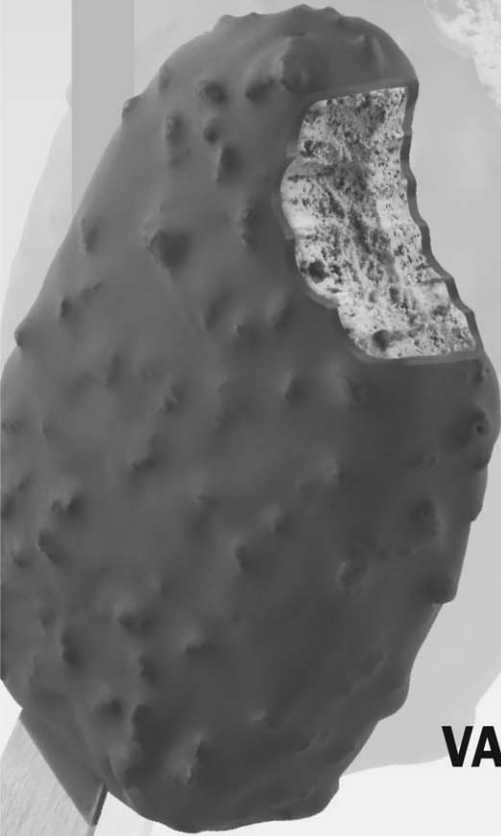




*The Ice Cream Experts*



**VADILAL ENTERPRISES LTD.**

**BOARD OF DIRECTORS****Chairman & Managing Director**

Ramchandra R. Gandhi

**Directors**

Virendra R. Gandhi  
 Rajesh R. Gandhi  
 Devanshu L. Gandhi  
 Laxmiprasad C. Amin  
 Jayantilal M. Shah

**COMPANY SECRETARY**

Ruchita Gurjar

**AUDITORS**

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

**BANKER**

Bank of India

**REGISTERED OFFICE**

A/801, 8th Floor, "Time Square" Building,  
 C. G. Road, Nr. Lal Bungalow Char Rasta,  
 Navrangpura, Ahmedabad - 380 009.  
 Phone : 079-26407201-09  
 Fax : 079-30153102

**SHARE DEPARTMENT**

B/404, 4th Floor, "Time Square" Building,  
 C. G. Road, Nr. Lal Bungalow Char Rasta,  
 Navrangpura, Ahmedabad - 380 009.  
 Phone : 079-26407201-09  
 Fax : 079-30153102

**REGISTRAR & SHARE TRANSFER AGENT**

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

**FOREX ADVISORY SERVICES**

Vadilal House, Shrimali Society,  
 Nr. Navrangpura Rly. Crossing,  
 Navrangpura, Ahmedabad - 380 009.  
 Phone: 079-26564018 to 23, 30153347  
 Fax : 079-26564026

**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/documnets 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 this 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, the share transfer agent of the Company.
- Share Department of the Company** has been shifted from Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009 to B/404, 4th Floor, "Time Square" Building, C. G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad - 380 009.
- 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) (Fax: 079 - 26581296) or at the Share Department of the Company as mentioned above.

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

Day - Thursday

Date - 29th September, 2011

Time - 12.30 p.m.

Venue - GICEA, Gajjar Hall, Nirman Bhavan,  
 Opp. Law Garden, Ellisbridge,  
 Ahmedabad - 380 006.

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E-mail for Investor Grievances : [shareslogs@vadilalgroup.com](mailto:shareslogs@vadilalgroup.com)Web : [www.vadilalgroup.com](http://www.vadilalgroup.com) • [www.vadilalmarkets.com](http://www.vadilalmarkets.com)



## SHAREHOLDER INFORMATION

- 1. Name of Company :**  
Vadilal Enterprises Limited
- 2. Company CIN No. :**  
L51100GJ1985PLC007995 (Old Registration No. 04-7995)
- 3. Fixed Deposit Department & Forex Advisory Services :**  
Fixed Deposit Department and Forex Advisory Services of the Company are 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 14<sup>th</sup> September, 2011 to 29<sup>th</sup> September, 2011 (both days inclusive) for the purpose of payment of Dividend of ₹ 1.20/- per share (@ 12%) as recommended by the Board and if declared at the Meeting and to determine the members eligible for the said dividend.
- 5. Stock Exchanges where the Shares are listed :**

