	ARTI A VIRANI - Closing Balance	1010	0.032	1/4/2016 31/3/2017			1010	0.032
5	PERSIS A KHAMBATTA - Closing Balance	650	0.02	1/4/2016 31/3/2017			650	0.02
6	K SIYER - Closing Balance	570	0.018	1/4/2016 31/3/2017			570	0.018
7	KINETIC FINCAP LIMITED - Closing Balance	490	0.015	1/4/2016 31/3/2017			490	0.015
8	UNION BANK OF INDIA - Closing Balance	50000	1.565	1/4/2016 31/03/2017			50000	1.565
9	WINDIA INFRASTRUCTURE FINANCE LTD - Closing Balance	3250	0.102	1/4/2016 31/3/2017			3250	0.102
10	RAHILL GANDHI - Closing Balance	27950	0.875	1/4/2016 31/3/2017			27950	0.875



(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.		Shareholding at the beginning of the year 01/04/2016		Cumulative Shareholding during the year 31/03/2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2435530	76.23	--	--
	At the End of the year	--	--	2435530	76.23

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,18,73,046	5,42,86,500	—	10,61,59,546
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	5,18,73,046	5,48,26,500	—	10,66,99,546
Change in Indebtedness during the financial year				
• Addition	39811700	11300000	—	51111700
• Reduction	52470441	5250000	—	57720441
Net Change	-12658741	6050000	—	-6608741
Indebtedness at the end of the financial year				
i) Principal Amount	39214305	60876500	—	100090805
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not	—	—	—	—
Total (i+ii+iii)	39214305	60876500	—	100090805



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		SHAILESH GANDHI	RAHIL GANDHI	BELA GANDHI	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,50,000	15,00,000	4,50,000	60,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	
2	Stock Option	—	—	—	
3	Sweat Equity	—	—	—	
4	Commission				
	- as % of profit	—	—	—	
	- others, specify...	—	—	—	
5	Others, please specify	—	—	—	
	Total (A)	40,50,000	15,00,000	4,50,000	60,00,000
	Ceiling as per the Act	As per Companies Act, 2013 and Schedule V ceiling limit is 84 lacs approx.			

B. Remuneration to other directors:

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

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



or perquisites from the Company.

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

	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	1,20,000	11,76,000	12,96,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA	—	—	—
2	Stock Option	NA	—	—	—
3	Sweat Equity	NA	—	—	—
4	Commission				
	- as % of profit				
	- others, specify...	NA	—	—	—
	Others, please specify	NA	—	—	—
	Total	NA	1,20,000	11,76,000	12,96,000

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

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

Sd/-

Sd/-

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

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

Place: Boisar

Date: 14th August, 2017



MANAGEMENT DISCUSSION ANALYSIS

1 PERFORMANCE OF THE COMPANY:

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

2 STRATEGY:

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

3 BUSINESS OUTLOOK:

The Company expects to grow at a rate at least 15% higher than the current year . The approach would be to continue with the growth momentum while balancing risk. The consumption of ice cream has always been increasing . There is always good scope for business growth.

4 THREATS:

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

5 INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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

Audit Committee, the details of which has been provided in the Corporate Governance Report has been entrusted with detailed terms of reference to review and look into proper recording of transactions and preparation of financial statement. One of the important functions of the Audit Committee is to review the adequacy of internal control systems and compliance thereof.

6 HUMAN RESOURCE DEVELOPMENT:

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

7 CAUTIONARY STATEMENT:

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

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

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

**Place: Boisar
Date: 14th August, 2017**



CEO/ CFO CERTIFICATION

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

- a. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2017 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/-**

**Prakash Mistry
Chief Financial Officer**

**Place: Mumbai
Date: 14th August, 2017**

CODE OF CONDUCT DECLARATION

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that-

The Company has obtained from all members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the Financial Year 31st March, 2017

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

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

**Place: Mumbai
Date: 14th August, 2017**



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VADILAL DAIRY INTERNATIONAL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Vadilal Dairy International limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.



In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

On the basis of written representations received from the directors as on 31st March,2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March,2017, from being appointed as a director in terms of Section 164(2) of the Act.

