



31<sup>st</sup> Annual Report 2015-16



VADILAL ENTERPRISES LTD.



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

Rajesh R. Gandhi Chairman  
Devanshu L. Gandhi  
Mamta R. Gandhi

**Independent Directors**

Jayantilal M. Shah  
Jignesh J. Shah  
Ashish H. Modi  
Preet P. Shah

**COMPANY SECRETARY**

Ruchita Gurjar (upto 10-02-2016)  
Darshan Shah (w.e.f. 11-03-2016)

**CHIEF EXECUTIVE OFFICER**

Vishal Surti

**CHIEF FINANCIAL OFFICER**

Rajesh Bhagat

**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 : 079-30153188-89  
Fax : 079-30153102

**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, Registrar and 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, 1<sup>st</sup> 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.
- 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 along with this Annual Report / e-mail separately.**

**31<sup>st</sup> ANNUAL GENERAL MEETING**

Day - Tuesday  
Date - 27th September, 2016  
Time - 1.00 p.m.  
Venue - GICEA, Gajjar Hall, Nirman Bhavan,  
Opp. Law Garden, Ellisbridge,  
Ahmedabad - 380 006.

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E-Voting Instructions  
(Separate Sheet enclosed)

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

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



## SHAREHOLDER INFORMATION

**1. Name of Company :**

Vadilal Enterprises Limited

**2. Company CIN No. :**

L51100GJ1985PLC007995

**3. Fixed Deposit Department :**

Fixed Deposit Department of the Company is operated at the following address :

601, Sixth Floor, Time Square Building, Nr. Lal Bunglow, C.G. Road, Navrangpura, Ahmedabad, 380009

Phone: 079-26407201 to 09 Ext. - 198 • Email: vijaysshah@vadilalgroup.com

**4. Book-Closure:**

Book-Closure from 16<sup>th</sup> September, 2016 to 27<sup>th</sup> September, 2016 (both days inclusive) for the purpose of payment of Dividend of Re. 0.80/- per share (@ 8%) for the year ended on 31<sup>st</sup> March, 2016 as recommended by the Board and if declared at the Meeting and to determine the members eligible for the said dividend.

**5. Stock Exchanges where the Shares are listed :**

**BSE LTD.**

Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001

Phone: 91-22-2272 1234 / 1233

The Annual Listing Fees up to the Financial Year 2016-2017 have been duly paid to the above Stock Exchange.

**6. Security Code :**

BSE Ltd. - 519152

ISIN Number - INE693D01018

**7. Dematerialisation of Shares :**

The Company, consequent to introduction of Depository System (DS), entered into an agreement with NSDL and CDSL and has established an electronic connectivity with both the Depositories. Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL and CDSL.

In view of numerous advantages offered by DS, the members are requested to avail the facility of dematerialisation of the Company's shares on the Depository as aforesaid. If you wish to maintain your shareholding in the electronic form by joining DS, you will have to open an account with a Depository Participant (DP), who are agents of NSDL and CDSL and lodge your share certificates with your DP for Dematerialisation. The DP will then ensure that the physical share certificates are canceled and after verification by the Company, an equivalent number of shares will be credited to your account with the DP in the electronic form. You are also permitted under the DS to reconvert your electronic shareholding into the physical form of share certificates by a process of Rematerialisation. It may be noted that the DP would charge the investors for its services, which may vary from one DP to another.

It is reiterated that requests for Dematerialisation and Rematerialisation are to be made only to the DP with whom you have opened an account and not directly to the Company.

**8. Registrar & Share Transfer Agent :**

The Company has entrusted the work of Dematerialisation/Rematerialisation of shares to an outside Registrar, viz. MCS Share Transfer Agent Limited, Ahmedabad. As per SEBI Circular No. D&CC/FITTC/CIR-15/ 2002, dated 27-12-2002, the Company has assigned all the work related to Share Registry in terms of both physical and electronic to MCS Share Transfer Agent Limited, Ahmedabad. Hence, all Shareholders are requested to send/deliver the documents/ correspondence including complaints relating to the Company's share transfer/demat/remat activity at:

**MCS Share Transfer Agent Limited**

101, Shatdal Complex, 1<sup>st</sup> Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380009.