<b>BOMBAY STOCK EXCHANGE LTD.</b> (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)	<b>AHMEDABAD STOCK EXCHANGE LTD.</b> (Security Code No. 64510) Kamdheni Complex, Nr. Polytechnic, Panjrapole, Ambawadi, Ahmedabad - 380 015. (Phone: 079-26307971-77) (Fax: 079-26308877)
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The Annual Listing Fees upto the Financial Year – 2011-2012 have been duly paid to the above Stock Exchanges.
- 6. Security Code :**

Bombay Stock Exchange Ltd.	-	519152
Ahmedabad Stock Exchange Ltd.	-	64510
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 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 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 Ltd. at 101, Shatdal Complex, 1<sup>st</sup> 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 30 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 and ASE, where the equity shares are listed.



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

**10. Distribution of Shareholding as on 31<sup>st</sup> March, 2011 :**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of total Shares
Up to 500	1683	93.14	237858	27.57
501 to 1000	59	3.26	46555	5.40
1001 to 2000	19	1.05	28252	3.28
2001 to 3000	10	0.55	24299	2.82
3001 to 4000	7	0.39	25094	2.91
4001 to 5000	2	0.11	9710	1.12
5001 to 10000	15	0.83	99504	11.53
10001 to 50000	9	0.50	198220	22.98
50001 & above	3	0.17	193176	22.39
<b>Total</b>	<b>1807</b>	<b>100.00</b>	<b>862668</b>	<b>100.00</b>

**11. Categories of Shareholders as on 31<sup>st</sup> March, 2011 :**

Category of Shareholders	No. of Equity Shares held	% of total shares
<b>A : Promoters and Promoters' Group :</b>		
Directors	261089	30.27
Directors' relatives	60526	7.02
HUFs	26146	3.03
Group Companies	105657	12.25
<b>Total (A) :</b>	<b>453418</b>	<b>52.57</b>
<b>B : Public :</b>		
Bodies Corporate	30107	3.49
NRI	8827	1.02
HUF	15638	1.81
Residential Individual	354678	41.11
<b>Total (B) :</b>	<b>409250</b>	<b>47.43</b>
<b>Total (A) + (B)</b>	<b>862668</b>	<b>100.00</b>

**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. 26407201-09 and Fax No. 30153102.



## NOTICE

NOTICE is hereby given that the **26<sup>th</sup> ANNUAL GENERAL MEETING** of the members of **VADILAL ENTERPRISES LIMITED** will be held on Thursday, 29<sup>th</sup> September, 2011, at 12.30 p.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006, to transact the following business :

### ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
- 2) To declare dividend on Equity Shares for the year ended on 31st March, 2011.
- 3) To appoint a Director in place of Mr. Jayantilal M. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Laxmiprasad C. Amin, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (Registration No. 104744W) as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration, apart from reimbursement of out-of-pocket expenses and applicable taxes.

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

**RAMCHANDRA R. GANDHI**  
Chairman & Managing Director

### Registered Office:

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

Dated: 18<sup>th</sup> July, 2011.

### NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT 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 PROXY SHOULD HOWEVER BE DEPOSITED **AT THE SHARE DEPARTMENT** OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled to vote.
4. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is not required to be attached as no Special Business is to be transacted at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 14<sup>th</sup> September, 2011 to 29<sup>th</sup> September, 2011 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended 31st March, 2011, as recommended by the Board and if declared at the meeting.
6. Dividend of ₹1.20/- per share (@ 12.00%) on Equity Shares for the year ended on 31st March, 2011 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 13<sup>th</sup> September, 2011, 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 13<sup>th</sup> September, 2011.



7. Under the provisions of the Companies Act, 1956 as amended by Companies (Amendment) Act, 1999 w.r.e.f. 31<sup>st</sup> October, 1998, members holding shares in physical form may file Nomination Forms in respect of their shareholdings. Such members willing to avail of this facility may submit to the Company **at the Share Department** the prescribed Form 2B or write to or contact **at Share Department** of the Company for assistance.
8. Pursuant to Section 205A of the Companies Act, 1956, the Company has already transferred unclaimed dividend declared upto the Financial Year ended 31<sup>st</sup> March, 1994 to the General Revenue Account of the Central Government as per Rule 4A of 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 up to 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 - 380013.  
  