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

With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i.The Company has disclosed the impact of pending litigations on it’s financial position in it’s financial statements in accordance with the generally accepted accounting practice. Attention is also invited to Note No.4.3.1 of the Financial Statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has not been an occasion in case of the company during the year under report to transfer any sums to the Investor Education and Protection Fund.The question of delay in transferring such sums does not arise.

iv. The Company has provided requisite disclosures in the financial statements as regards to its holding and dealings in Specified Bank Notes defined in the notification S.O. 3407(E) dated the 8th November, 2016 of the ministry of finance, during the period from 8th November 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the management. Refer note 5 of the financial statements.

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

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

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

Place: Mumbai
Date: 30th May,2017



“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act,2013 (“the Act”)

We have audited the Internal Financial Control over financial reporting of Vadilal Dairy International Limited (“the Company”) as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company.
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Mumbai
Date: 30th May,2017



“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in Paragraph 2 under “Report on other legal and regulatory requirements” of our report of even date)

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

Sr. No	Name of the Statute	Name of the Dues	Amount (in Lakhs)	Period to which the amounts relates
1	The Income Tax Act, 1961	Fringe Benefit Tax	1.09	AY 2008-2009
			0.72	AY 2009-2010

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



Sr. No.	Name of the Statute	Name of the dues	Amount (in lakhs)	Period to which the amount relates	Forum where dispute is pending
1	The Bombay Sales Tax Act and The Central Sales Tax Act	Sales tax	40.05 12.02 38.22	1992-93 1993-94 1995-96	Bombay High Court Bombay High Court Supreme Court
2	The Maharashtra Value Added Tax, 2002 and The Central Sales Tax Act	MVAT & CST	140.28 172.86 157.92 16.24 31.88	2005-06 2006-07 2007-08 2009-10 2010-11	Maharashtra Sales Tax Tribunal do do do do

8. In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The company has not issued any debentures.
9. The Company has not raised money by way of initial public offer (including debt instruments) or term loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
10. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company is noticed or reported during the year nor have we been informed of any such instance by the Management.
11. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us the company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the Directors or Persons connected with them and covered under Section 192 of the Act. Hence, clause (xv) of paragraph 3 of the Order is not applicable to the Company.
16. To the best of our knowledge and as explained, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place: Mumbai
Date: 30th May, 2017



BALANCE SHEET AS AT 31ST MARCH,2017

Particulars	Note No.	2017	2016
		Rs.	Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	31,941,500	31,941,500
(b) Reserves and surplus	2.2	69,794,155	35,736,432
2 Non-current liabilities			
(a) Long-term borrowings	2.3	60,876,500	54,826,500
(b) Deferred tax liabilities (net)		7,454,551	7,693,745
(c) Other long-term liabilities	2.4	52,952,270	46,899,522
(d) Long-term provisions	2.5	5,795,148	7,725,631
3 Current liabilities			
(a) Short-term borrowings	2.6	39,214,305	51,873,046
(b) Trade payables	2.7	57,448,684	46,828,175
(c) Other current liabilities	2.8	9,728,873	13,427,937
(d) Short-term provisions	2.9	9,680,672	16,335,553
TOTAL		344,886,658	313,288,041
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.1	130,009,651	115,089,532
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		1,056,726	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
(b) Non-current investments	2.11	800,000	800,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	2.12	29,433,231	42,045,557
(e) Other non-current assets		-	-
2 Current assets			
(a) Current investments	2.13	22,652,994	10,520,277
(b) Inventories	2.14	69,004,994	43,646,863
(c) Trade receivables	2.15	22,504,803	18,711,045
(d) Cash and cash equivalents	2.16	66,330,404	80,303,539
(e) Short-term loans and advances	2.17	1,135,926	986,799
(f) Other current assets	2.18	1,957,930	1,184,428
TOTAL		344,886,658	313,288,041
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

Sd/-

For VINOD K MEHTA & Co.

Chartered Accountants

Firm Registration No. : 111508W

Sd/-

DIVYESH V MEHTA

(Partner)

