



**30<sup>th</sup> Annual Report 2014-2015**



**VADILAL ENTERPRISES LTD.**



PREMIUM ICE CREAM TUBS

528  
ML  
TUB

NEW



Falala

MADE WITH REAL FRUIT

Aam Chaska



GOURMET™



**CHAIRMAN EMERITUS**

Ramchandra R. Gandhi (upto 18-8-2014)

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

Rajesh R. Gandhi Chairman  
Devanshu L. Gandhi  
Mamta R. Gandhi (w.e.f. 31-3-2015)

**Independent Directors**

Jayantilal M. Shah  
Niranjana A. Kapadia (upto 31-3-2015)  
Jignesh J. Shah (w.e.f. 31-3-2015)  
Ashish H. Modi (w.e.f. 31-3-2015)  
Preet P. Shah (w.e.f. 31-3-2015)

Vishal Surti - Chief Executive Officer  
Rajesh Bhagat - Chief Financial Officer  
Ruchita Gurjar - Company Secretary

**AUDITORS**

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

**BANKER**

Bank of India

**REGISTERED OFFICE**

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

**REGISTRAR & SHARE TRANSFER AGENT**

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

**SHARE DEPARTMENT**

B/404, 4th Floor, "Time Square" Building,  
C. G. Road, Nr. Lal Bungalow Char Rasta,  
Navrangpura, Ahmedabad - 380 009.  
Phone : 079-30153189  
Fax : 079-30153102

**30<sup>th</sup> ANNUAL GENERAL MEETING**

Day - Monday  
Date - 28th September, 2015  
Time - 10.00 a.m.  
Venue - GICEA, Gajjar Hall, Nirman Bhavan,  
Opp. Law Garden, Ellisbridge,  
Ahmedabad - 380 006.

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E-mail for Investor Grievances : [shareslogs@vadilalgroup.com](mailto:shareslogs@vadilalgroup.com)

Web : [www.vadilalgroup.com](http://www.vadilalgroup.com)

E-voting Instructions - Separate sheet enclosed

**Notes :**

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



## NOTICE

**NOTICE** is hereby given that the 30<sup>th</sup> **ANNUAL GENERAL MEETING** of the members of **VADILAL ENTERPRISES LIMITED** will be held on Monday, the 28<sup>th</sup> day of September, 2015, at 10.00 a.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006, to transact the following business :

### **ORDINARY BUSINESS :**

- 1) To receive, consider and adopt the audited Statement of Profit & Loss for the year ended March 31, 2015, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
- 2) To declare dividend on Equity Shares for the financial year ended on March 31, 2015.
- 3) To appoint a Director in place of Mr. Devanshu L. Gandhi (DIN: 00010146) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- 4) To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

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

### **SPECIAL BUSINESS :**

- 5) To appoint Mrs. Mamta R. Gandhi (DIN: 00674579) as a Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149(1), 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Mamta R. Gandhi (DIN : 00674579), who was appointed as an Additional Director of the Company pursuant to Section 149(1) and 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 31<sup>st</sup> March, 2015 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mrs. Mamta R. Gandhi for the office of Director, be and is hereby appointed as a Director of the Company, to be considered as "Non-executive and Non-independent Director" and her office as a Director shall be liable to retire by rotation as per the provisions of the Companies Act, 2013 and Articles of Association of the Company."

- 6) To appoint Mr. Jignesh J. Shah (DIN: 01202435) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Jignesh J. Shah (DIN : 01202435), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 31<sup>st</sup> March, 2015 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Jignesh J. Shah for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years upto the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company in the calendar year 2020."

- 7) To appoint Mr. Ashish H. Modi (DIN: 02506019) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ashish H. Modi (DIN : 02506019), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 31<sup>st</sup> March, 2015 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Ashish H. Modi for the office of Director, be and is hereby appointed





as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years upto the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company in the calendar year 2020.”

- 8) To appoint Mr. Preet P. Shah (DIN: 05131516) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Preet P. Shah (DIN: 05131516), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 31<sup>st</sup> March, 2015 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Preet P. Shah for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years upto the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company in the calendar year 2020.”