However, pursuant to Section 205A of the Act as amended by the Companies (Amendment) Act, 1999 (1<sup>st</sup> Amendment), which came into effect from 31-10-1998, the Company has already transferred unclaimed dividend declared for the financial year ended on 31<sup>st</sup> March, 1995, 31<sup>st</sup> March, 1996, 31<sup>st</sup> March, 1997 (Interim), 31<sup>st</sup> March, 1998, 31<sup>st</sup> March, 1999, 31<sup>st</sup> March, 2000, 31<sup>st</sup> March, 2001, 31<sup>st</sup> March, 2002 and 31<sup>st</sup> March, 2003 to the Investor Education and Protection Fund established by the Government under Section 205C(1) of the Act.  
  
However, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of 7 years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.  
  
Members, who have not yet encashed their dividend warrant(s) from the Financial Year ended 31<sup>st</sup> March, 2004 and onwards, are requested to make their claims to the Company accordingly, without any delay.
9. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
10. Members are requested to bring their copy of Annual Report to the meeting, as copies of Annual Report will not be distributed at the meeting.
11. 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 TEN days before the date of the meeting.
12. 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 **at its Share Department** or to MCS Limited at the address mentioned above 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.
13. All 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 between 2.00 p.m. to 4.00 p.m. upto the date of the Annual General Meeting.





## DIRECTORS' REPORT

To,  
The members,  
**VADILAL ENTERPRISES LIMITED**  
Ahmedabad.

Your Directors have pleasure in presenting herewith the 26<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS

		(₹ in Lacs)	
Sr. No.	Particulars	Year ended 31-03-2011	Year ended 31-03-2010
(a)	Profit for the year before Depreciation and Financial Expenses	444.00	495.08
(b)	Less: Depreciation	350.55	368.56
	Financial Expenses (net)	<u>(33.13)</u>	<u>(0.03)</u>
(c)	Profit before tax and Exceptional items	126.58	126.55
(d)	Provision for Tax		
	— Current Tax	85.50	120.00
	— Deferred Tax [Net (Credit)/Charge]	(34.72)	(64.95)
	— Short/(Excess) Provision of Income Tax/Fringe Benefit		
	Tax of earlier years written off (written back)	<u>(7.12)</u>	<u>5.09</u>
(e)	Net Profit after Tax	82.92	66.41
(f)	Balance brought forward	68.30	63.96
	Amount available for Appropriation	<u>151.22</u>	<u>130.37</u>
	<b>APPROPRIATION:</b>		
	— Proposed Dividend	10.35	10.35
	— Dividend Tax thereon	1.68	1.72
	— Transfer to General Reserve	65.00	50.00
	— Balance Profit carried to Balance Sheet	<u>74.19</u>	<u>68.30</u>
		<u>151.22</u>	<u>130.37</u>

### TURNOVER & PROFITS

In spite of stiff competition in the market particularly in Ice-Cream business during the year under review, your Company has achieved sales turnover of ₹ 24443.87 lacs as compared to sales turnover of ₹ 19861.59 lacs achieved during the previous year ended on 31<sup>st</sup> March, 2010.

Your Company has earned the Gross Profit of ₹ 444.00 lacs as compared to ₹ 495.08 lacs earned during the previous year ended on 31<sup>st</sup> March, 2010. Your Company has earned the Net Profit after Tax of ₹ 82.92 lacs during the year under review as compared to Net Profit after Tax of ₹ 66.41 lacs earned during the previous year ended on 31<sup>st</sup> March, 2010.

### DIVIDEND:

The Directors have recommended dividend of ₹ 1.20/- per share (@12.00%) on 8,62,668 Equity Shares of ₹10/- each of the Company for the financial year ended on 31<sup>st</sup> March, 2011 as compared to 12.00% dividend declared in the previous financial year ended on 31<sup>st</sup> March, 2010. This will absorb ₹10.35 lacs. The corporate dividend tax payable by the Company on the said dividend will be ₹ 1.68 lacs.

If approved, the dividend will be paid without deduction of tax at source to those shareholders whose names appear in the Register of Members of the Company as on 13<sup>th</sup> September, 2011.

### OPERATIONS - MARKETING FOCUS:

#### ICE-CREAM DIVISION:

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

India, being the largest milk producer in the world with an estimated annual production of more than 100 million tons of ice-creams per year. Considering Indian economy's quantum growth in recent years, ice-cream market is also zooming at new horizons. Total Indian Market size is estimated approx. ₹2500 crores, with the organized sector market estimated at ₹1500 crores. There is a huge untapped potential of specialized Ice-cream outlets at malls and other public flow areas-major city points where people used to visit very frequently. The franchisee based parlors' concept is getting tremendous response.