M.No.: 044293F

Place: Mumbai

Date: 30th May, 2017

For and on behalf of the Board of Directors

Sd/-

SHAILESH R. GANDHI
MANAGING DIRECTOR

DIN: 01963172

Sd/-

PRAKASH MISTRY
CFO

Sd/-

RAHIL S. GANDHI
WHOLETIME DIRECTOR

DIN:03126913

Sd/-

UDAY SAWANT
CS



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	2017	2016
		Rs.	Rs.
A CONTINUING OPERATIONS			
1 Revenue from operations (net)	3.1	458,319,452	428,886,341
2 Other income	3.2	16,894,640	9,058,905
3 Total revenue (1+2)		475,214,092	437,945,246
4 Expenses			
(a) Cost of materials consumed	3.3	212,016,393	193,041,331
(b) Purchases of stock-in-trade			
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.4	(1,214,570)	457,292
(d) Employee benefits expense	3.5	35,627,085	32,713,965
(e) Finance costs	3.6	1,842,802	3,021,192
(f) Depreciation and amortisation expense		15,368,343	11,411,456
(g) Other expenses	3.7	173,446,404	143,330,514
Total expenses		437,086,457	383,975,751
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		38,127,635	53,969,495
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		38,127,635	53,969,495
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 ± 8)		38,127,635	53,969,495
10 Tax expense:			
(a) Current tax expense for current year		11,000,000	11,700,000
(b) Deferred tax		239,194	9,449,257
11 Profit / (Loss) from continuing operations (9 ± 10)		27,366,829	32,820,238



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	2017	2016
		Rs.	Rs.
B DISCONTINUING OPERATIONS			
12. i Profit / (Loss) from discontinuing operations (before tax)		-	-
12. ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12. iii Add / (Less): Tax expense of discontinuing operations		-	-
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
13 Profit / (Loss) from discontinuing operations (12.i ± 12.ii ± 12.iii)		-	-
14 Profit / (Loss) for the year (11 ± 13)		27,366,829	32,820,238
15 Earnings per share (of '10 /- each):			
(a) Basic			
(i) Continuing operations		8.57	10.28
(ii) Total operations		8.57	10.28
(b) Diluted			
(i) Continuing operations		-	-
(ii) Total operations		-	-
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

Sd/-

For VINOD K MEHTA & Co.

Chartered Accountants

Firm Registration No. : 111508W

Sd/-

DIVYESH V MEHTA

(Partner)

M.No.: 044293F

Place: Mumbai

Date: 30th May, 2017

For and on behalf of the Board of Directors

Sd/-

SHAILESH R. GANDHI

MANAGING DIRECTOR

DIN: 01963172

Sd/-

RAHIL S. GANDHI

WHOLETIME DIRECTOR

DIN:03126913

Sd/-

PRAKASH MISTRY

CFO

Sd/-

UDAY SAWANT

CS



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	2017		2016	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) after extraordinary items and tax		27,366,829		32,820,238
<i>Adjustments for:</i>				
Appropriation for MAT credit entitlement	6,690,894		-	
Depreciation and amortisation	15,368,343		11,411,456	
Finance costs	1,842,802		3,021,192	
Interest income	(4,482,159)		(4,576,365)	
Dividend income	(379,569)		(359,764)	
Net (gain) / loss on sale of investments	(6,139,279)		(3,181,161)	
Net (gain) / loss on sale of Fixed Assets	128,808		317,262.00	
Rental income from investment properties	-		-	
Liabilities /provisions no longer required written back	(6,007,503)		(775,087)	
Provsion for Taxation	11,000,000		11,700,000	
Discount Income	-		(6,358)	
Deferred Tax	(239,194)		9,449,257	
Operating profit / (loss) before working capital changes		17,783,143		27,000,433
<i>Adjustments for -</i>				
Trade and Other Receivables	7,895,940		(14,757,702)	
Inventories	(25,358,131)		313,613	
Trade and Other Payables	(13,262,409)	(30,724,600)	48,819,569	34,375,480
Net cash flow from / (used in) operating activities (A)		14,425,372		94,196,151
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(31,555,716)		(32,960,931)	
Proceeds from sale of fixed assets	81,720		444,000.00	
Redemption of FD	16,165,284		(55,490,835)	
Purchase of Investment	(24,718,732)		(9,230,411)	
Proceeds from sale of Investments	18,725,294		3,591,295	
Interest received	4,482,159		4,576,365	
Dividend received	379,569		359,764	
Rental income from investment properties	0		0	
Net cash flow from / (used in) investing activities (B)		(16,440,422)		(88,710,754)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	2017		2016	
	Rs.	Rs.	Rs.	Rs.
C. Cash flow from financing activities				
Share application money received / (refunded)				
Proceeds from long-term borrowings	11,300,000		4,500,000	
Repayment of long-term borrowings	(5,250,000)		(2,150,000)	
Finance cost	(1,842,802)		(3,021,192)	
Net cash flow from / (used in) financing activities (C)		4,207,198		(671,192)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		2,192,148		4,814,204
Cash and cash equivalents at the beginning of the year		15,719,642		10,905,438
Cash and cash equivalents at the end of the year		17,911,789		15,719,642
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet	15,719,642		10,905,438	
Net Cash and cash equivalents	2,192,148		4,814,204	
Cash and cash equivalents at the end of the year	17,911,790		15,719,642	
Cash And cash equivalent comprises of:				
(a) Cash on hand	1,081,370		631,155	
(b) Balances with banks				
(i) In current accounts	16,830,420	17,911,790	15,088,487	15,719,642
See accompanying notes forming part of the financial statements				

