

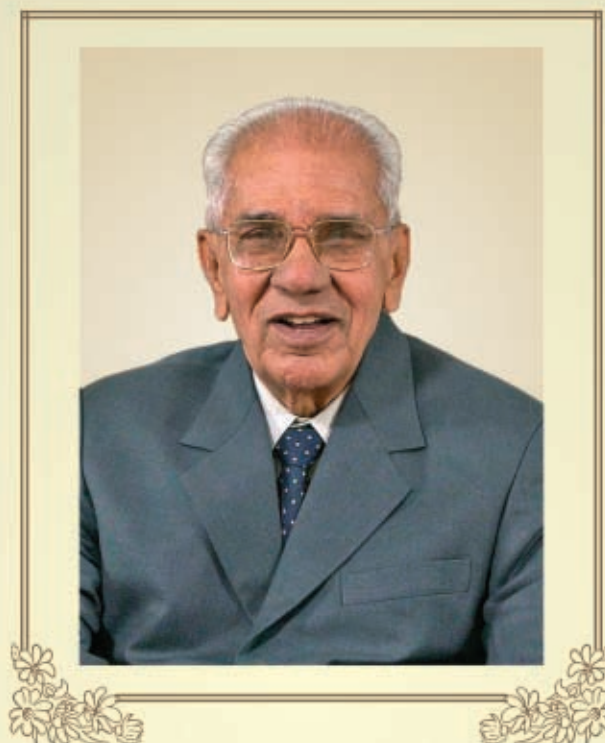


29th Annual Report 2013-2014



VADILAL ENTERPRISES LTD.

IN LOVING MEMORY



SHRI RAMCHANDRA GANDHI

CHAIRMAN: EMERITUS

15th February 1925 – 19th August 2014



The Vadilal family fondly remembers its founding member, Shri Ramchandra Gandhi, who has left for his heavenly abode. He had touched the lives of scores of people in both his professional and personal life and left an indelible mark on our hearts.

May his soul rest in peace.



**CHAIRMAN EMERITUS**

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

BOARD OF DIRECTORS**Non-executive Directors**Rajesh R. Gandhi Chairman
Devanshu L. Gandhi**Independent Directors**Jayantilal M. Shah
Niranjana A. Kapadia**COMPANY SECRETARY**

Ruchita Gurjar

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

Bank of India

REGISTERED OFFICEA/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 Limited,
101, Shatdal Complex, 1st 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 : 079-30153185
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 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 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.
- 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 / e-mail separately.**

29th ANNUAL GENERAL MEETING

Day - Thursday

Date - 25th September, 2014

Time - 10.00 a.m.

Venue - GICEA, Gajjar Hall, Nirman Bhavan,
Opp. Law Garden, Ellisbridge,
Ahmedabad - 380 006.**CONTENTS****PAGE NO.**

➤ Shareholder information	2-3
➤ Notice of Annual General Meeting	4-16
➤ Directors' Report	17-20
➤ Auditors' Report	21-22
➤ Balance Sheet	23
➤ Statement of Profit & Loss	24
➤ Cash Flow Statement	25
➤ Significant Accounting Policies	26-28
➤ Notes to Financial Statements	28-36
➤ Additional Information to the Financial Statement	36-40
➤ E-Communication Registration Form	41
➤ Proxy Form & Attendance Slip	43-44

E-Voting Instructions

(Separate Sheet enclosed)

E-mail for Investor Grievances : shareslogs@vadilalgroup.comWeb : 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 :

Vadilal House, Shrimali Society,
Near Navrangpura Railway Crossing,
Navrangpura, Ahmedabad - 380 009.

(Phone: 079-26564018 to 23, 30153347) (Fax: 079-26564026)

4. Book-Closure :

Book-Closure from 13th September, 2014 to 25th September, 2014 (both days inclusive) for the purpose of payment of Dividend of Re. 0.80/- per share (@ 8%) for the year ended on 31st March, 2014, as recommended by the Board and if declared at the Meeting and to determine the members eligible for the said dividend.

5. Stock Exchange where the Shares are listed :

BOMBAY STOCK EXCHANGE LTD.

(Security Code No. 519152)
Department of Corporate Services,
1st Floor, Rotunda Building,
Dalal Street, Fort, B. S. Marg
Mumbai - 400 001.

(Phone: 91-22-2272 1234 / 1233)

(Fax : 91-22-2272 2082 / 3132)

The Annual Listing Fees upto the Financial Year 2014-2015 have been duly paid to the above Stock Exchange.

6. Security Code :

Bombay Stock Exchange 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 Ltd., 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 Ltd., Ahmedabad. Hence, all Shareholders are requested to send/deliver the documents/ correspondence including complaints relating to the Company's share transfer/demat/remat activity to MCS Share Transfer Agent Ltd. at 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. (Phone : 079-26582878, 26584027) (fax : 079-26581296)

9. Share Transfer System :

Presently, share transfers which are received in physical form are 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 Clause 47(c) of Listing Agreement with Stock Exchanges, 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, where the equity shares are listed.

In terms of SEBI's circular dated 31st 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, where the Equity Shares are listed.

10. Distribution of Shareholding as on 31st March, 2014 :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of total Shares
Up to 500	1482	92.45	188732	21.88
501 to 1000	56	3.49	43931	5.09
1001 to 2000	23	1.43	33423	3.87
2001 to 3000	7	0.44	16109	1.87
3001 to 4000	6	0.37	21392	2.48
4001 to 5000	4	0.25	18517	2.15
5001 to 10000	11	0.69	74091	8.59
10001 to 50000	11	0.69	225008	26.08
50001 & above	3	0.19	241465	27.99
Total	1603	100.00	862668	100.00

11. Categories of Shareholders as on 31st March, 2014 :

Category of Shareholders	No. of Equity Shares held	% of total shares
A : Promoters and Promoters' Group :		
1 Directors	187294	21.71
2 Directors' relatives	117749	13.64
3 Group Companies	105407	12.22
4 HUFs	25284	2.93
5 NRI	429	0.05
Total (A) :	436163	50.56
B : Public :		
1 Bodies Corporate	16162	1.87
2 NRI	13354	1.55
3 HUF	11119	1.29
4 Residential Individual	385870	44.73
Total (B) :	426505	49.44
Total	862668	100.00

12. Address of Registrar of Companies (ROC), Gujarat :

The Registrar of Companies, Gujarat, ROC Bhavan, Opp. Rupal Park, Behind Ankur Bus Stand, Naranpura, Ahmedabad - 380 013.
(Phone: 079-27438531, 27437597)

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 above, requesting in writing, quoting the folio numbers that need to be consolidated and send the relevant Share Certificates.

14. Nomination facility :

The Companies (Amendment) Act, 1999 has provided for a facility of nomination in the Shares of a Company. 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 2B at the Share Dept. 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 at the Share Dept. of the Company at B/404, 4th Floor, "Time Square" Building, C.G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad – 380 009. Telephone Nos. 079-26407201-09 and Fax No. 30153102



NOTICE

NOTICE is hereby given that the 29th **ANNUAL GENERAL MEETING** of the members of **VADILAL ENTERPRISES LIMITED** will be held on Thursday, the 25th day of September, 2014, 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, 2014, 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, 2014.
- 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-imburement of out-of-pocket expenses and applicable taxes.”

SPECIAL BUSINESS :

- 5) To appoint Mr. Jayantilal M. Shah (DIN: 00023673) 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, 150, 152 read with Schedule IV 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) and revised Clause – 49 of the Listing Agreement, Mr. Jayantilal M. Shah (DIN: 00023673), Director of the Company whose period of office was liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”

- 6) To appoint Mrs. Niranjana A. Kapadia (DIN: 00667547) 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, 150, 152 read with Schedule IV 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. Niranjana A. Kapadia (DIN: 00667547), Director of the Company whose period of office was liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.”

- 7) To confirm the borrowing limit of the Company 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 in confirmation and supersession of the earlier resolution passed at the 10th Annual General Meeting of the members of the Company held on 30th September, 1995 under Section 293(1)(d) of the Companies Act, 1956 (earlier Act), the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for the purpose) to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the

Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from loans repayable on demand or within 6 months from the date of the loan such as short-term, cash credit arrangement, discounting of bills and the issue of other short term loans of a seasonal character and other temporary loans obtained from company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 50.00 crores (Rupees Fifty crores)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution."

- 8) To confirm creation of charge within the borrowing limit of the Company 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 in confirmation and supersession of the earlier resolution passed at the 10th Annual General Meeting of the members of the Company held on 30th September, 1995 under Section 293(1)(a) of the Companies Act, 1956 (earlier Act), the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby granted to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for the purpose) to mortgage/ hypothecate and/or create charge/pledge etc., in addition to the mortgages/ hypothecations/ charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Banks/Financial Institutions/Other Lender(s), Agent(s) and Trustee(s) for securing the borrowings availed/to be availed by the Company and/or any of the Company's holding / subsidiary / affiliate / associate Company, by way of loan(s) (in foreign currency and/or rupee currency) and Securities (comprising fully/partly convertible Debentures and/or Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013 from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s)/Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the company in terms of the Loan Agreement(s)/ Other Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s) in respect of the said loans/ borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/Agent(s)/ Trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or its duly constituted Committee be and are hereby authorized to finalise, settle and execute such documents/deeds/ writings/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion thinks necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

- 9) To alter Articles of Association by inserting new Article relating Inspection and copy of Register & Index of Members and Annual Return 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, 94 and all other applicable provisions of the Companies Act, 2013 and Rule 14 and 16 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force and as may enacted from time to time), Articles of Association of the Company be and is hereby altered by inserting new Article No. 149-A as under after the existing Article No. 149 of the Articles of Association of the Company :-

149-A : Inspection and copy of Register & Index of Members and Annual Return

Notwithstanding anything contained in other Articles, the Register of Members and Index of Members as mentioned in Section 88 of the Companies Act, 2013 and copies of Annual Returns filed by the Company under Section 92 of the Companies Act, 2013 shall be open for inspection during business hours, at such reasonable time on every working day as the board may decide, by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of fee of Rs. 50/- for each inspection.



Any such member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register or entries therein or return on payment of fee of Rs. 10/- for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.

“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 keep Register and Index of Members at other place 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 94 read with Section 88 and 92 and other applicable provisions of the Companies Act, 2013 and Rules made there under, the consent of the members of the Company be and is hereby accorded to keep, maintain and preserve Register of Members and Index of Members of the Company, at the Office of MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company, situated at 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009 instead of keeping and maintaining the same at Registered Office 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.”

- 11) To accept Fixed Deposit from the members 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 73 and all other applicable provisions of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 as may be amended from time to time and clarifications/guidelines issued by the Central Government, consent of the members be and is hereby accorded to the Board of Directors of the Company to invite and accept fixed deposits from the members within limits prescribed in the Act and overall borrowing limits of the Company, as approved by the members from time to time and the draft of the Circular for inviting / accepting Deposits from the Members and the terms and conditions contained therein and as given in the Explanatory Statement annexed hereto, be and the same is hereby approved.”

“RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorised to amend the terms and conditions of the said scheme as and when required and to sign and execute deeds, applications, documents and writings that may be required on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution.”

**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 : sharelogs@vadilalgroup.com

Website : www.vadilalgroup.com

Phone : 079 30153184

Dated : 14th August, 2014.

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 13th September, 2014 to 25th September, 2014 (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, 2014 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 12th September, 2014, 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 12th September, 2014.

6) Voting through electronic means:

The Company is pleased to offer 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 NSDL 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 / e-mail separately.

- 7) 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.
- 8) **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.**
- 9) Pursuant to Section 205A of the Companies Act, 1956, the Company has already transferred all unclaimed dividends declared upto the financial year ended on 31st March, 1994 (18 months) to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend by an application in Form II of the aforesaid Rules to the Registrar of Companies, Gujarat at ROC Bhavan, Opp. Rupal Park, Behind Ankur Bus Stand, Naranpura, Ahmedabad - 380 013.
However, pursuant to Section 205A of the Act as amended by the Companies (Amendment) Act, 1999 (1st Amendment), which came into effect from 31-10-1998, the Company has already transferred unclaimed dividend declared for the financial year ended on 31st March, 1995, 31st March, 1996, 31st March, 1997 (Interim & Final Dividend) and 30th September, 1998 (18 months) to the Investor Education and Protection Fund (IEPF) established by the Government under Section 205C(1) of the Act.
The amount of dividend for the financial year ended on 31st March, 2007, 31st March, 2008, 31st March, 2009, 31st March, 2010, 31st March, 2011, 31st March, 2012 and 31st March, 2013 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 3rd November, 2014, 3rd November, 2015, 31st October, 2016, 4th November, 2017, 1st November, 2018, 3rd November, 2019 and 26th October, 2020 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.
- 10) 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.
- 11) 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.

- 12) 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.
- 13) 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.
- 14) 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.

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

Mr. Jayantilal M. Shah is an Independent Director of the Company and has held the position as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mr. Jayantilal M. Shah as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a term of 5 (five) consecutive years upto the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.

Mr. Jayantilal M. Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Jayantilal M. Shah for the office of Director of the Company.

The Company has also received declaration from Mr. Jayantilal M. Shah that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Mr. Jayantilal M. Shah fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Mr. Jayantilal M. Shah is independent of the management.

Copy of the draft letter for appointment of Mr. Jayantilal M. Shah as Independent Director setting out the terms and conditions is available for inspection by members at the Share Department of the Company.