The industry structure and ongoing transformation offers opportunities for organized players to invest and grow. Vadilal Ice-cream division showing a sustainable growth year to year.

The Company has undertaken an aggressive campaign on all fronts to increase the over-all market share as well as capture a larger pie of the premium ice-cream market. New mega brands, installation of latest state-of-the-art machines, aggressive advertising and significant expansion in production facilities will combine to make the Company an even stronger force to reckon with in the domestic ice-cream market.

Vadilal's aim is to launch international quality products at pocket-friendly prices. Badabite and Flingo, the newly introduced products, have a very youth oriented brand personality whereas Gourmet is targeted more towards the young family segment. The Company is also very aggressively targeting the youth with a number of new TV commercials. The focus of the Company will be on increasing sales of the impulse category.



Vadilal has been dominating market because of its strong brand identity, good product quality, timely supply and extensive reach. A major success factor has been its ability to cater to different market segments through multiple product ranges. Vadilal has the largest range of ice-creams in the country with 150 plus flavours and they are sold in a variety of more than 250 packs and forms. The range includes cones, candies, bars, ice-lollies, small cups, big cups, family packs and economy packs. It offers something for all tastes, preferences and budgets.

#### **AWARDS WON BY VADILAL YEAR BY YEAR:**

Vadilal has won 22 awards over last 3 consecutive years at "The Great Indian Ice Cream Contest" organised by the Indian Dairy Association. Like past 2 years, in 2010 also awards galore for Vadilal Ice-creams with 8 awards by esteemed IDA. 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).

#### **FUTURE STRATEGY:**

The Company primarily focuses on increasing the ice-cream consumption by continuously offering novel products at affordable rates. The Company is committed in eliminating the barriers for availability of ice-cream with focused distribution & franchising new Happinezz parlors across India.

Vadilal has a very strong distribution network of Retailers, Stock Keeping Units, Distributors, C & F Agents and Vehicles, for delivery of ice-creams. Through franchisee route, Vadilal has set up "Happinezz" retail outlets for selling ice-creams and new ones are coming every month.

Significant increase in the point of sales outlets, offering new products, increasing the Company's present in the interiors of the State, intensive advertising campaign, setting up more of its "Happinezz" parlours and making special offers are some of the ways through which the company is implementing its aggressive marketing strategy.

The overall vision of the company is to increase the consumption of ice-cream at national level supported fully by appropriate promotion and market communication strategies. Here, the basic focus has been in brand building coupled with quality products & services. This year, the Company has launched megabrands like Badabite, Flingo & Gourmet which made consumers get a feel of International ice-cream eating experience. Thereby the Company has carved a niche for ourselves in the premium high end & youth segment. In future, the Company wants to consolidate the same with more variants and flavors.

#### **Processed Food Division – Domestic:**

The year 2010-2011 was another successful year for the company's processed food division – domestic. The division has established its existence in new territories like Uttar Pradesh & Haryana. The division has also introduced new products like Frozen Lilva Kachori, Patra and Garlic Butter Naan. The division is also keen to establish itself well in other territories of India.

#### **Forex Division – Forex Advisory and Exposure Management Service, LME Base Metal and Bullion Advisory Service:**

The Division in its 15<sup>th</sup> year of operations has achieved few milestones to count few : 1) Only such service provider on all India basis having ISO certification. 2) Live and on line information of currencies movements of all major world traded currencies on spot and forward value on the website – www.vadilalmarkets.com which has been described by many as complete FOREX kiosks. 3) The Division has largest member subscribers in Gujarat and evenly spreading member subscribers fold outside the State. 4) The Division has recently started preparation of FOREX Risk Management Policy for the largest corporate level companies in terms of one of the requirement of RBI. 5) The Division has Franchisee arrangements at Rajkot, Mumbai, Pune and Kolkata and during the year planning to add few more places. 6) The Division has Channel Partnership arrangement established with Pune base IT company for their web base pricing solution, viz., IONPOT. Forex Division of the Company has received ISO 9001:2008 Certificate towards Quality Management System for its Forex Advisory Services.

#### **FINANCE :**

During the year under review, the Company has availed additional Term Loan of ₹3.50 Crores from Bank of India, for the purpose of purchase of Deep Freeze Machines, Freezer on Wheels etc. The Company is already availing Working Capital facilities from Bank of India.