Phone : 079-26580462, Fax : 079-26581296, Email: [mcsahmd@gmail.com](mailto:mcsahmd@gmail.com)

**9. Share Transfer System :**

Presently, share transfers which are received in physical form are normally processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Share Transfer Committee of the Board meets at regular intervals to approve transfers, issue of duplicate certificates, consolidation and splitting of shares etc.

As required under Regulation 40(9) of SEBI (Listing Obligation and Disclosure Requirement), 2015, a certificate is obtained every six months from a Practicing Company Secretary, with regard to, inter alia, effecting transfer, transmission and consolidation within one month of their lodgment. The certificates are forwarded to BSE Limited, where the equity shares are listed.

In terms of SEBI's circular dated 31<sup>st</sup> December, 2002, a Secretarial Audit is conducted on a quarterly basis by Practicing Company Secretary for the purpose of reconciliation of the total Admitted Equity Share Capital with the Depositories and in the physical form with the total issued public paid-up Equity Capital of the Company. Certificates issued in this regard are forwarded to BSE Limited, where the Equity Shares are listed.

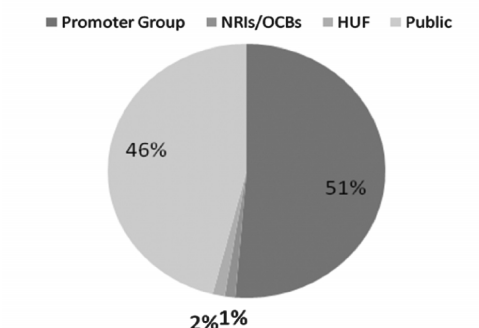
**10. Distribution of Shareholding as on 31<sup>st</sup> March, 2016 :**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of equity Shares held	% of total Shares
Up to 500	1427	92.66	163897	18.99
501 to 1000	44	2.85	35235	4.08
1001 to 2000	24	1.55	37089	4.29
2001 to 3000	7	0.45	16627	1.92
3001 to 4000	5	0.32	17379	2.01
4001 to 5000	8	0.51	37335	4.32
5001 to 10000	10	0.64	77148	8.94
10001 to 50000	12	0.77	236493	27.41
50001 & above	3	0.19	241465	27.99
<b>Total</b>	<b>1540</b>	<b>100.00</b>	<b>862668</b>	<b>100.00</b>

**11. Categories of Shareholders as on 31<sup>st</sup> March, 2016:**

Category of Shareholders	No. of Equity Shares held	% of total shares
<b>A : Promoters and Promoters' Group :</b>		
1 Directors	208698	47.15
2 Directors' relatives	27441	3.18
3 Group Companies	105407	12.22
4 HUFs	25284	2.93
<b>Total (A) :</b>	<b>442577</b>	<b>51.30</b>
<b>B : Public :</b>		
1 Bodies Corporate	21512	2.50
2 NRI	10747	1.24
3 HUF	12066	1.40
4 Residential Individual	375766	43.56
<b>Total (B) :</b>	<b>420091</b>	<b>48.70</b>
<b>Total</b>	<b>862668</b>	<b>100.00</b>