As per our report of even date

Sd/-

For VINOD K MEHTA & Co.

Chartered Accountants

Firm Registration No. : 111508W

Sd/-

DIVYESH V MEHTA

(Partner)

M.No.: 044293F

Place: Mumbai

Date: 30th May, 2017

For and on behalf of the Board of Directors

Sd/-

SHAILESH R. GANDHI

MANAGING DIRECTOR

DIN: 01963172

Sd/-

RAHIL S. GANDHI

WHOLETIME DIRECTOR

DIN:03126913

Sd/-

PRAKASH MISTRY

CFO

Sd/-

UDAY SAWANT

CS



Note forming part of accounts

Corporate information

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

1 Significant accounting policies:

1.1 Basis of accounting and preparation of financial statements

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

1.2 Use of estimates

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

1.3 Inventories

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

1.4 Depreciation and amortisation

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

1.5 Revenue recognition

1.5.1 Sale of goods

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

1.5.2 Interest & Dividend

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

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

1.6 Fixed assets

Fixed assets (whether Tangible or Intangible) are stated at cost less accumulated depreciation / amortization / impairment loss (if any), net of Cenvat (wherever claimed). The cost of fixed assets includes taxes, duties,



freight, borrowing cost, if capitalisation criteria are met, and other incidental expenses incurred in relation to their acquisition / bringing the assets for their intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.

1.7 Investments

a) Presentation & Disclosure

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

b) Recognition & Measurement

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

c) Disposal

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

1.8 Employee benefits

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

1.9 Borrowing costs

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

1.10 Earnings per share

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

1.11 Taxes on income

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

Minimum Alternate Tax (MAT):

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



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

1.12 Impairment of assets

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

1.13 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed by way of Notes.

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

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

1.15 Cash flow statement

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

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

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

1.17 Corporate Social Responsibility

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

1.18 Others

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



Note 2.1 - Share capital

Particulars	2017		2016	
	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	2017		2016	
	Number of shares	₹	Number of shares	₹
<u>Equity Shares</u>				
Opening Balance	3,194,150	31,941,500	3,194,150	31,941,500
<u>Changes made during the year</u>				
Fresh Issue	0	0	0	0
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	2017		2016	
	Number of shares	% holding in that class of shares	Number of shares	% holding in that class of shares
Equity shares with voting rights				
Shailesh R.Gandhi	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	2017	2016
	₹	₹
(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	31,986,432	(833,806)
Add: Profit / (Loss) for the year	27,366,829	32,820,238
Amounts transferred for:		
Provision for MAT credit Entitlement	6,690,894	-
Closing balance	66,044,155	31,986,432
Total	69,794,155	35,736,432

Note 2.3 - Long-term borrowings

Particulars	2017	2016
	₹	₹
(b) Loans and advances from related parties		
Secured	-	-
Unsecured	60,876,500	54,826,500
Total	60,876,500	54,826,500



Note 2.4 -Other long-term liabilities

Particulars	2017	2016
	₹	₹
(a) Trade Payables:		
(i) Acceptances	-	-
	-	-
(b) Deposits from customers	48,820,989	34,080,181
c) Others:		
(i) Vat Payable	-	8,688,060
(ii) Debtors credit under protest	4,131,281	4,131,281
(iii) Excise Duty (highest MRP)	-	-
	4,131,281	12,819,341
Total	52,952,270	46,899,522

Note 2.5 - Long-term provisions

Particulars	2017	2016
	₹	₹
(a) Provision for Employee Benefits		
(i) provision for Gratuity (Net)	4,533,175	2,393,011
(ii) Provision for leave encashment	606,348	4,853,741
(iii) Provision for bonus	655,625	478,879
Sub Total	5,795,148	7,725,631
(b) Provision - Others:	-	-
Total	5,795,148	7,725,631