Mr. Jayantilal M. Shah is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointments.

The relatives of Mr. Jayantilal M. Shah 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 resolutions.

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

Item No. 6

Mrs. Niranjana A. Kapadia is an Independent Director of the Company and has held the position as such for less than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mrs. Niranjana A. Kapadia as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a term of 5 (five) consecutive years upto the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019..

Mrs. Niranjana A. Kapadia 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 of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Niranjana A. Kapadia for the office of a Director of the Company.

The Company has also received declaration from Mrs. Niranjana A. Kapadia that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mrs. Niranjana A. Kapadia fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Agreement. Mrs. Niranjana A. Kapadia is independent of the management.

Copy of the draft letter for appointment of Mrs. Niranjana A. Kapadia as an Independent Director setting out the terms and conditions is available for inspection by members at the Share Department of the Company.

Mrs. Niranjana A. Kapadia is interested in the resolution set out at Item No. 6 of the Notice with regard to her appointment.

The relatives of Mrs. Niranjana A. Kapadia may be deemed to be interested in the resolution set out at Item No. 6 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 resolutions.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item No. 7

Section 180 of the Companies Act, 2013 (the Act) (corresponding to Section 293 of the Companies Act, 1956) has been notified by Ministry of Corporate Affairs (MCA) with effect from September 12, 2013. In terms of Section 180(1)(c) which corresponds to Section 293(1)(d) of the Companies Act, 1956, borrowings by the Company (apart from loans repayable on demand or within 6 months from the date of the loan such as short-term, cash credit arrangement, discounting of bills and the issue of other short term loans of a seasonal character and other temporary loans obtained from company's bankers in the ordinary course of business), in excess of the paid-up capital of the Company and its free reserves, require the approval of the Members by way of special resolution.

The Members at the 10th Annual General Meeting held on 30th September, 1995 had approved the borrowing of sums not exceeding ₹ 50.00 crore (Rupees Fifty crore) under Section 293(1)(d) of the Companies Act, 1956.

The Ministry of Corporate Affairs (MCA) has vide its Circular dated March 25, 2014 clarified that the resolution passed under Section 293(1)(d) of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets of the company will be effective for a period of one year from the date of notification of Section 180 of the Act which would be September 11, 2014.

Pursuant to the above clarification, it is proposed to seek a fresh approval of the Members under Section 180(1)(c) of the Companies Act, 2013 for the borrowings by the Company upto Rs. 50.00 crores i.e. without further increase in borrowing limit as set out in the resolution No. 7 of the accompanying notice.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Item No. 8

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 and Rules made thereunder, the approval of Members of the Company by way of a Special Resolution is required to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

The Company proposes to ratify and confirm its present borrowing limit of Rs. 50.00 crores under Section 180(1)(C) of the Companies Act, 2013 and Rules made thereunder.

The Borrowings by a Company, in general is required to be secured by mortgage or charge or hypothecation on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

However, the mortgage and/or charge and/or hypothecation on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company or of any of its holding, subsidiary, affiliate or associate company, with a power to the charge holders to take over the management of the business and concern of the Company in certain events of default, may be regarded as disposal of the Company' undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013 and Rules made thereunder.

The members of the Company has, at the 10th Annual General Meeting of the Company held on 30th September, 1995, approved for creating charge/mortgage/hypothecation over the immovable and/or movable properties of the Company, both present and future, to secure the borrowing limit of the Company.

Pursuant to General Circular No. 04/2014 dated 25th March, 2014 issued by Ministry of Corporate Affairs, any resolution passed under section 293(1)(a) of the Companies Act, 1956 prior to 12-9-2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act



Hence, the Company is required to ratify and confirm to create charge/mortgage/ hypothecation etc. and pass a fresh Special Resolution of the Members of the Company under Section 180(1)(a) of the Companies Act, 2013 for creating charge/mortgage/ hypothecation over the immovable and/or movable properties of the Company, both present and future, to secure the proposed borrowing limit of Rs. 50.00 Crores of the Company.

Pursuant to the above clarification, it is proposed to seek a fresh approval of the Members under Section 180(1)(a) of the Companies Act, 2013 as set out in the resolution No. 8 of the accompanying notice.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

Item No. 9

Pursuant to the provisions of Section 94 of the Companies Act, 2013 and Rule 14 of the Companies (Management and Administration) Rules, 2014, the register and index of members maintained pursuant to Section 88 and copies of annual returns prepared pursuant to Section 92 of the Act, shall be open for inspection during business hours, at such reasonable time on every working day as the board may decide, by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of such fee as may be specified in the articles of association of the company but not exceeding fifty rupees for each inspection.

For the purposes of this sub-rule, reasonable time of not less than two hours on every working day shall be considered by the company.

Further, any such member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register or entries therein or return on payment of such fee as may be specified in the articles of association of the company but not exceeding ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.

For the aforesaid purpose, it is proposed to alter the Articles of Association of the Company by inserting a new Article No. 149-A after the existing Article No. 149 in the Articles of Association related to inspection of registers and returns and fees for obtaining copies thereof by Members in terms of provisions of Section 94 of the Companies Act, 2013 and Rule 14 of the Companies (Management and Administration) Rules, 2014.

Pursuant to Section 14 of the Companies Act, 2013, the consent of the Members of the Company by way of a Special Resolution is required for alteration in Articles of Association of the Company.

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

Item No. 10

Pursuant to the provisions of Section 94 of the Companies Act, 2013 and Rules made thereunder, the Register of Members and Index of Members required to be kept and maintained by the company under Section 88 and copies of the annual return filed by the Company under Section 92 shall be kept at the registered office of the company:

Provided that such registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance.

In view of the above, it is proposed to authorize M/s MCS Share Transfer Agent Limited to maintain, preserve and authenticate Register of Members and Index of Members of the Company, at its office situated at 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009 instead of maintaining the same at Registered Office of the Company.

The Board commends the Special Resolution set out at Item No. 10 of the Notice for approval 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 resolution set out at Item No. 10 of the Notice.

Item No. 11

The Board of Directors at their meeting held on 14th August, 2014 approved and recommended the invitation and acceptance of fixed deposits from the members pursuant to Section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 as one of the modes to meet the ongoing fund requirements of the Company.

In compliance with the above provisions of the Act and the Rules, the Company is required to obtain approval of its shareholders for a fresh scheme of acceptance of Unsecured Fixed Deposits from the members of the Company and as such, approval of the members by way of Special Resolution is being sought.

Therefore, the special resolution at Item No. 11 to the annexed notice is recommended for your approval.

The draft of the Circular for inviting / accepting Deposits from the Members is given hereunder :



VADILAL ENTERPRISES LIMITED

CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS FROM MEMBERS

[Pursuant to section 73 (2)(a) and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

1. GENERAL INFORMATION :

a. Name, address, website and other contact details of the company :

Name : VADILAL ENTERPRISES LIMITED
Registered Address : A/801, 8th Floor, Time Square Building,
Nr. Lal Bungalow Cross Roads,
C.G. Road, Navrangpura, Ahmedabad - 380 009
Correspondence Address : Vadilal House, Shrimali Society,
Nr. Navrangpura Railway Crossing,
Navrangpura, Ahmedabad – 380 009.
CIN : L51100GJ1985PLC007995
Web-site : www.vadilalgroup.com
Contact details : 079-26564019 – 153 exten.
Fax No. : 079 30153102
Email ID : vijayshah@vadilalgroup.com

b. Date of incorporation of the company : 30th July, 1985.

c. Business carried on by the company and its subsidiaries with the details of branches or units, if any:

The Company is engaged in the business of marketing and distribution of Ice-cream and Processed Food products and other permitted activities provided in the Company's Memorandum and Articles of Association.

i) Registered Office :

A/801, 8th Floor, Time Square Building, Nr. Lal Bungalow Cross Roads,
C.G. Road, Navrangpura, Ahmedabad - 380 009

ii) Factories (Manufacturing Units):

The Company does not have any factory or manufacturing unit.

iii) Subsidiary Company:

The Company does not have any subsidiary company.

d. Brief particulars of the management of the Company :

The Company is managed under superintendence, direction and control of the Board of Directors.

e. Names, addresses, DIN and occupations of the directors;

Name of the Directors	Address	Occupation	DIN
Shri Rajesh R. Gandhi (Chairman)	"KARM", 17-A/2, Santosha Park, Behind Hira Rupa Hall, Ambli-Bopal Road, Bopal, Ahmedabad - 380 058.	Industrialist	00009879
Shri Devanshu L. Gandhi	1577/33/F, Patel Block, Nr. Old Gujarat High Court Railway Crossing, P.O. Navjivan, Ahmedabad - 380014.	Industrialist	00010146
Shri Jayantilal M. Shah	13, Milan Park, Near President Hotel, Off Cg Road, Navrangpura, Ahmedabad, 380009,	Business	00023673
Smt. Niranjana A. Kapadia	26, Sudarshan Colony, Satellite Road, Satellite, Ahmedabad, 380054,	Housewife	00667547

f. Management's perception of risk factors :

The deposits accepted by the company are unsecured and rank pari passu with other unsecured liabilities of the company.

The Company will take insurance of deposit and interest thereon for the full amount of deposit and interest if the amount does not exceeding rupees twenty thousand, and in the case of deposit and interest in excess of rupees twenty thousand, the deposit insurance shall cover for payment upto Rupees twenty thousand in respect of each depositor as per the requirement of the Companies Act, 2013 and Rule made thereunder.



g. Details of default, including the amount involved, duration of default and present status, in repayment:

The Company has not made any default in repayment of deposit including interest thereon.

2. PARTICULARS OF THE DEPOSIT SCHEME :

- a. **Date of passing of board resolution** : 14th August, 2014.
- b. **Date of passing of resolution in the general meeting authorizing the invitation of such deposits** : 25th September, 2014.
- c. **Type of deposits** : Unsecured
- d. **Amount which the company can raise by way of deposits as per the Act and the rules made thereunder, and the aggregate of deposits actually held on the last day of the immediately preceding financial year and on the date of issue of the Circular or advertisement and amount of deposit proposed to be raised and amount of deposit repayable within the next twelve months :**

- Deposits shall be accepted from the Members only upto 25% of aggregate of Paid Up share Capital and Free Reserves of the Company.
- The aggregate of deposits actually held on the last date of immediately preceding Financial Year i.e. 31st March, 2014 as per Companies Act, 1956 & Rules made thereunder.

(Rs. in Lacs)

a. From Shareholders	37.13
b. From Public	125.96
TOTAL	163.09

- The deposits accepted upto 31st March, 2014 and interest thereon will be repaid to the depositors on the date of maturity.

e. Terms of raising of deposits :

- i. The Company will accept Unsecured Fixed Deposit from its Shareholders only, on the following terms and conditions :

MONTHLY INCOME - SCHEME A

Deposit Amount	Period	Interest (p.a.)
Minimum amount of Rs.25,000/- and in multiples of Rs.1,000/-	12 months	10.25%
	24 months	10.25%
	36 months	11.00%

REGULAR INCOME - SCHEME B (INTEREST COMPOUNDED MONTHLY)

Deposit Amount	Period	Interest (p.a.)	Interest Option	Annualized Yield* p.a.
Minimum amount of Rs.10,000/- and in multiples of Rs.1,000/-	12 months	10.25 %	Quarterly	10.34 %
		10.25 %	Half-Yearly	10.47 %
	24 months	10.25%	Quarterly	10.34 %
		10.25 %	Half Yearly	10.47 %
		10.25 %	Yearly	10.75 %
	36 months	11.00 %	Quarterly	11.10 %
11.00 %		Half Yearly	11.26 %	
11.00 %		Yearly	11.57 %	

GROWTH SCHEME - CUMULATIVE - SCHEME C (INTEREST COMPOUNDED MONTHLY)

Deposit Amount	Period	Interest	Maturity Value	Annualized Yield
Minimum amount of Rs.5,000/- and in multiples of Rs.1,000/-	12 months	10.25%	Rs. 5,537/-	10.75%
	24 months	10.25%	Rs. 6,132/-	11.32%
	36 months	11.00%	Rs. 6,944/-	12.96%

* Yield is based on simple interest calculation.

** If tax is deductible at source, then maturity value will change.

- ii. Repayment of Deposit and Interest payment will be made by a crossed "A/C Payee" cheque payable at Ahmedabad.
- iii. No deposit shall be repaid before the expiry of six months from the date of deposit. On deposit withdrawn after a period of six months but before the date of maturity, the rate of interest payable

shall be reduced by 1% from the rate which the Company would have ordinarily paid, had the deposit been accepted for the period for which such deposit has run.

- iv. Income Tax will be deducted at source on payment of interest in accordance with the provisions of the Income-tax Act, 1961, as are in force from time to time.
- v. Acceptance/Renewals/Repayments of Fixed Deposit(s) and payment of interest will be subject to the Rules and Regulations framed from time to time by the Company.
- vi. Acceptance of Deposits is subject to Ahmedabad jurisdiction.
- vii. The Company reserves the right to alter or amend or modify or vary any or all the terms and conditions regarding the deposit scheme.

f. Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid:

This Scheme is applicable on the date on which the shareholders of the Company will approve the same. The Circular issued under this scheme is valid until expiry of the six months from the date of closure of Financial Year in which it is issued or until the date on which the financial statement is laid before the company in annual general meeting or, where the annual general meeting for any year has not been held, the latest day on which that meeting should have been held in accordance with the provisions of the Act, whichever is earlier.

g. Reasons or objects of raising the deposits:

To meet the financial emergency and to meet the business requirements of the Company.

h. Credit rating obtained; Name of the Credit Rating Agencies, Rating obtained, Meaning of the rating obtained, Date on which rating was obtained.