**Percentage of total paid-up capital**



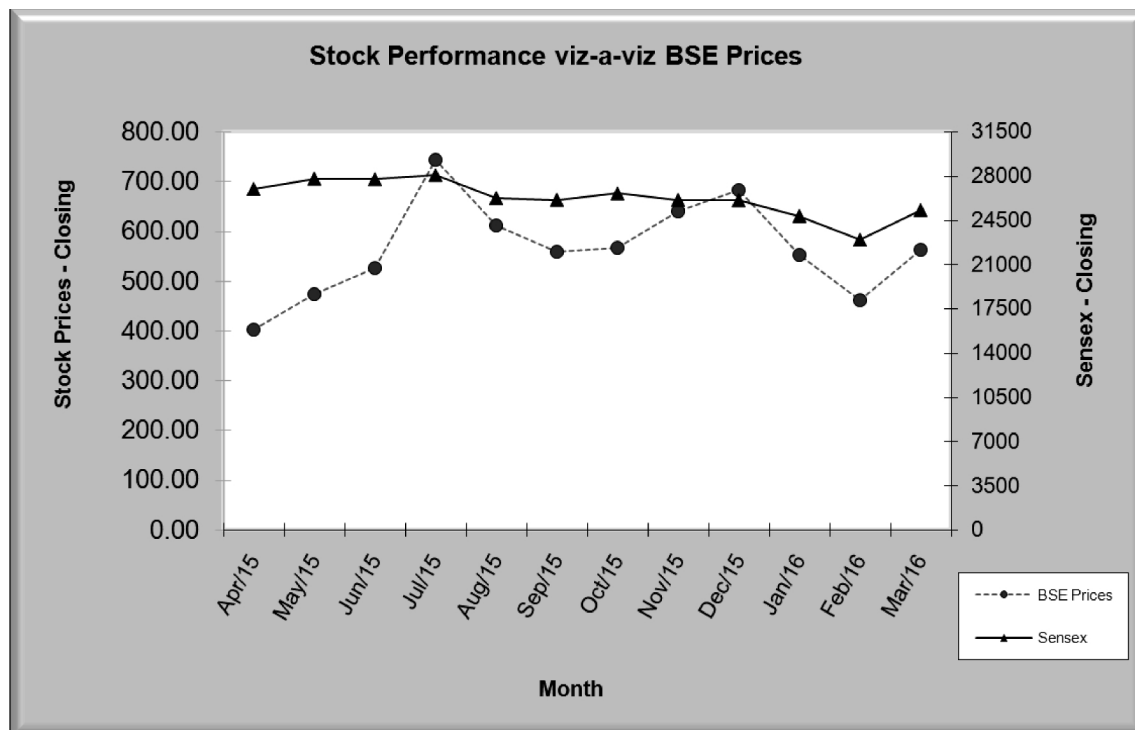
**12. Share price performance in comparison to BSE SENSEX based on data available on Stock exchange website:**

The monthly high, low and closing prices of the shares of the Company, during the financial year under review and performance of the same in comparison to BSE SENSEX are given below :

Month	PRICE OF SHARE ON BSE			SENSEX		
	High	Low	Close	High	Low	Close
April, 2015	403.90	238.00	403.90	29,094.61	26,897.54	27,011.31
May, 2015	519.00	405.00	475.80	28,071.16	26,423.99	27,828.44
June, 2015	529.90	431.00	527.10	27,968.75	26,307.07	27,780.83
July, 2015	760.50	552.25	745.00	28,578.33	27,416.39	28,114.56
August, 2015	818.00	584.50	614.00	28,417.59	25,298.42	26,283.09
September, 2015	601.00	487.50	560.00	26,471.82	24,833.54	26,154.83
October, 2015	615.00	527.50	568.75	27,618.14	26,168.71	26,656.83
November, 2015	675.00	514.00	641.50	26,824.30	25,451.42	26,145.67
December, 2015	683.75	540.00	683.75	26,256.42	24,867.73	26,117.54
January, 2016	682.00	480.25	555.00	26,197.27	23,839.76	24,870.69
February, 2016	580.00	420.25	462.00	25,002.32	22,494.61	23,002.00
March, 2016	596.00	398.00	563.50	25,479.62	23,133.18	25,341.86

• All the rates are in ₹

## Price Chart



### 13. Consolidation of Folios:

Some of the members might have more than one folio in their individual name or jointly with other person(s) mentioned in the same order. It is desirable to consolidate all similar holdings under one folio. Consolidation helps the members to monitor their holdings effectively. By doing so, it would also enable the Company to avoid unnecessary duplication of effort and related costs. Please write to the Company at the address of Share Dept. given below, requesting in writing, quoting the folio numbers that need to be consolidated and send the relevant Share Certificates.