In terms of the provisions of Investor Education and Protection Fund Rules, 2001 (IEPF), the Company has transferred the unclaimed dividend amount of ₹ 19,744/- declared for the financial year ended on 31st March, 2003 to the Investor Education and Protection Fund 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 ₹1.10 lacs as on 31<sup>st</sup> March, 2011. As on date of this report, the deposits aggregating ₹ 0.15 lacs thereof have been claimed and either paid or renewed. The Company has accepted fixed deposits of ₹ 61.32 lacs from the Public and the Shareholders during the year - 2010-2011, 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 31<sup>st</sup> March, 2011 stood at ₹90.59 lacs.

#### **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, 2011 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 on the Bombay Stock Exchange Limited and Ahmedabad Stock Exchange Limited. The Company confirms that it has paid Annual Listing Fees due to the above Stock Exchanges upto the Financial Year - 2011-2012.

**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 ₹ 1.68 lacs during the year under review.

**DIRECTORS**

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Jayantilal M. Shah and Mr. Laxmiprasad C. Amin, Directors of the Company, shall retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. Members are requested to consider their re-appointment as Directors of the Company, for which necessary resolutions have been incorporated in the Notice of the meeting.

**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 ₹ 24,00,000/- p.a. or ₹ 2,00,000/- p.m. during the year under review.

**AUDITORS**

M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (Registration No. 104744W) hold office as Statutory Auditors of the Company until the conclusion of this Annual General Meeting and the Board recommends their re-appointment till the conclusion of the next Annual General Meeting. The Company has received a certificate from Auditors under Section 224(1) of the Companies Act, 1956 to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Act. Members are requested to consider their re-appointment as Statutory Auditors of the Company for the current year at a remuneration to be decided by the Board of Directors.

**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

Date : 18<sup>th</sup> July, 2011  
Place : Ahmedabad

RAMCHANDRA R. GANDHI  
Chairman & Managing Director



## AUDITORS' REPORT

The Members of  
Vadilal Enterprises Limited  
Ahmedabad.

1. We have audited the attached balance sheet of **Vadilal Enterprises Limited** as at **March 31, 2011**, the profit & loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies [Auditor's Report] Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure here to a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - (ii) 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.
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report comply with the mandatory accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
  - (v) On the basis of the written representations received from directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956, on the said date.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March, 2011;
    - (b) in the case of the profit & loss account, of the 'profit' of the company for the year ended on that date;  
and
    - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

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

**Mayank S. Shah**  
Partner

Membership No.: 44922

Place : Ahmedabad  
Date : July 18, 2011

### ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF VADILAL ENTERPRISES LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011.

- (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 to 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 deep freeze machines, push carts and freezer on wheels were verified during the financial year 2009-10. Acrylic boards and other assets viz. furniture & office equipments are not verified during the year.
  - [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 nor taken any loans, secured or unsecured to /from companies, firms or other parties covered in the register maintained under section 301 of the Act. And 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 and 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 inventory, 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 and 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 or 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 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.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

[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, 2011 for the period of more than six months from the date they become payable.

[c] The details of disputed statutory dues on March 31, 2011 that have not been deposited by the Company are as under :

Sr. No	Dispute Under	Amt. (Net of deposit) (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
(i)	Sales Tax Act.	19.45	2008-09	D. Comm (Appeals)
(ii)	Income Tax Act, 1961	9.03	2007-08	CIT (A)
		4.70	2008-09	CIT (A)

- (x) The company has no accumulated losses as at March 31, 2011. 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 : July 18, 2011