N.A.

i. Extent of deposit insurance, ; Name of the Insurance Company, terms of the insurance coverage, duration of coverage, extent of coverage, procedure for claim in case of default etc.

The Company will take insurance of deposit and interest thereon for the full amount of deposit and interest if the amount does not exceeding rupees twenty thousand, and in the case of deposit and interest in excess of rupees twenty thousand, the deposit insurance shall cover for payment upto Rupees twenty thousand in respect of each depositor as per the requirement of the Companies Act, 2013 and Rule made thereunder.

j. Short particulars of the charge created or to be created for securing such deposits, if any:

N.A.

k. Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons:

The Directors, Promoters and other Key Managerial Personnel of the Company does not have any financial or other material interest in the aforesaid deposits and the same terms and conditions of deposits including rate of interest will be applicable to the deposits accepted from the Directors, Promoters and Key Managerial Personnel of the Company.

3. DETAILS OF ANY OUTSTANDING DEPOSITS :

- a. Amount Outstanding : Rs. 163.09 lakhs
- b. Date of acceptance : On various dates
- c. Total amount accepted : Rs. 90.16 lakhs
- d. Rate of interest : As per the scheme
- e. Total number of depositors : 435
- f. Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved:
The Company has not defaulted in repayment of deposits and payment of interest thereon.
- g. Any waiver by the depositors, of interest accrued on deposits : No such waiver

4. FINANCIAL POSITION OF THE COMPANY :

- a & b. **Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement and Dividends declared**



by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid) :

Financial Year ended	Profit/(Loss) before Tax (Rs. in Lacs)	Profit/(Loss) after Tax (Rs. in Lacs)	DIVIDEND per Equity Share (Rs. in lacs)
31st March, 2012	135.71	95.64	Re. 1.20/- (12%)
31st March, 2013	7.50	7.20	Re. 1.20/- (12%)
31st March, 2014	(87.26)	(60.55)	Re. 0.80/- (8%)

c. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement:

(Rs. in lakhs)

Equities and Liabilities	As at			Assets	As at		
	31-3-2014	31-3-2013	31-3-2012		31-3-2014	31-3-2013	31-3-2012
Share Capital	86.26	86.26	86.26	Fixed Assets - Tangible Assets	3017.97	2481.14	1836.77
Reserves and Surplus	366.19	434.81	439.72	Capital WIP	309.62	290.71	0.00
Long term provisions	14.37	--	--	Intangible Assets under Development	--	46.29	0.00
Long term borrowings	352.58	379.39	260.59	Intangible Assets	47.69	--	--
Short term borrowings	436.17	460.32	377.36	Non-current Investments	4.48	4.48	4.48
Trade payables	5703.42	6381.17	6929.69	Deferred Tax Asset (Net)	142.78	124.97	105.14
Other Current liabilities	4264.07	3668.64	2787.16	Long term loans and advances	2608.41	2581.42	890.82
Short term provisions	79.97	63.74	75.91	Other non-current assets	2.78	2.96	0.30
				Inventories	128.70	155.74	544.27
				Trade receivables	2774.42	2709.48	2588.79
				Cash and Bank balances	85.39	395.69	75.40
				Short term loans and advances	2013.03	2489.02	4754.75
				Other current assets	167.76	192.43	155.97
Total	11303.03	11474.33	10956.69	Total	11303.03	11474.33	10956.69

d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement :

(Rs. in lakhs)

	For the year ended on 31.03.2014	For the year ended on 31.03.2013	For the year ended on 31.03.2012
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax from continuing operations	(87.26)	7.50	135.71
Non-cash adjustments to reconcile profit before tax to net cash flows :			
Depreciation and amortisation expense	540.13	459.90	369.82
(Profit) / Loss on sale of Fixed Assets	2.15	0.23	(4.64)
Provision for Doubtful Advances / debtors	64.43	37.85	25.89



	Bad debts/advances written off	37.68	49.35	1.76
	Fixed Assets written off	23.17	0.00	8.00
	Loss due to fire	0.14	0.00	0.00
	Dividend Income	(0.08)	(0.08)	(0.08)
	Interest Income	(171.28)	(210.80)	(158.79)
	Interest expenses	148.57	119.01	101.20
	Excess Provision written back	(99.94)	(69.05)	(72.70)
	Operating Profit before working capital changes	457.71	393.91	406.17
	Movements in working capital :			
	Increase / (decrease) in trade payables	(581.15)	(495.62)	2,793.03
	Increase / (decrease) in long term provisions	14.37	0.00	0.00
	Increase / (decrease) in short term provisions	23.62	1.38	9.19
	Increase / (decrease) in other current liabilities	507.49	900.17	591.30
	Decrease / (increase) in trade receivable	(159.25)	(199.81)	(954.63)
	Decrease / (increase) in inventories	27.04	(26.83)	(168.19)
	Decrease / (increase) in long term loans and advances	(6.57)	(1,660.61)	(26.37)
	Decrease / (increase) in short term loans and advances	475.99	2,269.91	(1,953.25)
	Cash Generated from / (used in) Operations	759.25	1,182.50	697.25
	Direct taxes paid (net of refunds)	(19.33)	(66.35)	(76.17)
	Net Cash flow from/(used in) Operating Activities(A)	739.92	1,116.15	621.08
B	CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of fixed assets/CWIP	(1149.76)	(1,026.26)	(786.17)
	Proceeds from Sale of fixed assets	27.03	0.12	10.39
	Investments in Bank Deposits (having original maturity of more than three months)	(18.77)	(41.85)	(40.08)
	Redemption / maturity of bank deposits (having original maturity of more than three months)	41.08	40.08	6.08
	Interest received	195.95	174.34	75.62
	Dividend received	0.08	0.08	0.08
	Net Cash flow from / (used in) Investing Activities (B)	(904.39)	(853.49)	(734.08)
C	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from Long Term borrowings	210.94	256.11	149.11
	Repayment of Long Term Borrowings	(156.38)	(148.90)	(120.75)
	Repayment/Receipt of Short Term Borrowings(Net)	(24.15)	82.96	195.23
	Interest paid	(142.49)	(120.15)	(95.73)
	Dividends paid	(9.86)	(9.82)	(9.95)
	Tax on equity dividend	(1.76)	(1.68)	(1.68)
	Net Cash flow from/(used in) in Financing Activities (C)	(123.70)	58.52	116.23
	Net Increase/(Decrease) in cash equivalents (A+B+C)	(288.17)	321.18	3.23
	Net Cash Equivalents as at 01.04.2013 (Opening Balance)	355.73	34.55	31.32
	Total	67.56	355.73	34.55
	Major Components of Cash and Cash Equivalents as at	31.03.2014	31.03.2013	31.03.2012
	Cash on hand	4.74	3.55	4.46
	Balance With Banks :			
	On Current Accounts	60.12	348.39	30.09
	On Deposit Accounts	-	1.58	0.00
	Unclaimed Dividend Accounts *	2.70	2.21	0.00
		67.56	355.73	34.55



- e. **Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.**

There is no change in accounting policies of the Company during the last three years.

5. A DECLARATION BY THE DIRECTORS THAT-

- a. the company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest there on;
- b. the board of directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
- c. the company has complied with the provisions of the Act and the rules made thereunder;
- d. the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
- e. the deposits accepted by the company before the commencement of the Act have been repaid (or will be repaid along with interest on due dates and until they are repaid, they shall be treated as unsecured and ranking pari passu with other unsecured liabilities).
- f. In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- g. the deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement;
- h. the deposits accepted by the company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari passu with other unsecured liabilities of the company.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution, except to the extent of any fixed deposits that may be placed with the Company by them, their relatives or by the Companies/Institutions in which they are Directors.

**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 : sharelogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 30153184

Dated : 14th August, 2014.



DIRECTORS' REPORT

To,
The members,
VADILAL ENTERPRISES LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith the 29th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2014.

FINANCIAL RESULTS

(₹ in Lacs)

Sr. No.	Particulars	Year ended 31-03-2014	Year ended 31-03-2013
(a)	Earning before Interest, Tax, Depreciation and Amortization	601.44	586.41
(b)	Finance Cost	148.57	119.01
(c)	Depreciation & Amortization Expense (Net off Depreciation ₹ 4.09 lacs (P.Y. ₹ Nil) excess provided in earlier year)	540.13	459.90
(d)	Profit/(Loss) before Tax	(87.26)	7.50
(e)	Tax Expense		
	— Current Tax	0.00	22.24
	— Deferred Tax (Reversed)	(17.81)	(19.83)
	— Income Tax written off / (written back) of earlier years	(8.90)	(2.11)
	Total Tax:	(26.71)	0.30
(f)	Profit/(Loss) for the year	(60.55)	7.20
(i)	Surplus in the statement of Profit & Loss:		
	Balance brought forward from the last year	66.23	76.14
	Add: Profit/(Loss) after tax for the year	(60.55)	7.20
	Add: Amount transferred from General Reserve	2.39	0.00
	Less : Appropriation		
	— Proposed Equity Dividend (amount per share Re. 0.80, previous year Rs. 1.20)	6.90	10.35
	— Tax on proposed Equity Dividend	1.17	1.76
	— Transfer to General Reserve	0.00	5.00
		0.00	66.23

TURNOVER & PROFITS

In spite of stiff competition in the market particularly in Ice-Cream business during the year under review, your Company has earned Revenue from Operations (Net) of Rs. 36654.09 lacs as compared to Revenue from Operations (Net) of Rs. 33738.07 lacs achieved during the previous year ended on 31st March, 2013.

Your Company has earned the earnings before interest, tax, depreciation and amortization of Rs. 601.44 lacs as compared to Rs. 586.41 lacs earned during the previous year ended on 31st March, 2013. Your Company has incurred loss of Rs. 60.55 lacs during the year under review as compared to profit of Rs. 7.20 lacs earned during the previous year ended on 31st March, 2013.

DIVIDEND:

The Directors have recommended dividend of Rs. 0.80/- per share (@ 8.00%) on 8,62,668 Equity Shares of Rs.10/- each of the Company for the financial year ended on 31st March, 2014 as compared to 12.00% dividend declared in the previous financial year ended on 31st March, 2013. This will absorb Rs. 6.90 lacs. The corporate dividend tax payable by the Company on the said dividend will be Rs.1.17 lacs. If approved, the dividend will be paid without deduction of tax at source to the shareholders.

OPERATIONS - MARKETING FOCUS:

ICE-CREAM DIVISION:

INDUSTRY STRUCTURE & DEVELOPMENT, BUSINESS OVERVIEW & SUSTAINABLE GROWTH OPPORTUNITIES:

Milk and milk based products are a part of staple diet in India. Indian Ice-cream market is estimated to be around Rs 4000 crores out of which over 40 percent belongs to the organized sector, growing at 20% YoY. There are about big and medium, 7000 ice-cream companies in India and innumerable small and seasonal companies doing business. India is also one of the fastest growing countries in ice-cream production and consumption.



Increasing urbanization, rising disposable incomes and increasing “out of home food” consumption coupled with the ever increasing food variety available in the markets closer to home; are some of the reasons fueling the Ice-cream segment.

The Company works to deliver the best tasting products and continuously improve ice-cream range for nutritional profile and benefits. Since the inception, the Company has been committed towards delivering the best quality products at affordable prices conveniently within reach of the consumers.

Apart from the retail chain of ice-cream under the Happinezz brand name, Vadilal has also started exclusive parlors in two formats: Scoop Shop and Hangout. These formats offer a contemporary trendy range of Premium Ice-creams and Concoctions in a very chic ambience. The purpose of launching these two formats is to present the brand in a very contemporary and modern way. It is in line with our efforts towards shifting the brands epicenter from Mass to mass premium.

In terms of marketing, the Company ensures maximum reach through an optimum mix of ATL and BTL activities. The Company utilize various communication touch points like Retail, Outdoor, Print, TV, Internet, etc to get the brand message across. This year also the Company has a 360 degree marketing plan. However, the advertising budgets are more skewed towards television as Vadilal has a nation wide reach now. In terms of the consumer engagement initiative, Vadilal Freeze the Moment contest Calendar launched in 2012 has become a successful annual event: eagerly awaited by consumers. Apart from traditional mediums, the Company is also enjoying commendable brand presence and preference in the Digital world also. Since the brand enjoys unprecedented trust since 1906, the Company ensures that the evolution of brand personality does not tamper the core personality traits. And even though the brand adopts modern look as per the changing times and the taste of consumers, the brand integrity is intact.

In terms of sales promotions, the Company is constantly engaging trade patrons through various schemes. And the Company also do consumer promotional activities from time to time. Just to give an example, last year, the Company had a “surprise gift” available with each candy of Ice Trooper which is delighting young customers now also.