### 14. Nomination facility:

Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 the facility of nomination in the Shares of a Company is available. Your Company has already offered the facility of nomination to the members. Individual Shareholders can avail of the facility of nomination and may submit to the Company the prescribed **Form SH-13** at the Share Department of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name.

The Nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the Shares shall vest in the event of the death of the Shareholders. A minor can be a nominee provided the name of the guardian is given in the Nomination Form.

The facility of the nomination is not available to non-individual Shareholders such as Societies, Trusts, Bodies Corporate, Partnership Firms, Kartas of HUF and holders of Powers of Attorney.

In case of any assistance, please contact share department at the address mentioned below.

#### Share Department:

B/404, 4th Floor, "Time Square" Building,

C.G. Road, Nr. Lal Bunglow Char Rasta,

Navrangpura, Ahmedabad – 380 009.

Telephone Nos. 079-30153188-89

Fax No. 079-30153102

Email: [shareslogs@vadilalgroup.com](mailto:shareslogs@vadilalgroup.com)

## NOTICE

**NOTICE** is hereby given that the **31<sup>st</sup> ANNUAL GENERAL MEETING** of the members of **VADILAL ENTERPRISES LIMITED** will be held on **Tuesday, 27<sup>th</sup> September, 2016, at 1.00 p.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 Statements of Profit & Loss for the year ended March 31, 2016 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, 2016.
- 3) To appoint a Director in place of Mr. Rajesh R. Gandhi (DIN: 00009879) 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-imbursement of out-of-pocket expenses and applicable taxes.”

### SPECIAL BUSINESS:

- 5) 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 enter into a fresh agreement with Vadilal Industries Limited in termination of the existing agreement dated 28<sup>th</sup> July, 2007, regarding purchase of Ice-cream, Frozen Desert, other milk and milk products, Dairy products and Processed Food Products by the Company from Vadilal Industries Ltd., for a period of 10 years w.e.f. 1<sup>st</sup> October, 2016, 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**

### Registered Office :

A/801, 8th Floor, “Time Square” Building,  
C. G. Road, Nr. Lal Bungalow Char Rasta,  
Navrangpura, Ahmedabad - 380 009.  
CIN : L51100GJ1985PLC007995  
Email : sharelogs@vadilalgroup.com  
Website : www.vadilalgroup.com  
Phone : 079 301503189  
Dated : 8<sup>th</sup> August, 2016

**RAJESH R. GANDHI**  
**Chairman**  
DIN : 00009879

### 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 **16<sup>th</sup> September, 2016 to 27<sup>th</sup> September, 2016 (both days inclusive)** for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.  
 (b) Dividend of 0.80 per share (@ 8.00%) on Equity Shares for the year ended on 31st March, 2016 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 **15<sup>th</sup> September, 2016** 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 **15<sup>th</sup> September, 2016**.
- 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, 2009, 31st March, 2010, 31<sup>st</sup> March, 2011, 31<sup>st</sup> March, 2012, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2015 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 31st October, 2016, 4<sup>th</sup> November, 2017, 1<sup>st</sup> November, 2018, 3rd November, 2019, 26<sup>th</sup> October, 2020, 29<sup>th</sup> October, 2021 and 1<sup>st</sup> November, 2022 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) Mr. Rajesh R. Gandhi, Director of the Company, shall retire by rotation and being eligible, offer himself for re-appointment. As required under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 given below are the details of the above Directors to be re-appointed/appointed as Directors of the Company :-