Note 2.6 - Short Term Borrowings

Particulars	2017	2016
	₹	₹
Loan against Security of Fixed Deposits: (Secured)		
From Bank	39,214,305	51,873,046
Total	39,214,305	51,873,046

**Note 2.7 - Trade payables**

Particulars	2017	2016
	₹	₹
Trade payables:		
Acceptances	57,448,684	46,828,175
Total	57,448,684	46,828,175

Note 2.8- Other current liabilities

Particulars	2017	2016
	₹	₹
<u>Other payables</u>		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	8,851,744	4,508,230
(ii) Others	877,129	8,919,707
Total	9,728,873	13,427,937

Note 2.9 - Short-term provisions

Particulars	2017	2016
	₹	₹
(a) Provision - Others:		
(i) Provision for expenses	6,580,672	4,007,945
(ii) Provision for taxation	3,100,000	12,327,608
Total	9,680,672	16,335,553



Note 2.10 - Fixed assets

Sr. No.	Particulars	Gross Block at cost				Depreciation				Net Block	
		As on 01.04.2016	Addition	Deductions/ Adjustment	As on 31.03.2017	As on 01.04.2016	For the year	Deductions/ Adjustment	As on 31.03.2017	As on 31.03.2016	As on 31.03.2017
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	TANGIBLE ASSETS										
1	LEASEHOLD LAND	22,49,100	-	-	22,49,100	5,38,318	24,290	-	5,62,608	17,10,782	16,86,492
2	BUILDING	1,62,02,582	-	-	1,62,02,582	1,14,82,808	5,21,109	-	1,20,03,917	47,19,775	41,98,666
3	PLANT & MACHINERY	16,35,84,402	3,31,74,771	43,93,609	19,23,65,564	5,60,98,366	1,46,30,869	9,12,588	6,98,16,647	10,74,86,036	12,25,48,917
4	FURNITURE & FIXTURES	12,25,275	2,77,232	-	15,02,507	11,13,715	23,649	-	11,37,364	1,11,560	3,65,143
5	OFFICE EQUIPMENTS	15,38,073	3,17,480	-	18,55,553	12,76,345	86,651	-	13,62,996	2,61,728	4,92,557
6	VEHICLES	26,25,269	-	-	26,25,269	18,25,618	81,775	-	19,07,393	7,99,651	7,17,876
	TOTAL	18,74,24,701	3,37,69,483	43,93,609	21,68,00,575	7,23,35,169	1,53,68,343	9,12,588	8,67,90,924	11,50,89,532	13,00,09,651
	Previous Year	15,06,77,651	3,80,58,870	13,11,820	18,74,24,701	6,12,02,333	1,14,11,456	2,78,620	7,23,35,169	8,94,75,318	11,50,89,532

**Note 2.11 - Non-current investments**

Particulars	2017	2016
	₹	₹
(i) Investment In equity Instrument		
Shares Of Sicom (Unquoted)	800,000	800,000
Total	800,000	800,000

Note 2.12 - Long-term loans and advances

Particulars	2017	2016
	₹	₹
(a) Security deposits		
Unsecured, considered good	27,835,567	37,045,557
(b) Other Loans and advances		
MAT credit	1,597,664	-
Advance Income Tax	-	5,000,000
Total	29,433,231	42,045,557

Note 2.13 - Current investments

Particulars	2017	2016
	₹	₹
(i) Investment in equity instruments (Quoted)		
Shares (Quoted: Market Value as on 31/3/17- Rs.318.14 lakh)	22,652,994	10,520,277
Total	22,652,994	10,520,277

Note 2.14 - Inventories

Particulars	2017	2016
	₹	₹
(i) Raw Materials And Packing Materials (At Cost)	56,938,994	32,852,167
(ii) Finished goods (At cost or net realisable value, whichever is lower)	10,166,000	8,951,430
(iii) Stores and spares (At cost)	1,900,000	1,843,266
Total	69,004,994	43,646,863



Note 2.15 - Trade receivables

Particulars	2017	2016
	₹	₹
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment.		
Unsecured, considered good	15,376,986	12,540,064
(b) Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	7,127,817	6,170,982
Total	22,504,803	18,711,045