AWARDS WON BY VADILAL YEAR BY YEAR:

Vadilal has won 22 awards over 3 consecutive years : 2008 , 2009 & 2010 at ‘The Great Indian Ice Cream Contest’ organized by the Indian Dairy Association. Various categories for awards were: **The Best in Class (3)**: Chocolate Frozen Dessert, Standard Chocolate Ice Cream, Rose Coconut Shell (Innovation – Novelty) **Gold Medal (4)** : Standard Chocolate Ice Cream, Chocolate Frozen Dessert, Vanilla Frozen Dessert and Rose Coconut Shell (Innovation – Novelty), **Bronze Medal (1)** Natural Orange (Premium without Inclusion). In the same contest held in 2013 , Vadilal won 5 awards. So the total tally of Awards won is now 27 in 4 years of contest.

Best in Class in Kids category – Joker Ice Trooper, Gold in Kids category – Joker Ice Trooper, Silver in Vanilla Frozen Dessert – Vanilla Frozen Dessert. Bronze in Vanilla Ice cream – Happinezz Vanilla Ice cream. Bronze in Premium – Pista Happinezz Ice cream garnished with Green Pista.

In 2013, Vadilal has been voted as the “Most Trusted Ice cream brand in India” as per the The Brand Trust Report-2013. Also, the Economic Times Survey ranked Vadilal among the “Top 20 Food” brands in India.

FUTURE STRATEGY:

The Company aims to increase the per capita consumption of Ice-creams in India through various initiatives in product development, marketing, distribution and trade promotions.

As the Indian market place evolves, the Company too plans to enhance the Vadilal Ice-cream experience through its parlor chain of Vadilal Hangouts and Vadilal Scoop Shops. The Company would increase the customistaion level and also foray into the Online Market space. Further, the Company would consolidate its brand positioning in the “premium” and “super premium” segment. The Company plans to increase its share in the “Premium” ice-cream segment to 30% in the coming year.

Processed Food Division – Domestic:

“Vadilal Quick Treat” brand is moving in a very organized manner with initial focused objective of increasing the awareness and distribution in the domestic market. The opening of newer markets is a simultaneous process, while increasing the awareness and consumption in the existing market is the priority. In India, frozen food market is still at the nascent stage. Consumers are still apprehensive about consuming frozen food. They have health, usage of preservative, and storage related perceptions that act as hurdles to the growth of the category.

However, the brand has been able to find a successful footing in Gujarat with its Processed Foods products like mango pulp, IQF green peas, sweet corn and other vegetables. With its frozen range of IQF vegetables and Ready -to-Eat (RTE) and Ready-to- Serve (RTS) products, Vadilal has been operational in the states of Rajasthan and Maharashtra besides Gujarat. In the year, it has started distribution in Delhi, Uttar Pradesh and Madhya Pradesh. This is in addition to increased penetration in Maharashtra. The next phase includes Punjab and few places in south India. With the increased awareness about frozen food the brand aspire to be present at every nook and corner of the county.

FINANCE :

During the year under review, M/s. Tata Capital Financial Services Ltd. has disbursed balance amount of Rs. 172.12 Lacs towards purchase of Deep Freeze Machines. The Company is also enjoying existing Working Capital Facility & Term Loan Facility from Bank of India with aggregate limit of Rs.10.72 Crores. During the year under review, the company has made regular repayment of Loan & interest and there is no any overdue payment to Banks and FIs.

In terms of the provisions of Investor Education and Protection Fund Rules, 2001 (IEPF), the Company has transferred the unclaimed interest on Fixed Deposit of Rs.687/- for the financial year ended on 31st March, 2007 to IEPF established by the Government of India under Section 205C(1) of the Companies Act, 1956.

**FIXED DEPOSITS :**

The Company has no overdue deposits outstanding other than those unclaimed of Rs.1.50 lacs as on 31st March, 2014. The Company has accepted fixed deposits of Rs. 66.54 lacs from the Public and Rs. 23.62 lacs from the Shareholders during the year 2013-2014, after complying with the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended. After repaying the maturities during the year, the total fixed deposits as on 31st March, 2014 stood at Rs.163.09 lacs.

DIRECTORS' RESPONSIBILITY STATEMENT :

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956 and confirm :

1. that in the preparation of Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
2. that 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 31st March, 2014 and of the profit or loss of the Company for that year;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that they have prepared the Annual Accounts on a going concern basis.

ADDITIONAL DISCLOSURES :

In line with the requirements of Listing Agreement with the Stock Exchanges and the Accounting Standards of the Institute of Chartered Accountants of India, your Company has made additional disclosures in the Notes on Accounts for the year under review in respect of Employees Benefit, Foreign Currency Transaction, Related Party Transactions, Taxes on Income and Expenses, Calculation of EPS, etc.

DEPOSITORY SYSTEM:

Your Company has established electronic connectivity with the Depositories, NSDL and CDSL. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation of the Company's shares on NSDL and CDSL as aforesaid.

The ISIN number allotted to the Company is INE693D01018.

INSURANCE :

All insurable interests of the Company including inventories, plant and machinery, vehicles and other insurable interest are adequately insured.

LISTING AGREEMENT WITH STOCK EXCHANGES :

Pursuant to the provisions of Listing Agreement with the Stock Exchanges, the Company declares that the Equity Shares of the Company are listed at the Bombay Stock Exchange Limited.

The Company confirms that it has paid Annual Listing Fees due to the Bombay Stock Exchange Limited upto the Financial Year 2014-2015.

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

Particulars relating to Conservation of Energy and Technology Absorption are not given, as it appears that the Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988 is not applicable to the Company due to the nature of the Company's business operations, being Marketing Company.

There is no any Foreign Exchange Earnings during the year under review. However, there was Foreign Exchange outgo of Rs. 0.15 lacs during the year under review.

DIRECTORS :

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Rajesh R. Gandhi, Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. The Members are requested to consider his re-appointment as a Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

Pursuant to the provisions of Section 149 and 152 1of the Companies Act, 2013 and Rules made thereunder and revised Clause-49 of the Listing Agreement with Stock Exchanges, the Company proposes to appoint Mr. Jayantilal M. Shah and Mrs. Niranjana A. Kapadia, as Directors of the Company designated as Independent Directors, not liable to retire by rotation. The Company has received requisite notices in writing from Members proposing the candidature of Mr. Jayantilal M. Shah and Mrs. Niranjana A. Kapadia for appointment as Independent Directors of the Company. The aforesaid Independent Directors, if appointed, shall hold office for a term of 5 (five) consecutive years upto the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2019.

PARTICULARS OF EMPLOYEES :

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not applicable to the Company, since none of the employees of the Company, including Managing Director, was in receipt of total remuneration of Rs.60,00,000/- p.a. or Rs.5,00,000/- p.m. during the year under review.

**AUDITORS :**

Section 139(2) of the Companies Act, 2013 (effective 1st April, 2014), mandates that a listed company or such other prescribed classes of companies shall not appoint or re-appoint an audit firm as Statutory Auditors for more than two terms of five consecutive years each.

Further, the companies as aforesaid, whose Statutory Auditors has held office for a period of ten years or more are required to comply with these provisions, within three years from the date of commencement of these provisions i.e. 1st April, 2014. For this purpose, the term of the audit firm before the commencement of these provisions shall be taken into account for calculating the period of ten consecutive years.

Our auditors, M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad are holding the office as Statutory Auditors for more than ten years. Hence, they can only be re-appointed for a period up to three years i.e. up to FY 2016-2017.

The Board of Directors recommend the re-appointment of M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad 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.

The Company has received a certificate from the said Auditors under Section 139 of the Companies Act, 2013 to the effect that their appointment, if made, would be within the prescribed limits under Section 139 of the Act and they are not disqualified under the Act. The Members are requested to consider their appointment 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.

TRADE RELATIONS :

The Board desires to place on record its appreciation of the support and co-operation that your Company received from Distributors, Dealers, Stockiest, C&F Agents, Retailers and all others associated with your Company. It will be your Company's continued endeavor to build and nurture strong links with the trade, based on mutuality, respect and co-operation and consistent with the consumer interest.

ACKNOWLEDGMENTS :

The Board wishes to place on record its gratitude for the co-operation and assistance extended by various departments of the Union Government, State Government, Bankers and Financial Institutions.

The Board of Directors is overwhelmed with dedicated and sincere services of the employees of the Company at all levels.

The Company would make every effort to meet the aspirations of its Shareholders and wish to sincerely thank the Shareholders for their whole hearted co-operation and support at all times.

By Order of the Board of Directors

RAJESH R. GANDHI
Chairman

DEVANSHU L. GANDHI
Director

Date : 14th August, 2014

Place : Ahmedabad



Independent Auditor's Report

To the Members of Vadilal Enterprise Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Vadilal Enterprise Limited**, which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 15/2013 dated 13 September, 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together with "Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards notified under the Companies Act, 1956, read with General Circular 15/2013 dated 13 September, 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **KANTILAL PATEL & CO.,**
Chartered Accountants
Firm Registration No. 104744W

Mayank S. Shah
Partner

Membership No.: 44922

Place : Ahmedabad
Date : May 29, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i) In respect of its fixed assets:
 - [a] The company has maintained proper records showing full particulars including quantitative details and situation only in respect of building, vehicles and deep freeze machines capitalized onwards 1997-98. In respect of deep freeze machines capitalized prior to 1997-98 and other assets, individual details as to cost and accumulated depreciation, remains to be reconciled with ledger balances appearing in the financial statements.
 - [b] In respect of Deep freeze machines, push carts and freezer on wheels lying with third parties we are informed that the company has formulated a programme of physical verification of these assets over a period of three years. In majority cases freezer on wheels were verified during the financial year 2011-12 and major Deep freeze machines and push carts are covered as per formulated programme during the year. No material discrepancies were noticed on such physical verification. Acrylic boards and other assets viz. furniture & office equipments are not verified during the year. In absence of physical verification of such fixed assets, material discrepancies if any could not be ascertained.
 - [c] The company has not disposed off substantial part of fixed assets during the year.
- (ii) In respect of its Inventories:
 - [a] As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
 - [b] In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - [c] In our opinion and according to explanations given to us, the company has maintained proper records of inventories and the



discrepancies noticed on such physical verification between physical stock and book records have been adequately dealt with in the books of accounts.

(iii) In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

The company has not granted or taken any loans, secured or unsecured to /from companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence, paragraph 4 (iii)(a), (b), (c), (d), (e), (f) and (g) are not considered applicable to the company.

(iv) In respect of main trading item viz. ice-cream, mango pulp, mango ras, frozen vegetables the purchases are made at agreed terms and conditions, hence the question of internal control system in respect of purchases of goods traded in does not arise. In our opinion and according to the explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

(v) In respect of transactions covered under Section 301 of the Companies Act, 1956:

[a] In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section.

[b] The transactions for purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5 Lakhs or more in respect of each party, according to the information and explanations given to us, in respect of main trading item viz. ice-cream, mango pulp, mango ras, frozen vegetables the purchases are made at agreed terms and conditions, hence the question of reasonableness of the purchase price paid to the supplying firm does not arise. Other purchases are made with reference to prevailing market prices at the relevant time for such goods, materials or services for the prices at which transactions for similar goods or services have been made with other parties.

(vi) In our opinion and according to the information and explanations given to us, the company has generally complied with the provisions of section 58 A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public.

We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

(vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.

(viii) As the company is a trading company, Paragraph 4(viii) is not applicable.

(ix) In respect of statutory dues:

[a] According to the records of the company, undisputed statutory dues including provident fund, investor education & protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable to the company have generally been regularly deposited by the company with the appropriate authorities.

[b] According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid statutory dues were outstanding as at 31st March, 2014 for the period of more than six months from the date they become payable.

[c] The details of disputed statutory dues as at March 31, 2014 that have not been deposited by the Company are as under:

Sr. No	Dispute Under	Amt. (Net of deposit) (₹ in lacs)	Period to which amount relates	Forum where dispute is pending
(i)	Sales Tax Act	19.45	2008-09	D.Comm (Appeals)
		8.05	2008-09	Joint commissioner (A)
		17.53	2009-10	D.Comm
		0.72	2012-13	Joint commissioner (A)
(ii)	Income Tax Act 1961	2.41	A.Y. 2007-08	CIT (A)

(x) The company has no accumulated losses as at March 31, 2014. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks. The company has not obtained any borrowings from financial institution or by way of debentures.

(xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The company has given guarantee for loans taken by others from banks or financial institutions. In our opinion and based on the information and explanations given to us, the terms and conditions are considered not prima facie prejudicial to the interest of the company.

(xiv) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans raised during the year were *prima facie* been used for the purpose for which they were raised. The term loans outstanding at the beginning of the year were applied for the purpose for which they were obtained.

(xv) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.

(xvi) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xvii) According to information and explanations given to us, the company has not issued any debentures during the year.

(xviii) The company has not raised any money by way of public issue during the year.

(xix) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

(xx) In our opinion and according to the information and explanations given to us, the nature of the company's business/activities during the year are such that paragraphs

4(xiii) provisions of any special statute applicable to chit fund;

4(xiv) dealing or trading in shares, securities, debentures and other investments

of Company (Auditor's Reports) Order, 2003 are not applicable to the company.