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

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

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

- 10) To approve the Related Party Transactions under Section 188 of the Companies Act, 2013 and Rules made thereunder and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to continue to enter into related party transactions/arrangements by the Company with Vadilal Industries Limited, the details of which are more particularly mentioned in the explanatory statement annexed to the Notice.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby, authorized to do or cause to be done all such Acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

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

**RAJESH R. GANDHI  
Chairman**

**Registered Office :**

A/801, 8th Floor, “Time Square” Building,  
C. G. Road, Nr. Lal Bungalow Char Rasta,  
Navrangpura, Ahmedabad - 380 009.  
CIN : L51100GJ1985PLC007995  
Email : [shareslogs@vadilalgroup.com](mailto:shareslogs@vadilalgroup.com)  
Website : [www.vadilalgroup.com](http://www.vadilalgroup.com)  
Phone : 079 301503189

Dated : 13<sup>th</sup> August, 2015.

**NOTES :**

- 1) A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office/ Share Department of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A



**member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

- 2) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 3) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 4) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 5) (a) The Company has notified closure of Register of Members and Share Transfer Books from 18<sup>th</sup> September, 2015 to 28<sup>th</sup> September, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.  
(b) Dividend of Re. 0.80/- per share (@ 8.00%) on Equity Shares for the year ended on 31st March, 2015 as recommended by the Board, if declared at the meeting, will be paid without deduction of tax at source:  
# to those members, whose names appear on the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company/Share Transfer Agent on or before 17<sup>th</sup> September, 2015, or  
# in respect of shares held in electronic form, to those "Beneficial Owners" whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 17<sup>th</sup> September, 2015.
- 6) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
- 7) **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
- 8) The amount of dividend for the financial year ended on 31st March, 2008, 31st March, 2009, 31st March, 2010, 31<sup>st</sup> March, 2011, 31<sup>st</sup> March, 2012, 31<sup>st</sup> March, 2013 and 31<sup>st</sup> March, 2014 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 3rd November, 2015, 31st October, 2016, 4<sup>th</sup> November, 2017, 1<sup>st</sup> November, 2018, 3rd November, 2019, 26<sup>th</sup> October, 2020 and 29<sup>th</sup> October, 2021 respectively. Members, who have so far not encashed their dividend warrants for the said financial years, are requested to approach the Company for revalidation or duplicate dividend warrants. Thereafter, no claims shall lie against the said Fund or the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims.
- 9) Members, who hold shares in dematerialised form, are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- 10) Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.
- 11) Relevant documents referred to in the accompanying Notice are open for inspection for the members at the Share Department of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.
- 12) Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.
- 13) Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its **Share Department**, at least 10 days before the date of the meeting.
- 14) **Remote E-voting :**  
The Company is pleased to offer remote e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote through e-voting services provided by Central Depository Services (India) Limited (CDSL) and the Company may pass any resolution by electronic voting system in accordance with the above provisions.



**The process and manner of e-voting is being sent to all the members whose e-mail ids are registered with the Company/Depository Participant /Share Transfer Agent for communication purpose through electronic mode. For members who have not registered their e-mail ids as above, the process and manner of e-voting is provided in a separate sheet as enclosed alongwith this Annual Report.**

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")**

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

##### **Item No. 5**

Pursuant to the provisions of Section 149(1) of the Companies Act, 2013 and Rules made thereunder, the Company should have atleast one woman director. Due to resignation of Mrs. Niranjana A. Kapadia, from the office of Director of the Company, the Company was required to appoint a women director on the Board.

In view of the said requirements and on the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mrs. Mamta R. Gandhi as an Additional Director of the Company with effect from 31<sup>st</sup> March, 2015.

In terms of the provisions of Section 161(1) of the Act, Mrs. Mamta R. Gandhi would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mrs. Mamta R. Gandhi for the office of Director of the Company.

Mrs. Mamta R. Gandhi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She holds 21145 equity shares in the Company in her individual capacity. She will be considered as " Non-executive and Non-independent Director" and will be liable to retire by rotation.

Mrs. Mamta R. Gandhi is interested in the resolution set out at Item No. 5 of the Notice, financially or otherwise, to the extent of her aforesaid shareholding interest in the Company.

Mr. Rajesh R. Gandhi and other relatives of Mrs. Mamta R. Gandhi may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

##### **Item No. 6 to 8**

On the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Preet P. Shah as Additional Directors of the Company with effect from 31<sup>st</sup> March, 2015.

In terms of the provisions of Section 161(1) of the Act, Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Preet P. Shah would hold office up to the date of the ensuing Annual General Meeting.

It is proposed to appoint Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Preet P. Shah as Independent Directors under Section 149 of the Act to hold office for a term of 5 (Five) consecutive years upto the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company in the calendar year 2020.

The Company has received notice in writing from members, alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Preet P. Shah for the office of Independent Directors of the Company.

In the opinion of the Board, Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Preet P. Shah fulfill the conditions for appointment as Independent Directors as specified in the Act. Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Preet P. Shah are independent of the management.

Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Preet P. Shah are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director. They do not hold any equity shares in the Company in their individual capacity.

The Company has also received declarations from Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Preet P. Shah that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

Copy of the draft letters for respective appointments of Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Preet P. Shah as Independent Directors setting out the terms and conditions are available for inspection by members at the Share Department of the Company.

Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Preet P. Shah are interested in the resolutions set out respectively at Item Nos. 6, 7 and 8 of the Notice with regard to their respective appointments.



The relatives of Mr. Jignesh J. Shah, Mr. Ashish H. Modi and Mr. Preet P. Shah may be deemed to be interested in the resolution set out at Item No. 6, 7 and 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary Resolutions set out at Item No. 6, 7 and 8 of the Notice for approval by the shareholders.

#### **Item No. 9**

The existing Articles of Association (hereinafter referred to as "AOA") are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, *inter alia*, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AOA of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) provisions of the existing AOA which are already part of statute in the Act have not been reproduced in the new draft AOA as they would only lead to duplication – their non-inclusion makes the new AOA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AOA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

#### **Item No. 10**

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

The Company in its ordinary course of business purchases Processed Food products from Vadilal Industries Limited on regular basis and on principal to principal basis.

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

The transaction entered into with Vadilal Industries Limited whether individually and/or in aggregate exceeds the stipulated threshold of ten percent of the annual turnover of the Company as per the last audited financial statements of the Company.





Though the transactions are at arms length basis, as a matter of good governance the Company seeks approval of the shareholders through an ordinary resolution for entering into transaction of purchase of Ice-cream, Frozen Desert Products, other milk and milk products and Processed Food Products from Vadilal Industries Limited upto a maximum amount as mentioned in the respective transactions from the financial year 2014-2015 and onwards.

The Company and Vadilal Industries Limited, being related parties to the transaction, shall abstain from voting on this resolution.

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

1.	Name of the party		Vadilal Industries Limited (VIL)		
2.	Nature of relation		A Public Company in which Directors of the Company are Directors and holding more than 2% shares alongwith their relatives		
3.	Name of the Interested Directors		Mr. Rajesh R. Gandhi & Mr. Devanshu L. Gandhi		
Nature, duration and particulars of contract or arrangement or transaction		Material terms of the contract or arrangement, or transaction including value, if any	Any advance paid or received for the contract or arrangement or transaction, if any	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	Transaction value for which approval is sought (Rs. in lakhs)
4.		5.	6.	7.	8.
Agreement between the Company and VIL to purchase Ice-cream, Frozen Desserts, Flavoured Milk and other Milk and Dairy products by the Company from VIL. Agreement executed on 28-7-2007, which is valid for a period of 10 years w.e.f. 1st October, 2007.		Purchase of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products by the Company from VIL on Principal to Principal basis and on credit basis. All matters related to marketing including marketing expenses will be decided and born by VEL.  Payment shall be made by VEL within 180 days from the last date of month in which the Company has supplied the products to VEL.	No advance paid or received.	Price is determined by VIL and included as part of the agreement.	Upto validity of the agreement.
Purchase of Processed Food Products by the Company from VIL.		Purchase of Processed Food Products by the Company from VIL on Principal to Principal basis and on credit basis. All matters related to marketing including marketing expenses will be decided and born by VEL.Payment shall be made by VEL on credit basis, as and when demanded. credit basis, as and when demanded.	No advance paid or received.	Price is determined by VIL.	Rs. 100.00 Crores in each financial year for a period of 5 Financial years from 2014-2015.



Nature, duration and particulars of contract or arrangement or transaction	Material terms of the contract or arrangement, or transaction including value, if any	Any advance paid or received for the contract or arrangement or transaction, if any	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	Transaction value for which approval is sought (Rs. in lakhs)
4.	5.	6.	7.	8.
Purchase of dry fruit and other products from VIL.	Purchase of dry fruit and other products from VIL on Principal to Principal basis and on credit basis.	No	Price is determined by VIL.	Rs. 10.00 Lacs in each financial year for a period of 5 Financial years from 2014-2015.

The Audit committee and the Board of the Directors of the Company have at their meetings held on 17<sup>th</sup> February, 2015 approved the aforesaid related party transactions.

The approval of the Members by way of an Ordinary Resolution is sought pursuant to Section 188 of the Companies Act 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and amended from time to time.

Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi and their relatives are interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the ordinary Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

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

**RAJESH R. GANDHI  
Chairman**

**Registered Office :**

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Dated : 13<sup>th</sup> August, 2015.