Note 2.16 - Cash and cash equivalents

Particulars	2017	2016
	₹	₹
(a) Cash on hand	1,081,370	631,155
(b) Balances with banks		
(i) In current accounts	16,830,420	15,088,487
(ii) Bank Fixed Deposit	48,418,614	64,583,897
Total	66,330,404	80,303,539

Note 2.17 Short-term loans and advances

Particulars	2017	2016
	₹	₹
(a) Loans and advances to employees		
Unsecured, considered good	985,926	986,799
(b) Other Loans and advances	150,000	-
Total	1,135,926	986,799



Note 2.18 - Other current assets

Particulars	2017	2016
	₹	₹
(a) Accruals		
(i) Interest accrued on deposits	-	-
	-	-
(b) Others		
TDS on commission received	21,000	21,000
TDS on FDR interest	1,396,300	963,875
TDS on other interest	69,733	54,178
TDS on rent	90,000	90,000
Prepaid Expenses	380,897	55,375
Total	1,957,930	1,184,428

Note 3.1 - Revenue from operations

Particulars	2017	2016
	₹	₹
(a) Sale of products (Refer Note (i) below)	467,203,104	437,336,829
Less:		
Excise duty	9,559,254	8,860,020
Net Sales	457,643,850	428,476,809
(b) Other operating revenues (Refer Note (ii) below)	675,602	409,532
Total	458,319,452	428,886,341

Notes:

Particulars	2017	2016
	₹	₹
(i) Sale of products comprises of :		
Ice Cream Sales	467,203,104	437,336,829
Total - Sale of products	467,203,104	437,336,829
(ii) Other operating revenues comprise of:		
Sale of scrap	675,602	409,532
Total - Other operating revenues	675,602	409,532



Note 3.2 - Other income

Particulars	2017	2016
	₹	₹
(a) Dividend income:		
From non current investments	-	320,000
From current investments	379,569	39,764
(b) Interest income comprises:		
Interest from banks on Fixed deposits	4,326,593	4,434,266
MSEB Deposits	148,443	136,487
MIDC Deposits	7,123	5,612
(c) Net gain/(loss) on sale of investments:		
Profit on sale of Shares(Long Term)	6,168,172	3,181,863
Loss on sale of Shares(Short Term)	(28,893)	(702)
Loss On sale of Fixed Assets	(128,808)	(317,262)
(d) Other non-operating income comprises:		
Rental income from Cold Storage Facility	-	-
Commission received	-	210,000
Service charges received	-	5,000
Sundry balance written back	6,007,503	771,270
Excess provision written back	-	3,817
Discount Income	-	6,358
Miscellaneous Income	14,938	8,540
Prior period Income	-	253,893
Total	16,894,640	9,058,905



Note 3.3 - Cost of materials consumed

Particulars	2017	2016
	₹	₹
(a) Material consumed comprises:		
(i) Packing Material		
Opening stock	11,485,410	11,216,668
Add: Purchases(Refer Note (i)a)	53,261,174	44,666,890
	64,746,584	55,883,558
Less: Closing stock	14,698,715	11,485,410
Sub-Total	50,047,869	44,398,148
(ii) Raw Material		
Opening stock	21,366,757	20,812,946
Add: Purchases (Refer Note (i)b)	182,842,045	149,196,994
	204,208,802	170,009,940
Less: Closing stock	42,240,279	21,366,757
Sub Total	161,968,523	148,643,183
Total	212,016,393	193,041,331

Note (i) - Purchases of Raw materials

Particulars	2017	2016
	₹	₹
(a) Packing material	53,261,174	44,666,890
(b) Raw material		
Butter	27,879,891	12,890,000
Chocolate	2,414,541	6,703,251
Cone Biscuit	16,269,620	21,150,978
Dry fruits	13,503,571	19,650,278
Milk	5,591,486	5,148,095
Other	49,551,932	27,462,322
Palm oil	16,619,050	11,886,770
S.M.P	39,047,400	31,685,000
Sugar	10,433,850	11,600,950
Freight for above purchases	1,530,704	1,019,350
	182,842,045	149,196,994
Total	236,103,220	193,863,884

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

Particulars	2017	2016
	₹	₹
(a) Inventories at the end of the year:		
Finished goods	10,166,000	8,951,430
(b) Inventories at the beginning of the year:		
Finished goods	8,951,430	9,408,722
Net (increase) / decrease	(1,214,570)	457,292