For **KANTILAL PATEL & CO.**,
Chartered Accountants
Firm Registration No. 104744W

Mayank S. Shah
Partner

Membership No.: 44922

Place : Ahmedabad
Date : May 29, 2014



BALANCE SHEET AS AT 31ST MARCH, 2014

	NOTES	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
I EQUITY & LIABILITIES			
1) SHAREHOLDERS' FUND :			
a) Share Capital	2	86.26	86.26
b) Reserves & Surplus	3	366.19	434.81
	Sub Total	452.45	521.07
2) NON-CURRENT LIABILITIES			
a) Long-term borrowings	4	352.58	379.39
b) Long-term Provisions	5	14.37	—
	Sub Total	366.95	379.39
3) CURRENT LIABILITIES			
a) Short-term borrowings	6	436.17	460.32
b) Trade Payables	7	5703.42	6,381.17
c) Other current liabilities	8	4264.07	3,668.64
d) Short-term provisions	9	79.97	63.74
	Sub Total	10483.63	10,573.87
	Total	11303.03	11474.33
II ASSETS			
1) NON-CURRENT ASSETS			
a) Fixed Assets			
Tangible Assets	10	3017.97	2,481.14
Intangible Assets		47.69	—
Capital WIP		309.62	290.71
Intangible Assets under development		—	46.29
b) Non-current Investments	11	4.48	4.48
c) Deferred tax assets (Net)	12	142.78	124.97
d) Long-term loans and advances	13	2608.41	2,581.42
e) Other Non-Current Assets	14	2.78	2.96
	Sub Total	6133.73	5,531.97
2) CURRENT ASSETS			
a) Inventories	15	128.70	155.74
b) Trade Receivables	16	2774.42	2,709.48
c) Cash & bank balances	17	85.39	395.69
d) Short-term loans & advances	18	2013.03	2,489.02
e) Other current assets	19	167.76	192.43
	Sub Total	5169.30	5,942.36
	Total	11303.03	11,474.33
Summary of significant accounting policies	1		
The accompanying notes are integral part of the financial statements.			

As per our report of even date.

For **KANTILAL PATEL & CO.**
Chartered Accountants
Firm Registration No.104744W

Mayank S. Shah
Partner
Membership No.: 44922

Place: Ahmedabad
Date : 29th May, 2014

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

Rajesh R. Gandhi - Chairman
Devanshu L. Gandhi - Director
Ruchita Gurjar - Company Secretary

Place: Ahmedabad
Date : 29th May, 2014



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

		NOTES	YEAR ENDED 31.03.2014 (₹ in Lacs)	YEAR ENDED 31.03.2013 (₹ in Lacs)
Income				
I	Revenue from Operation (net)	20	36654.09	33,738.07
II	Other Income	21	297.67	298.79
III	Total Revenue (I+ II)		36951.76	34,036.86
IV Expenses				
	Purchase of traded goods	22	30891.45	28,309.62
	(Increase) / decrease in traded goods	23	1.02	(7.67)
	Employee benefit expense	24	1221.67	1,117.81
	Other Expenses	25	4236.18	4,030.69
	Total (IV)		36350.32	33,450.45
V	Earning before interest, tax, depreciation & amortization (III-IV)		601.44	586.41
VI	Finance Cost	26	148.57	119.01
VII	Depreciation & Amortization Expense (Net Off Depreciation ₹ 4.09 lacs (P.Y. ₹ Nil) excess provided in earlier year)	10	540.13	459.90
VIII	Profit/(Loss) Before Tax (V-VI-VII)		(87.26)	7.50
IX	Tax Expense [Refer Note No.1-H]			
	- Current Tax		--	22.24
	- Deferred Tax (Reversed)		(17.81)	(19.83)
	- Income Tax Written-off /(Written back) of earlier years		(8.90)	(2.11)
	Total (IX)		(26.71)	0.30
X	Profit/(Loss) for the year (VIII-IX)		(60.55)	7.20
Earnings per equity share [Nominal value of share ₹ 10]				
	Basic & Diluted (Computed on the basis of total profit/(loss) for the year)	28.5	(7.02)	0.83
	Summary of significant accounting policies	1		
The accompanying notes are integral part of the financial statements.				

As per our report of even date.

For **KANTILAL PATEL & CO.**
Chartered Accountants
Firm Registration No.104744W

Mayank S. Shah
Partner
Membership No.: 44922

Place: Ahmedabad
Date : 29th May, 2014

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

Rajesh R. Gandhi - Chairman
Devanshu L. Gandhi - Director
Ruchita Gurjar - Company Secretary

Place: Ahmedabad
Date : 29th May, 2014



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

	Year Ended 31.03.2014 (₹ in Lacs)	Year Ended 31.03.2013 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax from continuing operations	(87.26)	7.50
Non-cash Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	540.13	459.90
(Profit)/Loss on Sale of Fixed Assets	2.15	0.23
Provisions for doubtful advance/debtors	64.43	37.85
Bad debts/advances written off	37.68	49.35
Fixed Assets written off	23.17	—
Loss due to fire	0.14	—
Dividend Income	(0.08)	(0.08)
Interest Income	(171.28)	(210.80)
Interest Expenses	148.57	119.01
Excess Provision Written Back	(99.94)	(69.05)
Operating profit before working capital changes	457.71	393.91
Movements in working capital :		
Increase/(decrease) in trade payables	(581.15)	(495.62)
Increase/(decrease) in long-term provisions	14.37	—
Increase/(decrease) in short-term provisions	23.62	1.38
Increase/(decrease) in other current liabilities	507.49	900.17
Decrease/(increase) in trade receivables	(159.25)	(199.81)
Decrease/(increase) in inventories	27.04	(26.83)
Decrease/(increase) in long-term loans and advances	(6.57)	(1,660.61)
Decrease/(increase) in short-term loans and advances	475.99	2,269.91
Cash Generated from/(used in) operations	759.25	1,182.50
Direct taxes paid (net of refunds)	(19.33)	(66.35)
Net cash flow from/(used in) operating activities (A)	739.92	1,116.15
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets/CWIP	(1149.76)	(1,026.26)
Proceeds from sale of fixed assets	27.03	0.12
Investments in bank deposits (having original maturity of more than three months)	(18.77)	(41.85)
Redemption/maturity of bank deposits (having original maturity of more than three months)	41.08	40.08
Interest received	195.95	174.34
Dividend received	0.08	0.08
Net cash flow from/(used in) investing activities (B)	(904.39)	(853.49)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term borrowings	210.94	256.11
Repayment of long term borrowings	(156.38)	(148.90)
Repayment/Receipt of short-term borrowings(net)	(24.15)	82.96
Interest paid	(142.49)	(120.15)
Dividend paid	(9.86)	(9.82)
Tax on Equity Dividend	(1.76)	(1.68)
Net cash flow from/(used in) in financing activities (C)	(123.70)	58.52
Net increase / (Decrease) in cash equivalents(A+B+C)	(288.17)	321.18
Net Cash equivalents as at 01.4.2013(Opening Balance)	355.73	34.55
TOTAL - >	67.56	355.73
<u>Major Components of Cash and Cash Equivalents as at</u>	<u>31.03.2014</u>	<u>31.03.2013</u>
Cash on hand	4.74	3.55
Balance With Banks - On Current Accounts	60.12	348.39
- On Deposit Account	—	1.58
- Unclaimed Dividend Accounts*	2.70	2.21
	67.56	355.73

* The company can utilize this balance only towards settlement of unclaimed dividend.

Notes : 1) The above cash flow has been prepared under Indirect Method set out in AS 3, issued by The Institute of Chartered Accountants of India.

2) Previous years figures have been restated wherever necessary to make them comparable with current year figures.

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

For **KANTILAL PATEL & CO.**
Chartered Accountants
Firm Registration No.104744W

Rajesh R. Gandhi - Chairman
Devanshu L. Gandhi - Director
Ruchita Gurjar - Company Secretary

Mayank S. Shah
Partner
Membership No.: 44922

Place: Ahmedabad
Date : 29th May, 2014

Place: Ahmedabad
Date : 29th May, 2014



Company Information

Vadilal Enterprise Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay stock exchange in India. The Company is engaged in the marketing and distribution of the Ice cream and frozen desserts and Processed food products of the brand "Vadilal" all over India except Ice cream and frozen desserts in Maharashtra, Goa, Karnataka, Kerala & Andhra Pradesh.

1. Significant accounting policies

A) USE OF ESTIMATES:

Preparation of financial statements in conformity with the generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of the financial statements and accompanying notes. Difference between the actual results and estimates, are recognised in the period in which the results are known/materialised.

B) FIXED ASSETS AND DEPRECIATION:

TANGIBLE ASSETS :

- (i) Fixed assets are stated at cost of acquisition & installation, less accumulated depreciation and impairment loss, if any. Borrowing costs incurred during the period of construction/acquisition of assets are added to the cost of Fixed Assets. Major expenses on modification / alterations increasing efficiency / capacity of the plant are also capitalised. Exchange differences arising out of fluctuations in exchange rate on settlement / period end in long term foreign currency monetary liability used for acquisition of fixed assets are adjusted to the cost of the fixed assets and depreciated over the remaining useful life of the asset.

INTANGIBLE ASSETS :

- (ii) Intangible assets are carried at cost less accumulated amortisation and impairment if any.

DEPRECIATION :

- (iii) Depreciation on fixed assets is provided on "Straight Line Method" at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, (as amended), except in case of.

- (a) Electrical installation (Acrylic Glow Sign Board & Translite) addition made upto 31.03.09, Push Carts, Tricycles, & Insulated Iron / Plastic Boxes in respect of which depreciation is charged at 20% based on the estimated useful life of five years.
- (b) On specific assets of Parlour on which depreciation is charged at 33.33% based on the estimated useful life of three years.
- (c) In respect of Deep Freeze Machines for addition from the year 2001-02, depreciation is charged at 10% based on estimated useful life of Ten years.
- (d) On freezer on wheels, depreciation is provided on the basis of estimated useful life of seven years.
- (e) Cost of electrical installation more than five years old and their corresponding depreciation are adjusted from gross block of tangible assets and depreciation fund respectively.
- (f) Software is amortised on straight line basis over a period of 5 years.

(iv) IMPAIRMENT OF ASSETS:

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of tangible assets exceeds its recoverable amount. The recoverable amount is measured as the higher of the net selling price & the value in use determined by the present value of estimated future cash flows.

C) INVESTMENTS:

Investments are classified as non current investments and are stated at cost. A Provision for diminution in the value of non current investments is made for each investment individually, only if such decline is other than temporary.

D) INVENTORIES:

Inventories are valued as under:

INVENTORY VALUATION METHOD

- (i) Finished Goods : At lower of Cost or Net realisable value. Cost is determined on 'FIFO' basis. (Trading)
- (ii) Machinery Parts : At lower of Cost or Net realisable value. Cost is determined on 'Weighted Average' basis. Due provision for obsolescence and wear & tear is made.

E) REVENUE RECOGNITION:

- (i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. Revenue from Sale of goods is recognised on delivery of the products, when all significant contractual obligations have been satisfied, the property in goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.
- (ii) Sales are shown net of Damages, Trade Discount and Special Scheme Discount. Sales do not include Value Added Tax.
- (iii) Service charges income are accounted when there is reasonable certainty of recovery.
- (iv) Dividend income from Investment is accounted for when the right to receive is established.

- (v) Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- (vi) Lease Rent income are accounted when there is reasonable certainty of recovery.

F) EMPLOYEES BENEFITS :

(a) Short Term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc, and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

(b) Post-Employment Benefits :

(i) Defined Contribution Plans :

State Governed provident fund scheme and employees state insurance scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employees renders the related services.

(ii) Defined Benefit Plans:

The employee's gratuity fund scheme and compensated absences is company's defined benefit plans.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognised immediately in the profit and loss account.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligations under the defined benefit plans, to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefits plans are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight -line basis over the average period until the benefits become vested.

(c) Long term employee benefits :

The obligation for long term employee benefits such as long term compensated absences, is recognised in the same manner as in case of defined benefit plans as mentioned in b)ii) above.

G) BORROWING COST:

Borrowing cost utilized for acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till the activities necessary for its intended use are complete. All other borrowing costs are charged in statement of profit & loss of the year in which incurred.

H) TAXES ON INCOME :

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such asset. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

I) FOREIGN CURRENCY TRANSACTIONS:

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract. The difference in translation of current assets and current liabilities is recognized in the statement of Profit & Loss.
- (iii) Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006 arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the remaining useful life of the asset, and in other cases are accumulated in a "Foreign currency Monetary item Translation Difference Account" in the company's financial statements and amortised Account" in the company's financial statements and amortised over the balance period of such long term asset/liability but not beyond accounting period ending on or before 31st March, 2020.



J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognised when the company has present legal or constructive obligation, as a result of past events, for which 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 for the amount of the obligation. These are reviewed at each year end and adjusted to reflect the best current estimate.

Contingent Liabilities are disclosed by way of notes to Accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

K) CONTINGENCIES AND EVENTS OCCURRING AFTER BALANCE SHEET DATE:

All contingencies and events occurring after Balance Sheet date which have a material effect on the financial position of the company are considered for preparing the financial statement.

L) EARNINGS PER SHARE:

Basic Earning Per Share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

M) LEASES :

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expenses in the statement of profit and loss.

N) CASH AND CASH EQUIVALENTS :

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

O) CASH FLOW STATEMENT :

Cash flow statement is prepared using the indirect method, whereby profit before extraordinary item and tax is adjusted for the effect of transactions of non - cash nature and any deferrals or accruals of past or future cash receipts or payment. The cash flow from operating, investing and financing of the company are segregated based on the available informations.