## BALANCE SHEET AS AT 31ST MARCH, 2011

		AS AT 31.03.2011 (₹ in Lacs)	AS AT 31.03.2010 (₹ in Lacs)
<b>I SOURCES OF FUNDS :</b>			
1) SHAREHOLDERS' FUNDS:			
Share Capital	1	86.26	86.26
Reserves & Surplus	2	356.11	285.22
			<u>371.48</u>
		442.37	
2) LOAN FUNDS:			
Secured Loans	3	480.47	368.35
Unsecured Loans	4	1777.08	1455.81
			<u>1824.16</u>
		2257.55	
		<u>2699.92</u>	<u>2195.64</u>
TOTAL ->			
<b>II APPLICATIONS OF FUNDS :</b>			
1) FIXED ASSETS :			
Gross Block	5	3966.23	3623.40
Less : Depreciation		2,532.06	2301.95
			<u>1321.45</u>
Net Block		1434.17	
2) INVESTMENTS		4.48	4.48
3) DEFERRED TAX ASSETS (NET)		81.77	47.05
4) (i) CURRENT ASSETS, LOANS & ADVANCES:			
(a) Inventories	8	376.08	155.36
(b) Sundry Debtors	9	1657.27	1379.73
(c) Cash & Bank Balances	10	38.46	55.72
(d) Loans & Advances	11	3741.83	3650.63
			<u>5241.44</u>
Sub Total (i)		5813.64	
Less:			
(ii) CURRENT LIABILITIES & PROVISIONS :			
(a) Current Liabilities	12	4554.35	4254.90
(b) Provisions	13	79.79	163.88
			<u>4418.78</u>
Sub Total (ii)		4634.14	
Net Current Assets : (i-ii)		1179.50	822.66
		<u>2699.92</u>	<u>2195.64</u>
TOTAL ->			
Significant Accounting Policies	19		
Notes to the Accounts	20		

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

For **KANTILAL PATEL & CO.**  
Chartered Accountants

**Ramchandra R. Gandhi** - Chairman & Managing Director  
**Jayantilal M. Shah** - Director  
**Ruchita Gurjar** - Company Secretary

**Mayank S. Shah**  
Partner

Place: Ahmedabad  
Date : July 18, 2011

Place: Ahmedabad  
Date : July 18, 2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	SCHEDULE	YEAR ENDED 31.03.2011 (₹ in Lacs)	YEAR ENDED 31.03.2010 (₹ in Lacs)
<b>I. INCOME :</b>			
Sales & Service Charges	14	24443.87	19861.59
Other Income	15	109.91	98.36
TOTAL ->		24553.78	19959.95
<b>II. EXPENDITURE :</b>			
Cost of Goods Sold	16	20556.20	15885.37
Selling, Distribution & Other Expenses	17	3553.58	3579.50
Financial Expenses (Net)	18	(33.13)	(0.03)
Depreciation		350.55	368.56
TOTAL ->		24427.20	19833.40
<b>III. Profit Before Tax and Exceptional items</b>		126.58	126.55
<b>IV Provision For Tax</b>			
- Current		85.50	120.00
- Deferred Tax [Net (Credit)/ Charge]		(34.72)	(64.95)
- Short/(Excess) Provision of Income Tax /Fringe Benefit Tax of earlier years written off (written back)		(7.12)	5.09
<b>V Net Profit After Tax</b>		82.92	66.41
<b>VI Balance Brought Forward</b>		68.30	63.96
<b>VII Amount available for Appropriation</b>		151.22	130.37
<b>APPROPRIATIONS</b>			
Proposed Dividend		10.35	10.35
Dividend Tax thereon		1.68	1.72
Transfer to General Reserve		65.00	50.00
Balance Profit Carried to Balance Sheet		74.19	68.30
		151.22	130.37
Significant Accounting Policies	19		
Notes to the Accounts	20		
Basic and Diluted Earnings per Equity Share (Rupees) (Nominal value of ₹10/- per Equity share) (Refer Sch.-20 Note No.7)		9.61	7.70

This is the Profit & Loss Account referred to in our report of even date

For and on behalf of the Board

For **KANTILAL PATEL & CO.**  
Chartered Accountants

**Ramchandra R. Gandhi** - Chairman & Managing Director  
**Jayantilal M. Shah** - Director  
**Ruchita Gurjar** - Company Secretary