Note 3.5 - Employee benefits expense

Particulars	2017	2016
	₹	₹
(i) Salaries and wages	32,734,583	29,970,946
(ii) Contributions to provident and other funds	2,132,199	1,987,952
(iii) Staff welfare expenses	760,303	755,067
Total	35,627,085	32,713,965

Note 3.6 - Finance Cost

Particulars	2017	2016
	₹	₹
(a) Interest expense on:		
(i) Bank Loan	1,274,112	2,265,986
(ii) C & F deposit	-	-
(iii) Cold Room Deposit	461,981	254,337
(b) Bank Charges	106,709	75,099
(c) Others	-	425,770
Total	1,842,802	3,021,192

**Note 3.7 - Other expenses**

Particulars	2017	2016
	₹	₹
Consumption of stores and spare parts	7,294,265	9,971,650
Power and fuel	18,932,912	16,690,908
Water	1,309,986	1,458,480
Rent	878,666	1,585,264
Repairs and maintenance	2,946,639	1,994,085
Insurance	699,517	796,925
Royalty	15,212,002	10,444,878
Rates and taxes	16,175,537	7,588,487
Telephone Expenses	1,245,597	739,241
Printing and stationery	708,774	859,693
Freight and forwarding	30,034,626	28,806,316
Fixed Assets Written Off	3,280,213	-
Business promotion	11,454,337	5,377,315
Donations and contributions	844,300	902,688
Legal and professional	4,208,756	4,916,261
Payments to auditors (Refer Note (i) below)	244,375	245,117
Prior period items (net) (Refer Note (ii) below)	118,729	-
Advertisement	13,273,699	15,062,481
Selling and Distribution	11,316,168	8,230,381
Commission	9,610,538	6,096,564
Cold Storage	8,321,837	7,692,716
Travelling & Conveyance	5,439,266	5,636,682
Loss on Stock	-	-
Miscellaneous expenses	9,895,666	8,234,382
Total	173,446,404	143,330,514

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

Particulars	2017	2016
	₹	₹
As auditors - Statutory audit	244,375	245,117
Total	245,117	245,117

(ii) Prior Period Item

Particulars	2017	2016
	₹	₹
Details of Prior period items (net)		
Prior period:		
Expenses	118,729	-
Total	118,729	-



Note 4 Disclosures under Accounting Standards

Note 4.1 - Details of transactions with Related Parties

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

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2017:

Particulars	Associates	Directors
Royalty paid to Bela Investment & Finance Co. Pvt Ltd	15,212,002 (10,444,878)	- -
Process Hire Charges paid to Bela Investment & Finance Co. Pvt. Ltd	- (120,000)	- -
Loan taken from:		
Shri S.R.Gandhi(Opening Balance - Rs. 34635000)		4,780,000
Bela S. gandhi(Opening Balance - Rs. 20191500)		6,520,000
Loan repaid to:		
Shri S.R.Gandhi		5,250,000
Directors Remuneration:		
Shri S.R.Gandhi		4,050,000 (3,000,000)
Shri R.S. Gandhi		1,500,000 (1,200,000)
Smt. Bela Gandhi		450,000

Note: Figures in bracket relates to the previous year

**Note 4.3 - Contingent Liabilities**

Note	Particulars	2017	2016
		(Rs. In lakh)	(Rs. In lakh)
4.3.1	Contingent liabilities and commitments (to the extent not provided for)		
	(a) Claims against the Company not acknowledged as debt (Excluding interest claimed by the parties)	26.82	26.82
	(b) Income tax demand for A.Y.2003-04, appeal pending with Tribunal	19.02	19.73
	(c) Difference in Rate of VAT contested under MVAT Act before Maharashtra VAT Tribunal for the period April 2005 to March 2008		
	Principal	147.71	147.71
	Interest on above	217.50	195.34
	(d) Difference in Rate of VAT contested under Bombay Sales-tax Act before		
	Supreme Court for the period 1995-96		
	Principal	25.88	25.88
	Interest on above	12.33	12.33
	(e) Issue of adding turnover/additional tax in computing Notional Sales Tax Liability under Bombay Sales-tax Act contested before Bombay High Court for the period 1992-93 & 1993-94	52.07	52.07
	(f) Arbitration proceedings defended against one unsecured creditor of company	20.00	20.00

Note: The contingent liability mentioned in Note no. (e) is requantified in view of Bombay High Court Order which” which was in favour of the company.