P) MEASUREMENT OF EBITDA :

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act 1956, the Company has elected to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include deperciation and amortization expense, finance costs and tax expense.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH 2014

	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Note : 2		
Share Capital :		
Authorised :		
20,00,000 (P.Y 20,00,000) Equity Shares of ₹ 10/-each	200.00	200.00
Issued & Subscribed :		
8,70,148 (P.Y.8,70,148) Equity Shares of ₹ 10/- each	87.01	87.01
Paid Up :		
8,62,668 (P.Y.8,62,668) Equity Shares of ₹ 10/- each	86.26	86.26
	86.26	86.26

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31.03.2014		31.03.2013	
Equity Shares	No.	₹ in Lacs	No.	₹ in Lacs
At the beginning of the year	862,668	86.26	862,668	86.26
Outstanding at the end of the year	862,668	86.26	862,668	86.26



Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The company declares & pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General meeting.

During the year ended 31 March 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 0.80 (P.Y. ₹ 1.2)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be distributed in the number of equity shares held by the shareholders.

The company does not have any holding company.

The company has not issued any bonus shares, or shares for consideration other than cash or bought back equity shares during the year or for the period of five years immediately preceding the date of balance sheet.

Details of shareholders holding more than 5 % shares in the company.

Equity Shares of ₹ 10 each fully paid	31.03.2014		31.03.2013	
	No.	%Holding in the class	No.	%Holding in the class
1 Devanshu Laxmanbhai Gandhi	108,886	12.62	108,886	12.62
2 Rajesh Ramchandra Gandhi	78,408	9.09	78,408	9.09
3 Virendra Ramchandra Gandhi	72,347	8.39	72,347	8.39
4 Vortex Ice-cream Pvt. Ltd.	43,308	5.02	43,308	5.02
5 Vadilal Marketing Pvt. Ltd.	43,299	5.02	43,299	5.02

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Note : 3		
Reserves & Surplus:		
Capital Reserve		
Balance as per last financial statement	0.37	0.37
Securities Premium Account		
Balance as per last financial statement	93.21	93.21
General Reserve		
Balance as per last financial statement	275.00	270.00
Add : Amount transferred from surplus balance in the statement of profit & loss	0.00	5.00
Less: Amount transferred to Accumulated Surplus	2.39	—
	<u>272.61</u>	<u>275.00</u>
Surplus in the statement of profit & loss		
Balance brought forward from the last year	66.23	76.14
Add: Profit/(Loss) After Tax for the year	(60.55)	7.20
Add: Amount transferred from General Reserve	2.39	0.00
Less: <u>Appropriation</u>		
Proposed Equity Dividend (amount per share ₹ 0.80, P.Y. ₹ 1.2)	6.90	10.35
Tax on Proposed Equity Dividend	1.17	1.76
Transfer to General Reserve	0.00	5.00
	<u>0.00</u>	<u>66.23</u>
TOTAL ->	<u>366.19</u>	<u>434.81</u>

Note : 4

Long Term Borrowings	Non-current portion		Current maturities	
	31.03.2014 ₹ in lacs	31.03.2013 ₹ in lacs	31.03.2014 ₹ in lacs	31.03.2013 ₹ in lacs
[A] Term Loans:				
From Banks: (Secured)	70.16	140.12	69.96	75.14
From Others: (Secured)	197.63	133.39	98.82	44.46
(Unsecured)	22.84	33.85	11.01	9.73
	<u>290.63</u>	<u>307.36</u>	<u>179.79</u>	<u>129.33</u>
Less:-Amount disclosed under the head other current liabilities”(Refer Note No. 8)	—	—	179.79	129.33
Net Amount	[A] 290.63	307.36	—	—



	Non-current portion		Current maturities	
	31.03.2014 ₹ in lacs	31.03.2013 ₹ in lacs	31.03.2014 ₹ in lacs	31.03.2013 ₹ in lacs
[B] Other Loans & Advances: From Bank (Secured)	0.99	—	13.06	—
Less:-Amount disclosed under the head other current liabilities”(Refer Note No. 8)	—	—	13.06	—
Net Amount [B]	0.99	—	—	—
[C] Fixed Deposits from Public: (Unsecured)	60.96	72.03	32.40	14.55
Less:-Amount disclosed under the head other current liabilities”(Refer Note No. 8)	—	—	32.40	14.55
Net Amount [C]	60.96	72.03	—	—
TOTAL [A+B+C]	352.58	379.39	—	—

Note : Repayment schedule of Loan

Name of the Bank	Original Loan amount ₹ in Lacs	Outstanding Balance		Rate of interest	Remaining no. of Installments
		31.03.2014 ₹ in Lacs	31.03.2013 ₹ in Lacs		
1) Bank of India (Refer Note No.i)	350.00	140.12	210.08	15%	24 of ₹ 5.83 Lacs & 1of ₹ 0.20 Lacs
Bank of India (Refer Note No.i)	200.00	—	3.80	15%	
2) Car Loan (Refer Note No. ii)					
a) H.D.F.C Bank Limited	4.89	—	0.74	12%	
b) H.D.F.C Bank Limited	25.89	14.05	—	12.50%	13 EMI of 1.00 lac & 7 EMI of 0.29 lacs each*
c) Axis Bank Limited	10.00	—	0.64	11%	
3) IBM India Pvt.Ltd.(Refer Note No.iii)	45.84	33.85	43.58	13%	11 Quarterly Installment of ₹ 3.68 lacs each*
4) Tata Capital Financial Services Ltd. (Refer Note No.iv)	350.00	296.45	177.85	14%	36 of ₹ 8.23 lacs each
		484.47	436.69		
5) Fixed Deposits		93.36	86.58	10.25% to 13%	24 to 36 months based on period of deposits

* Each EMI includes interest portion also.

- (i) (Secured on 1st charge by hypothecation on movable assets of the company such as Deep Freeze Machines, Refrigerator Vehicles,FOW, Push Carts,Tricycles etc. and also secured on 2nd charge by hypothecation on current assets of the company namely;stock such as Ice-Cream,Mango Pulp,Mango Juice,Frozen ,Fruits & Vegetables etc.)
(Also Secured by Equitable Mortgage by simple deposit of Title Deeds in respect of immovable property of the company I.e.First Floor of Vadilal House situated at Shrimali Soc.,Navrangpura, Ahmedabad)
(Guaranteed by some of the Directors and a group company)
- (ii) Car loans are secured against hypothecation of specific vehicles of the Company.
- (iii) (Guaranteed by some of the Directors and a group company)
- (iv) (1st and exclusive charge of equipments purchased/to be purchased out of TCFSL Fund.)
(Guaranteed by some of the Directors and a group company)

	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Note: 5		
Long Term Provisions		
Provision for Gratuity (Refer Note No.28.1)	14.37	—
TOTAL ->	14.37	—
Note: 6		
Short Term Borrowings		
Loans repayable on demand from bank :		
Workin Capital Loan :- (Secured)	367.94	386.37
(Secured on 2nd charge by hypothecation on movable assets of the Company such as Deep Freeze Machine,Refrigerator Vehicles,FOW, Push Carts,Tricycles etc.and also secured by 1st charge by hypothecation on current assets of the company namely;stocks such as Milk,Sugar, Ice-Cream,Mango Pulp,Mango Juice,Frozen Fruits and Vegetables etc.) (Also secured by Equitable Mortgage by simple deposit of Title Deeds in respect of immovable property of the Company I.e. First Floor of		



	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Vadilal House situated at Shrimali Society, Navrangpura, Ahmedabad.) (Guaranteed by some of the Directors and a group company) The cash credit is repayable on demand and carries interest @14% p.a. Fixed Deposits from Public (Unsecured) (Repayable within 12 months with interest 10.25%)	68.23	73.95
TOTAL ->	<u>436.17</u>	<u>460.32</u>
Note : 7 Trade Payables Trade payables (Refer Note No.27.3 & 28.2)	5703.42	6,381.17
TOTAL ->	<u>5703.42</u>	<u>6,381.17</u>
Note : 8 Other Current Liabilities:		
(a) Security Deposits from Dealers/Distributors (Interest Free)	3448.81	2,798.01
(b) Current maturities of long-term borrowings (Refer Note No.4)	225.25	143.88
(c) Interest accrued but not due on borrowings	14.43	6.22
(d) Interest accrued and due on borrowings	3.62	5.75
(e) Advance received from customers	97.00	308.72
(f) Unclaimed Dividend *	2.70	2.21
(g) Unclaimed Matured deposits *	2.41	2.60
(h) Creditors for Capital Goods	254.73	235.77
(i) Other payables	63.68	59.54
(j) Statutory Dues	44.76	93.35
(k) Book overdraft in current a/c with Banks	106.68	12.59
TOTAL ->	<u>4264.07</u>	<u>3,668.64</u>
*Not due for transfer to Investor Education & Protection Fund		
Note 9 : Short Term Provisions Provision for employee benefits:		
Provision for Gratuity (Refer Note No.28.1)	27.83	19.33
Provision for Compensated Absences	39.56	27.79
Others:		
Provision for Income-Tax (Net of Advance Tax)	4.51	4.51
Proposed Dividend	6.90	10.35
Dividend Tax on Proposed Dividend	1.17	1.76
	<u>79.97</u>	<u>63.74</u>

Note 10 : Fixed Assets (Refer Note No.1-B)

	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As on 01.04.13	Addi- tion	Deduc- tion	As on 31.03.14	Up to 01.04.12	For the year	Deduc- tion	Upto 31.03.14	As on 31.03.14	As on 31.03.13
(1) Tangible Assets										
Building	56.11	—	—	56.11	29.96	0.66	—	30.62	25.49	26.15
Plant & Machinery	5,181.75	1,115.43	343.27	5,953.91	2,808.30	520.37	297.10	3,031.57	2,922.34	2,373.45
Office Equipments	32.36	2.69	—	35.05	19.08	1.68	—	20.76	14.29	13.28
Furniture & Fixtures	35.22	—	—	35.22	20.41	1.32	3.16	18.57	16.65	14.81
Vehicles	203.15	1.81	13.93	191.03	149.70	10.67	8.54	151.83	39.20	53.45
	5,508.59	1,119.93	357.20	6,271.32	3,027.45	534.70	308.80	3,253.35	3,017.97	2,481.14
(2) Intangible Assets										
Computer Software	—	57.21	—	57.21	—	9.52	—	9.52	47.69	—
Total.....(1) & (2)	5,508.59	1,177.14	357.20	6,328.53	3,027.45	544.22	308.80	3,262.87	3,065.66	2,481.14
(3) Capital Work in progress	290.71	1,026.39	1,007.48	309.62	—	—	—	—	309.62	290.71
(4) Intangible Assets under development										
Computer Software	46.29	—	46.29	0.00	—	—	—	—	—	46.29
Grand Total	5,845.59	2,203.53	1,410.97	6,638.15	3,027.45	544.22	308.80	3,262.87	3,375.28	2,818.14
Previous Year	4,507.43	1,441.62	103.46	5,845.59	2,670.66	459.90	103.11	3,027.45	2,818.14	



- [1] Vehicle includes vehicles taken on hire purchase:
Gross Block ₹ Nil lacs (P.Y. ₹ 20.33/- lacs)
Accumulated Depreciation ₹ Nil lacs (P.Y. ₹ 9.11/- lacs)
Net Carrying Amount ₹ Nil (P.Y. ₹ 11.22/- lacs)
- [2] Vehicles amounting to ₹ 35.39/- Lacs (P.Y. ₹ 35.39/-lacs) are held in the Name of Directors of the company.
- [3] Gross Block of ₹ 6328.53/- lacs (P.Y. ₹ 5508.59/- lacs) and Depreciation up to 31-03-14 of ₹ 3262.87/- lacs P.Y. (₹ 3027.45/-lacs) include amount of ₹ 990.18/- lacs (P.Y. ₹ 990.40/- lacs) which represents Fixed Assets fully depreciated and Net Block value of respective fixed assets is ₹ NIL.(P.Y. ₹ NIL)
- [4] Plant & Machinery includes Deep Freeze Machine & Freezers on Wheels given on operating lease.
Gross Block ₹ 1526.10/- lacs (P.Y. ₹ 821.20 Lacs)
Accumulated Depreciation ₹ 209.71/- lacs (P.Y. ₹ 83.32 Lacs)
Net Carrying Amount ₹ 1316.39/- lacs (P.Y. ₹ 737.88 Lacs)