#### **Mr. Rajesh R. Gandhi**

Mr. Rajesh R. Gandhi has been associated with the Company since its inception having experience on hands for Ice-cream & Processed Food Business. He looks after day-to-day affairs of the Vadilal Group companies pertaining to the hereby-mentioned areas : Production, QA/QC, R & D, Logistics (Ice-cream Transportation), Cups & Cones, Purchase (Capital Goods & Deep Freeze Machines) of Ice-cream Division is taken care by him. He also looks after Sales & Marketing of Ice-cream Exports and Happiness Parlors owned and/or managed by Group. For Processed Food Division, Mr. Rajesh R. Gandhi looks after exports and domestic sales, international freight, Government subsidies of entire division. For construction, he takes care of sales and marketing and legal. The total portfolio of Finance, Accounts, MIS, Taxation, Internal Audit, EDP, Secretarial, Legal, Insurance, Systems, all Taxes and DGFT, and Human Resource of all above mentioned departments and P & A of Head Office is taken care by him.

Mr. Rajesh R. Gandhi is a Member of Stakeholders' Relationship Committee of the Company. He is on the Board of following other Companies. He is also a Member of the following committees of other Companies. Mr. Rajesh R. Gandhi holds 78408 shares in Vadilal Enterprises Limited in his individual capacity.

#### **Directorship:**

- Vadilal Industries Limited
- Vadilal International Private Limited
- Vadilal Chemicals Limited
- Vadilal Gases Limited
- Vale Properties Private Limited
- Steelcast Limited
- Vadilal Marketing Private Limited
- Numen Technologies Private Limited

#### **Member of the Board Committees:**

**Audit Committee :**  
Steelcast Limited

**Shareholders/ Investors' Grievance Committee and/or Share Transfer Committee:**

- Vadilal Industries Limited
- Vadilal Chemicals Limited
- Steelcast Limited



**15) Voting through electronic means:**

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 Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement), 2015. Accordingly, a member may exercise his vote through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The process and manner of remote 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 Notice / e-mail separately.

**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**

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

The Company now proposes to enter into a fresh agreement with Vadilal Industries Limited in termination of the aforesaid existing agreement dated 28<sup>th</sup> July, 2007, regarding purchase of Ice-cream, Frozen Desert, other milk and milk products, Dairy products and Processed Food Products by the Company from Vadilal Industries Ltd. for a period of 10 years w.e.f. 1<sup>st</sup> October, 2016.

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 Company therefore requires approval of the shareholders through an Ordinary resolution for entering into an agreement for purchase of Ice-cream, Frozen Desert, other milk and milk products, Dairy products and Processed Food Products from Vadilal Industries Limited.

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

<b>1.</b>	<b>Name of the party</b>	Vadilal Industries Limited (VIL)	
<b>2.</b>	<b>Nature of relation</b>	A Public Company in which Directors of the Company are Directors and holding more than 2% shares alongwith their relatives	
<b>3.</b>	<b>Name of the Interested Directors</b>	Mr. Rajesh R. Gandhi, Mr. Devanshu L. Gandhi	
<b>4.</b>	<b>5.</b>	<b>6.</b>	<b>7.</b>
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
Agreement between the Company and VIL for purchase of Ice-cream, Frozen Desserts, Flavoured Milk and other Milk and Dairy products and Processed Food Products by the Company from VIL, to be executed for a period of 10 years w.e.f. 1 <sup>st</sup> October, 2016.	Purchase of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products and 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 within 180 days from the last date of month in which the Company has supplied the products to VEL. VEL shall be liable to pay interest @15% at the discretion of the Company on all outstanding amount due to the Company, beyond the said credit period of 180 days.	No advance paid or . received	Price is determined by VIL and included as part of the agreement.

The Audit committee and the Board of the Directors of the Company have at their meetings held on 8<sup>th</sup> August, 2016 approved the aforesaid proposed agreement to be entered into with Vadilal Industries Limited.



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.

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. 5 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 this resolution.

The proposed agreement will be available for inspection by any member at the registered office of the company on all working days except Saturdays during 2.00 pm to 4.00 pm.

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

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

**RAJESH R. GANDHI  
Chairman**

DIN : 00009879

**Registered Office :**

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Dated : 8<sup>th</sup> August, 2016.