Note 5: Disclosure on Specified Bank Notes (SBN's)

During the year, the company had specified bank notes (SBN's) and other denomination notes as defined in MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of specified bank notes (SBN's) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBN's and other notes as per the notification is given below:

(Rs. In lakhs)

Particulars	SBN's	Other denomination notes	Total
Closing cash on hand on 08.11.2016	3.41	1.90	5.31
(+) permitted receipts	-	11.51	11.51
(-) permitted payments	-	6.90	6.90
(-) Amount deposited in banks	3.41	-	3.41
Closing cash in hand as on 30.12.2016	-	6.51	6.51



(Pursuant to Section 105 (6) of Companies act 2013 and rule 19 (3) of Companies (Management and Administered) Rules, 2014- Form No MGT- 11)

Form No. MGT-11

Proxy form

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

Name of the member (s):

Registered address:

E-mail Id:

Folio No:

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

1.

Name :

Address :

E-mail Id :

Signature :....., or failing him

2.

Name :

Address:

E-mail Id :

Signature:....., or failing him

3.

Name :

Address:

E-mail Id:

Signature:.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the Annual General Meeting, to be held on Thursday, September 28, 2017 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 Ms. Bela Gandhi who is liable to retire by rotation at this AGM.
3. To appoint M/s. Vinod K. Mehta as Statutory Auditors of the Company and fix their Remuneration.



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 Thursday, September 28, 2017 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

..... cut here

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

Note: Duly completed ballot form should reach the Scrutinizer, at the Registered Office of the Company not later than Wednesday, September 27, 2017 by 5.00 P.M. Any ballot form received beyond said time shall be treated as invalid.



Sr. No.: _____

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

VOTING BY BALLOT PAPER

Thirtieth Annual General Meeting of the Members of Vadilal Dairy International Limited to be held on Thursday, September 28, 2017 at 12.00 Noon at Plot No. M-13, MIDC Industrial Area, Tarapur, Boisar- 401506.

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

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

Agenda Item No.	Description of Resolution	I/We assent to the resolution (Vote in Favour)	I/We dissent to the resolution (vote against)
		Place the tick (Place the tick [✓] mark)	
1.	Adoption of the Audited Balance Sheet as at 31st March, 2017 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 Ms. Bela Gandhi who is liable to retire by rotation at this AGM.		
3.	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 until the conclusion of the Annual General Meeting to be held in Year 2022, subject to ratification in every Annual General Meeting of the Company		

Place: _____

Date: _____

Signature of the Member: _____

EVS (Electronic Voting Sequence Number)	User ID	(PAN / Seq No.)
170829023		



INSTRUCTIONS

1. GENERAL INFORMATION

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

2. PROCESS FOR VOTING BY POSTAL BALLOT

- a) Members desiring to cast their vote by Postal Ballot should complete and sign this Postal Ballot Form and send it to the Scrutinizer, Mr. Suhas S. Ganpule, C/O Plot No. M-13, MIDC Industrial Area, Tarapur, Boisar - 401506 in the enclosed postage prepaid self-addressed envelope. Postal Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted.
- b) In case of joint holding, this Postal Ballot Form should be completed and signed by the first named Member and in his absence by the next named Member.
- c) In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the Completed Postal Ballot Form should be accompanied by a certified copy of the relevant board resolution / appropriate authorization, with the specimen signature(s) of the authorised signatory (ies) duly attested.
- d) The signature of the Member on this Postal Ballot Form should be as per the specimen signature already registered with the company.
- e) Completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours i.e at **Wednesday, September 27, 2017 by 5.00 P.M.** Postal Ballot Forms received after this date will be considered invalid.
- f) Postal Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.
- g) A Member seeking duplicate Postal Ballot Form or having any grievance pertaining to the Postal Ballot process can write to the Company's Registrars- Sharex Dynamic (India) Pvt. Ltd , Unit 1, Luthra Ind Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072 or to the e-mail ID sharexindia@vsnl.com. Duly completed and signed duplicate Postal Ballot Forms should, however, reach the Scrutinizer not later than the close of working hours on **Wednesday, September 27, 2017 by 5.00 P.M..**
- h) Members are requested not to send any paper (other than the resolution/authority as mentioned under "Process for voting by Postal Ballot" point 2c above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.

BOOK POST

If undelivered please return to :

Vadilal Dairy International Ltd.

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