	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Note : 11		
Non Current Investments :(Refer Note No.1-C)		
Non-trade Investment (Valued at cost unless stated otherwise)		
(A) Investments in Quoted Equity Instruments		
In Equity shares of ₹ 10/- each fully paid up :		
2000 (P.Y.2000)Gujarat Narmada Knitwear Ltd.	0.20	0.20
400 (P.Y.400) Aminex Chemicals Ltd.	0.04	0.04
	0.24	0.24
Less :-Diminution in Value of Investments	0.24	0.24
	0.00	0.00
(B) Investments in Unquoted Equity Instruments		
(i) In Equity shares of ₹ 10/- each fully paid up :-		
70000 (P.Y.70000) Vadilal Forex & Consultancy Services Ltd.	7.00	7.00
115200 (P.Y.115200) Majestic Farm House Ltd.	11.52	11.52
(ii) In Equity shares of ₹ 25/- each fully paid up :-		
2450 (P.Y. 2450) Textile Traders Co-op.Bank Ltd.	0.61	0.61
40 (P.Y.40) Siddhi Co-op Bank Ltd.	0.01	0.01
	19.14	19.14
Less :-Provision for other than temporary Diminution in Value	14.66	14.66
	4.48	4.48
TOTAL - >	4.48	4.48
Aggregate Value of -		
a. Quoted Investments		
Book Value	0.24	0.24
Market Value	Not available	
b. Unquoted Investments		
Book Value	19.14	19.14
c. Provision for Diminution in value of investments	14.90	14.90
Note : 12		
Deferred Tax Assets		
Difference between Book & Income Tax Depreciation	55.46	69.78
Expenditure disallowable u/s 43 B	35.11	33.55
Provision for doubtful debts	39.14	21.64
Unabsorbed Depreciation	13.07	—
	142.78	124.97
Note : 13		
Long Term Loans & advances		
Capital Advances	28.69	45.01
Trade/Security Deposits (Refer Note No.28.2)	2448.43	2,453.09
Deposit with Government Authority	14.31	27.51
Loan to Others	6.00	6.00
Staff Loan	6.13	4.25
Advance Payment of Tax Less Provision (Current tax)	91.02	62.79
Advance recoverable in Cash or in kind or for value to be received	39.46	0.59
	2634.04	2,599.24
Less: Provision for Doubtful Advances	25.63	17.82
	2608.41	2,581.42



	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Of the above Loans & Advances		
a) Fully Secured	—	—
b) Unsecured Considered Good	2608.41	2,581.42
c) Considered Irrecoverable	25.63	17.82
	<u>2634.04</u>	<u>2,599.24</u>
Note : 14		
Other Non Current Assets		
Bank Deposit with original maturity of more than 12 months (Refer Note No.17) (Out of which ₹ 2.48 lacs (P.Y.Nil) pledged with scheduled bank & ₹ 0.30 lacs (P.Y. ₹ 0.30 lacs) lying with third parties)	2.78	2.96
	<u>2.78</u>	<u>2.96</u>
Note : 15		
Inventories (Valued at lower of cost or net realizable value)		
Traded goods (Goods in Transit ₹ 6.28 lacs,P.Y.Nil) (Refer Note No.1-D & 23)	22.43	23.45
Machinery Parts	106.27	132.29
TOTAL - >	<u>128.70</u>	<u>155.74</u>
Note : 16		
Trade Receivables :		
Outstanding for a period exceeding six months from the date they are due for payment	634.24	577.77
Less: Provision for doubtful debt	123.32	66.69
TOTAL - > (A)	<u>510.92</u>	<u>511.08</u>
Of the above Debt		
-Secured,considered good	373.88	414.86
-Unsecured,considered good	137.04	96.22
-Doubtful	123.32	66.69
	<u>634.24</u>	<u>577.77</u>
Other Trade Receivables	2263.50	2,198.40
TOTAL - > (B)	<u>2263.50</u>	<u>2,198.40</u>
Of the above Debt		
- Secured,considered good	801.60	567.74
- Unsecured,considered good	1461.90	1,630.66
- Doubtful	—	—
	<u>2263.50</u>	<u>2,198.40</u>
TOTAL - > (A)+(B)	<u>2774.42</u>	<u>2,709.48</u>
Note : 17 Cash and Bank Balances		
Cash & cash equivalents :-		
Cash on hand	4.74	3.55
Balances with banks:		
Bank balance in Current Accounts	60.12	348.39
Deposits with original maturity of less than 3 months	—	1.58
Unclaimed Dividend Accounts	2.70	2.21
TOTAL - > (A)	<u>67.56</u>	<u>355.73</u>
Other Bank Balances:-		
Deposit with original maturity for more than 3 months	18.99	41.38
[Fixed Deposits of ₹ Nil (P.Y. ₹ 28.18/-Lacs) are pledged with Scheduled Banks & ₹ 1.52(P.Y. ₹ 1.35)lying with third parties]		
Margin Money Deposit	1.62	1.54
TOTAL - > (B)	<u>20.61</u>	<u>42.92</u>
TOTAL - > (A)+(B)	<u>88.17</u>	<u>398.65</u>
Less:Deposit with original maturity of more than 12 months disclosed under the head of "Non Current Assets" (Refer Note No.14)	2.78	2.96
	<u>85.39</u>	<u>395.69</u>



	AS AT 31.03.2014 (₹ in Lacs)	AS AT 31.03.2013 (₹ in Lacs)
Note : 18		
Short Term Loans & Advances		
(Unsecured considered good unless otherwise stated)		
Loans & Advances to related parties (Refer Note No.28.2)	—	25.19
Security Deposits (Refer Note No.28.2)	650.00	—
Loans & Advances to others (Refer Note No.27.4)	1359.06	2,458.97
Current Maturities from Staff Loan	3.97	4.86
	<u>2013.03</u>	<u>2,489.02</u>
Note : 19		
Other Current Assets		
Interest Receivable (Refer Note No.27.4)	167.76	192.43
	<u>167.76</u>	<u>192.43</u>
	YEAR ENDED 31.03.2014 (₹ in Lacs)	YEAR ENDED 31.03.2013 (₹ in Lacs)
Note : 20		
Revenue from operations: (Refer Note No.1-E)		
Sales of Products		
Less: Sales Comm., Trade Discount, Scheme Discount, Damages etc.	38411.02	35,099.74
	1949.26	1,460.47
	<u>36461.76</u>	<u>33,639.27</u>
Sale of Services	51.33	23.21
TOTAL - >	<u>36513.09</u>	<u>33,662.48</u>
Other Operating Income:		
Sale of Scrap	21.36	20.71
Commission Income	20.11	20.04
Rent Income (Machine) (includes ₹ 23.58 (P.Y.Nil) of earlier years)	70.18	7.88
Promotional Charges Recovered	29.35	26.96
TOTAL - >	<u>141.00</u>	<u>75.59</u>
GRAND TOTAL - >	<u>36654.09</u>	<u>33,738.07</u>
Details of products sold		
Traded Goods Sold		
Ice-cream/Frozen Dessert	35223.76	32,321.63
Mango Pulp & Ras	375.35	477.25
Frozen vegetables	639.51	645.07
Flavored Milk	138.32	113.08
Others	84.82	82.24
	<u>36461.76</u>	<u>33,639.27</u>
Details of services rendered		
Service Charge Income of Deep Freezers & Freezers on wheels	51.33	23.21
TOTAL - >	<u>51.33</u>	<u>23.21</u>
Note : 21		
Other Income:		
Interest Income	171.28	210.80
Dividend Income on Long Term Investments(Gross)	0.08	0.08
Excess Provision /Credit Balance/Deposits Written Back	99.94	69.05
Miscellaneous Income	26.37	18.86
TOTAL - >	<u>297.67</u>	<u>298.79</u>
Note : 22		
Purchase of Traded Goods :		
Purchases	30891.45	28,309.62
TOTAL - >	<u>30891.45</u>	<u>28,309.62</u>



	YEAR ENDED 31.03.2014 (₹ in Lacs)	YEAR ENDED 31.03.2013 (₹ in Lacs)
Details of Purchase of Traded Goods		
Ice Cream/ Frozen Desserts	29809.84	27,158.77
Mango Pulp & Ras	335.53	457.91
Frozen Vegetables	548.67	512.62
Flavored Milk	119.72	97.99
Other Purchase	77.69	82.33
	<u>30891.45</u>	<u>28,309.62</u>
Note : 23		
(Increase)/Decrease in Traded Goods		
Inventories at the end of the year		
Traded goods	22.43	23.45
Inventories at the beginning of the year		
Traded goods	23.45	431.14
Less: Machines transferred to Capital Work in Progress during the year	—	415.36
	<u>23.45</u>	<u>15.78</u>
TOTAL - >	<u>1.02</u>	<u>(7.67)</u>
Details of Inventory		
Ice Cream/Frozen Desserts	15.43	14.25
Others	6.41	7.85
Flavored Milk	0.59	1.35
	<u>22.43</u>	<u>23.45</u>
Note : 24		
Employee Benefit Expense :		
Salaries & Wages	1142.31	1,041.15
Contribution to Provident & Other Funds (Refer Note No.28.1)	60.48	56.94
Staff Welfare Expense	18.88	19.72
	<u>1221.67</u>	<u>1,117.81</u>
Note : 25		
Other Expense		
Advertisement,Sales Promotion & Publicity Expenses (Net off recovery ₹ 149.79 lacs) (Refer Note No.28.2)	1382.61	1,581.51
Freight & Forwarding Charges	1468.51	1,298.65
Repairs & Maintenance : Machinery	47.78	42.92
Stores & Spare Consumption	160.04	141.70
Rent (Refer Note No.28.2)	147.52	123.51
Rates & Taxes	17.02	22.24
Payment to Auditor (Refer Details below)	14.02	13.43
Insurance	26.31	24.10
Royalty (Refer Note No.28.2)	130.82	14.08
Vehicle Repairs & Petrol Expenses	53.34	48.19
Traveling	181.10	197.95
Director's Travelling Expesne	0.14	—
Provision for Doubtful Advances/Debtors	64.43	37.85
Fixed Assets Written off	23.17	—
Bad Debts/Loans/Advances/Other Current Assets irrecoverable written-off	37.68	49.35
Less : Provided in earlier years	—	—
	<u>37.68</u>	<u>49.35</u>
Sales Tax	16.48	10.18
C & F Commission	188.60	165.72
Directors' sitting fees	0.56	0.82
Miscellaneous Expense	4.90	5.62
Loss on sale of Fixed Assets	2.15	0.23
Loss due to Fire	0.14	—
Other Expenses (Including Legal & Professional Charges, Conveyance,Electricity,Printing & Stationery,Telephone etc.)	268.86	252.64
	<u>4236.18</u>	<u>4,030.69</u>
TOTAL - >	<u>4236.18</u>	<u>4,030.69</u>



YEAR ENDED 31.03.2013 (₹ in Lacs)	YEAR ENDED 31.03.2012 (₹ in Lacs)
-----------------------------------------	-----------------------------------------

Payment to Auditor:-

As auditor:

- Audit Fees	6.30	6.30
- Tax Audit Fees	2.50	2.50

In other capacity:

- Certificate Fees	2.67	2.14
- Taxation Matters	2.07	2.06
- Out of Pocket expenses	0.48	0.43
	<u>14.02</u>	<u>13.43</u>

Note : 26

Finance Cost (Refer Note No.1-G)

On Fixed Loans	60.40	42.15
On Bank Overdraft	47.45	33.56
On Fixed Deposits	19.37	14.61
Brokerage & Other Financial Charges	21.35	28.69
	<u>148.57</u>	<u>119.01</u>

TOTAL - >

Additional information to the Financial Statements

27.1. CONTINGENT LIABILITIES NOT PROVIDED FOR :

	As on 31-03-2014 (₹ In Lacs)	As on 31-03-2013 (₹ In Lacs)
(a) Estimated amount of Contracts remaining to be executed on Capital account and not provided For. (net of advances)	758.20	184.25
(b) Claims against the Company not acknowledged as debt / against which appeal has been filed.		
(i) Sales Tax	63.38	63.38
(ii) Others	35.21	20.29
(iii) Income Tax	8.89	12.87
(c) Guarantees given by the company against Term Loans given to company in which Directors are interested	800.00	800.00
Outstanding against this as at 31.03.2014	200.03	314.31

Note : Future Cash outflows in respect of 27.1 (b) above depends on ultimate settlement/conclusions with the relevant authorities.

27.2. Certain balances of receivables, payables, loans and advances and deposits from dealers/distributors are subject to confirmation. Any adjustments, if required, would be made at the time of reconciliation/settlement of the Accounts.

27.3. Based on the information available with the company, there are no suppliers who are registered under the Micro, Small & Medium Enterprises Development Act, 2006 as at 31st March 2014. Hence, the informations required under the Micro, Small & Medium Enterprises Development Act, 2006 is not disclosed. This is relied upon by Auditors.

27.4 Short Term Loans & Advances includes Loan of ₹ 1272.79 Lacs given to party and Other Current Assets includes interest receivable ₹ 133.46 lacs on account of interest income accounted during the year on said loan, where confirmation of the party is pending. Subsequent to the year end, pursuant to the agreement, the company has assigned the abovementioned both outstanding amount by way of assignment to a third Party, with all rights, and the same amounts have been paid by the assignee.

27.5. REMUNERATION TO CHAIRMAN & MANAGING DIRECTOR:

Salaries, Wages, Allowances, Bonus etc. includes ₹ Nil towards managerial remuneration as under :-

	For the period 31-03-2014 (₹ In Lacs)	Year ended 01-04-2012 to 30-04-2012 (₹ In Lacs)
(a) Salary.	0.00	0.80
(b) Contribution to P.F..	0.00	0.10
(c) Perquisites (HRA, Allow. etc.)	0.00	0.37
	<u>0.00</u>	<u>1.27</u>

As the future liability for Gratuity and leave encashment is provided on actuarial basis for the company as a whole, the amount pertaining to directors is not ascertainable and not included above.

27.6 REMITTANCE OF FOREIGN CURRENCIES FOR DIVIDENDS :

The Company has not made any remittances in foreign currencies on account of dividends during the year. The particulars of dividends paid to non-resident shareholders are as follows :

<u>Year to which dividend relates</u>	<u>2012-13</u>	<u>2011-12</u>
Number of non-resident shareholders	2	5
Number of shares held by them on Which dividend is due	1243	12764
Amount remitted to bank accounts in India of non-resident shareholders	0.02	0.15

28. Disclosure under Accounting Standards

28.1 Disclosure as per Accounting Standard 15 (Revised) Employee Benefits:

(i) Defined Contribution Plans:

Amount of ₹ 60.43/- Lacs (P.Y. ₹ 55.51/- Lacs) is recognised as expenses and included in Employee Benefit Expenses" (Note 24) in the statement of Profit and Loss.

(ii) Defined Benefit Plans:

(a) Changes in present value of defined benefit obligation :

Particulars	Gratuity Plan	
	31.03.14	31.03.13
	(₹ In Lacs)	
Opening defined benefit obligation As at 01.04.2013	75.49	75.81
Service Cost	10.41	8.61
Interest Cost	6.23	6.44
Actuarial Losses /(Gains)	9.62	(12.53)
Losses /(Gains) on curtailments	—	—
Liabilities extinguished on settlements	—	—
Benefits Paid	(12.44)	(2.84)
Closing defined benefit obligation as at 31.03.2014	89.31	75.49

(b) Changes in the fair value of plan assets

Particulars	Gratuity Plan	
	31.03.14	31.03.13
	(₹ In Lacs)	
Opening fair value of plan assets as at 01.04.2013	56.17	54.65
Expected return	4.88	4.65
Actuarial gains and (Losses)	(1.50)	(0.29)
Assets distributed on settlements	—	—
Contributions by employer	—	—
Benefits Paid	(12.44)	(2.84)
Closing balance of fair value of plan Assets as at 31.03.2014	47.11	56.17

(c) The amounts recognised in Balance Sheet:

Particulars	Gratuity Plan	
	31.03.14	31.03.13
	(₹ In Lacs)	
Amount to be recognised in Balance Sheet		
i) Present value of Defined Benefit Obligations		
- Funded	47.11	56.17
- Unfunded	42.20	19.32
Total	89.31	75.49
Less: Fair value of Plan Assets	47.11	56.17
Unrecognised Past Service Costs	—	—
Amount to be recognised as liability	42.20	19.32
ii) Amount Reflected in the Balance Sheet		
Liabilities	42.20	19.32
Assets	—	—
Net Liability/(Asset)	42.20	19.32



(d) The amounts recognised in Profit and Loss account

Particulars	Gratuity Plan	
	31.03.14	31.03.13
	(₹ In Lacs)	
1. Current Service Cost	10.41	8.61
2. Interest Cost	6.23	6.44
3. Expected return on plan assets	(4.88)	(4.65)
4. Net Actuarial Losses (Gains) recognised in year	11.12	(12.24)
5. Past service cost	—	—
6. Losses (Gains) on curtailments and settlement	—	—
Total included in 'Employee Benefit Expense'	22.88	(1.84)
[Ref. Note 24]		
Actual return on plan assets	3.38	4.36

(e) The Major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	Gratuity Plan	
	31.03.14	31.03.13
	(₹ In Lacs)	
Government of India Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Insurance company	100%	100%

(f) Principal actuarial assumptions at the balance sheet date.
(expressed as weighted averages):

Particulars	Gratuity Plan	
	31.03.14	31.03.13
	(₹ In Lacs)	
Discount rate	9.07%	8.25%
Expected return on plan assets	8.70%	8.70%
Annual increase in salary costs	7.00%	6.00%
Attrition Rate	8.00%	2.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

(g) Amount pertaining to defined benefit plans are as follows:

Particulars	31.03.14	Gratuity Plan	
		31.03.13	31.03.12
		(₹ In Lacs)	
Defined benefit obligation	89.31	75.49	75.80
Plan Assets	47.11	56.17	54.65
Surplus / (deficit)	(42.20)	(19.32)	(21.15)
Experience adjustments on plan Liabilities	14.29	(14.29)	7.02
Experience adjustments on plan Assets	(1.50)	(0.29)	(0.22)

(h) The company expects to fund ₹ 14.29/- Lacs (P.Y. ₹ 12.98 Lacs) towards gratuity plan and ₹ 42.05/- Lacs (P.Y. ₹ 38.50/- Lacs) towards Provident Fund plan during the year 2014-15.

Notes:

- i) The company provides retirement benefits in the form of Provident Fund, Gratuity and Leave Encashment. Provident Fund contributions made to "Government Administrated Provident Fund" are treated as defined contribution plan since the company has no further obligations beyond its monthly contributions. Gratuity is treated as defined benefit plan and is administrated by making contributions to Group Gratuity Scheme of Life Insurance Corporation of India. Leave encashment is considered as defined benefit plans is administrated by making contributions to the Group Leave Encashment Scheme of Life Insurance Corporation of India and sick leave is considered as defined benefit plan and it remains unfunded.

28.2 Related Party Transactions as per Accounting Standard 18:

A) Name of related party and description of relationship with whom transactions taken place.

- 1) Group of Individuals having significant influence over the company & relatives of such individuals.

- Devanshu L. Gandhi
- Rajesh R. Gandhi
- Virendra R. Gandhi
- Nija K.Gandhi
- Aastha R. Gandhi



- 2) Enterprises owned or significantly influenced by group of individuals or their relatives who have significant influence over the company.
- a) Vadilal Industries Ltd.
b) Vadilal Soda Fountain.
c) Vadilal International Pvt Ltd.
d) Vadilal Forex and Consultancy Services Ltd.

b) Transaction with related parties :

(₹ in Lacs)

Sr. No.	Particulars of Transaction & Name of related party which transactions, more than 10 %	Enterprises owned or significantly influenced by key management personnel or their relatives
1	Sales : Vadilal Soda Fountain	152.92 (139.37)
2	Purchase : Vadilal Industries Ltd.	30856.20 (28,252.78)
3	Rent paid : i) V.R. Gandhi & Others :- Shri Rajesh R Gandhi Shri Devanshu L Gandhi Shri Virendra R Gandhi ii) Vadilal Industries Ltd.	 1.78 (1.78) 1.78 (1.78) 1.78 (1.78) 1.62 (0.54)
4	Salary Paid Nija Kalpit Gandhi	5.26 (5.39)
5	Salary Paid Aastha Rajesh Gandhi	0.65 (4.85)
6	Interest Income : Vadilal International Pvt. Ltd.	24.00 (7.83)
7	Royalty Paid : Vadilal International Pvt. Ltd.	130.83 (14.08)
8	Advertisement Exp Recovered Vadilal International Pvt. Ltd.	149.79 (0.00)
9	Deposit Given Vadilal Industries Ltd.	650.00 (0.00)
10	Balance outstanding at year end :	
a)	Receivable :	
	Deposit Given	
	i) Vadilal International Pvt. Ltd.	2,400.00 (2,400.00)
	ii) Vadilal Industries Ltd.	650.00 (0.00)
	iii) Trade Receivable :	
	Vadilal International Pvt. Ltd	0.00 (19.67)
	iv) vadilal soda Fountain	14.86 (18.78)
	v) Loans & Advances Given :	
	Vadilal Forex & Consultancy Services Ltd.	0.00 (5.52)
b)	Payable :	
	Trade Payable :	
	Vadilal Industries Ltd.	4,840.79 (5,587.90)



Sr. No.	Particulars of Transaction & Name of related party which transactions, more than 10 %	Enterprises owned or significantly influenced by key management personnel or their relatives
c)	Investment: Vadilal Forex & Consultancy Services Ltd.	7.00 (7.00)
d)	Against corporate guarantee taken : Vadilal Industries Ltd.	1,809.00 (1,474.00)
e)	Against corporate guarantee given : Vadilal Industries Ltd. (Refer note 27.1)	800.00 (800.00)

Note :

- a) Payment to key management personnel in form of Managing Director's remuneration is shown in Note No. 27.5)
- b) Director's Sitting fees is shown separately in accounts.
- c) Figures in bracket relates to previous year.
- d) Transaction of Purchase / Sales are shown net of VAT/CST and Outstanding of Trade Payables / Receivable are inclusive of VAT / CST

28.3 Segment information as per Accounting Standard 17:

Segment Reporting as defined in Accounting Standard 17 is not applicable since revenue of segment of other trading operations in food products does not exceed 10% of total revenue. Similarly as company sells its products in India there are no reportable geographical Segments.

28.4 Operating Leases as per Accounting Standard 19:

- (a) The Company has taken various residential, office and godown premises under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 36 months under leave and license or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits under certain agreements.
- (b) Lease payments are recognised as expense in the Statement of Profit & Loss under "Other Expenses" in Note 25 "

28.5 Earning per share as per Accounting Standard 20:

- a) The amount used as the numerator in calculating basic and diluted earnings per share is the net profit for the year disclosed in the Statement of profit & loss.
- b) The weighed average number of equity shares used as the denominator in calculating both basic & diluted earnings per share is 8,62,668 (P.Y.8,62,668).

29. Previous year's figures have been regrouped wherever necessary to make them comparable with figures of the current year.

For and on behalf of the Board of Directors of Vadilal Enterprises Ltd.

For **KANTILAL PATEL & CO.**

Chartered Accountants

Firm Registration No. 104744W

Rajesh R. Gandhi

Devanshu L. Gandhi

Ruchita Gurjar

- Chairman

- Director

- Company Secretary

Mayank S. Shah

Partner

Membership No. 44922

Place: Ahmedabad

Date : 29th May, 2014

Place: Ahmedabad

Date : 29th May, 2014



VADILAL ENTERPRISES LIMITED

Share Department: B/404, Time Square Building, 4th Floor, Near Lal Bungalow Char Rasta, C.G. Road, Navrangpura, Ahmedabad – 9
CIN: L51100GJ1985PLC007995, Web: www.vadilalgroup.com, Email: sharelogs@vadilalgroup.com, Tel: +91 079 30153189

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository or with Share Transfer Agent.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of Vadilal Enterprises Limited to contribute to the cause of Green Initiative.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode.

Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.

Best Regards,

Ruchita Gurjar
Company Secretary

E-COMMUNICATION REGISTRATION FORM

Folio No. / DP ID and Client ID :

Name of the 1st Registered Holder :

Name of the Joint Holder[s] :

Registered Address :

E-mail ID (to be registered) :

I / We Shareholder(s) of Vadilal Enterprises Limited agree to receive communication from the Company in electronic mode. Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date : _____

Signature _____

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

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VADILAL ENTERPRISES LIMITED

Share Department: B/404, Time Square Building, 4th Floor, Near Lal Bungalow Char Rasta, C.G. Road, Navrangpura, Ahmedabad – 9
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ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE SLIP ON REQUEST.

Name	Regd Folio No. *DP ID No. and Client ID No.	No. of Shares held
Shareholder _____ _____		
Proxy _____		

I hereby record my presence at the 29th Annual General Meeting of the members of the Company on Thursday, the 25th September, 2014, at 10.00 a.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006.

* Applicable for investors holding shares in electronic form.

Signature of Shareholder(s)/Proxy

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Tear here



VADILAL ENTERPRISES LIMITED

Share Department: B/404, Time Square Building, 4th Floor, Near Lal Bungalow Char Rasta, C.G. Road, Navrangpura, Ahmedabad – 9
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**Form No. MGT-11
FORM OF PROXY**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) _____
Registered Address : _____

E-mail ID _____ Folio No. / DP ID and Client ID _____

I/We, being the Member(s) of _____ Equity Shares of the above named Company, hereby appoint

1. Name: _____ E-mail ID: _____

Address: _____

Signature: or failing him/her

2. Name: _____ E-mail ID: _____

Address: _____

Signature:

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Thursday, the 25th day of September, 2014 at 10.00 a.m. at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006 and at any adjournment thereof in respect of such resolutions as are indicated below:

See overleaf



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Resolution No.	Description
1.	Adoption of Annual Accounts and Reports of Directors and Auditors thereon for the financial year ended 31 st March, 2014
2.	Declaration of Dividend on Equity Shares for the year ended 31 st March, 2014.
3.	Re-appointment of Mr. Rajesh R. Gandhi as a Director retiring by rotation.
4.	Appointment of M/s. Kantilal Patel & Co., as Statutory Auditors of the Company and to fix their remuneration.
5.	Appointment of Mr. Jayantilal M. Shah as an Independent Director of the Company for a term upto five consecutive years.
6.	Appointment of Mrs. Niranjana A. Kapadia as an Independent Director of the Company for a term upto five consecutive years.
7.	To confirm borrowing limit of Rs. 50 crores under Section 180(1)(c) of the Companies Act, 2013.
8.	To create mortgage/hypothecation/charge on properties of the Company under Section 180(1)(a) of the Companies Act, 2013.
9.	To insert new Article relating to inspection and copy of register and index of member and annual return.
10.	To keep register and index of member at the place of share transfer agent of the Company.
11.	To accept fixed deposit from the members of the Company.

Signed this _____ day of _____ 2014

Signature.....

Affix
Revenue
Stamp

Notes:

1. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
2. This form of Proxy, to be effective, should be deposited at the Share Department of the Company at B/404, Time Square Building, 4th Floor, Near Lal Bungalow Char Rasta, C.G. Road, Navrangpura, Ahmedabad – 380 009, not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

Falala

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Artisan



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Flingo





VADILAL ENTERPRISES LIMITED
A/801, 8th Floor, "Time Square" Building,
C.G. Road, Nr. Lal Bungalow Char Rasta,
Navrangpura, Ahmedabad - 380 009.