**Mayank S. Shah**  
Partner

Place: Ahmedabad  
Date : July 18, 2011

Place: Ahmedabad  
Date : July 18, 2011





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Ended on 31.03.2011 (₹ in Lacs)	Ended on 31.03.2010 (₹ in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax after Exceptional items as Profit & Loss Accounts	126.58	126.55
Adjusted for :		
Depreciation	350.55	368.56
(Profit) / Loss on Sale of Fixed Assets	(0.34)	0.00
(Profit) / Loss on Sale of Long term Investments	0.00	(1.26)
Provisions for doubtful Debt/Advance	9.75	8.77
Diminution in value of Long Term Investment	0.00	6.30
Bad Advances written off	18.10	49.46
Fixed Assets written off	0.00	72.03
Dividend Income	(0.07)	(0.08)
Interest Income	(83.28)	(78.80)
Interest Expenses	50.15	78.77
Excess provision/Credit Balance written off	(24.17)	(7.87)
	447.27	622.43
Operating profit before working capital changes		
Adjusted for :		
Trade and other receivables	(396.09)	(1303.65)
Inventories	(220.72)	(22.99)
Trade payables	319.90	842.15
Deferred Expenses	0.00	0.22
	150.36	138.16
Cash Generated from operations		
Direct taxes paid / Adjustment	(160.69)	(151.56)
<b>Operating Cashflow</b>	(10.33)	(13.40)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(463.97)	(135.58)
Sale / Discard of fixed assets	1.06	112.41
Sale of Investments	0.00	60.50
Purchase of Investments	(7.15)	(5.07)
Interest received	83.29	79.02
Dividend received	0.07	0.08
	(386.70)	111.36
<b>Net Cash used in investing activities</b>		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from borrowings	505.07	331.41
Repayment of borrowings	(70.60)	(380.86)
Proceeds from the issue of Share Capital	0.00	0.20
Interest paid	(50.04)	(77.18)
Dividend Paid	(11.81)	(10.04)
	372.62	(136.47)
<b>Net cash used in financing activities</b>		
Net increase / (Decrease) in cash equivalents(A+B+C)	(24.41)	(38.51)
Net Cash equivalents as at 01.4.2010(Opening Balance)	55.72	89.16
	31.31	50.65
<b>Major Components of Cash and Cash Equivalents as at</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
Cash on hand	6.18	4.01
Balance With Banks - On Current Accounts	25.13	46.64
	31.31	50.65

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 **KANTILAL PATEL & CO.**  
Chartered Accountants

**Mayank S. Shah**  
Partner

Place: Ahmedabad  
Date : July 18, 2011

For and on behalf of the Board

**Ramchandra R. Gandhi** - Chairman & Managing Director  
**Jayantilal M. Shah** - Director  
**Ruchita Gurjar** - Company Secretary

Place: Ahmedabad  
Date : July 18, 2011



## SCHEDULES TO BALANCE SHEET

	AS AT 31.03.2011 (₹ in Lacs)	AS AT 31.03.2010 (₹ in Lacs)
<b>SCHEDULE: 1 - SHARE CAPITAL :</b>		
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 fully called up	87.01	87.01
PAID UP :		
8,62,668 (P.Y.8,62,668) Equity Shares of ₹ 10/- each fully paid up	86.26	86.26
TOTAL ->	86.26	86.26
<b>SCHEDULE: 2 RESERVES &amp; SURPLUS:</b>		
CAPITAL RESERVE :		
Balance as per Last Balance sheet	0.37	0.00
Add : Addition during the year	0.00	0.37
	0.37	0.37
SECURITIES PREMIUM ACCOUNT :		
Balance as per Last Balance sheet	93.21	93.77
Less: Shares Forfeited	0.00	0.56
	93.21	93.21
GENERAL RESERVE :		
Balance as per Last Balance sheet	123.34	73.34
Add : Addition during the year	65.00	50.00
	188.34	123.34
PROFIT & LOSS ACCOUNT BALANCE		
	74.19	68.30
TOTAL ->	356.11	285.22
<b>SCHEDULE: 3 SECURED LOANS</b>		
[A] TERM LOANS :		
(a) FROM BANKS :		
(i) Bank of India (Refer Note No.i,ii & iii)	303.12	0.00
Interest Accrued & Due (₹ NIL, P.Y. ₹166)	0.00	0.00
(ii) Car Loan (Refer Note No.iv)		
(a) H.D.F.C Bank Limited	33.92	15.70
(b) Kotak Mahindra Prime Limited	0.00	6.19
(c) Axis Bank Limited	5.17	7.09
[ A ]	342.21	28.98
(Secured Loans of ₹ 179.98/- Lacs repayable within one year) (P. Y. ₹ 9.08/- Lacs)		
Note:		
[(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 Milk,Sugar, Ice-Cream,Mango Pulp,Mango Juice,Frozen Fruits & Vegetables etc.)		
(ii) (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)		
(iii) (Guaranteed by some of the Directors and a Company )		
(iv) (Secured against hypothecation of specific vehicles of the company)]		
[B] Cash Credits :-		
(i) Bank of India	138.11	338.21
(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.)		
(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 Society, Navrangpura,Ahmedabad.)		
(Guranteed by some of the Directors and a company)		
Interest Accrued & Due	0.15	1.16
[ B ]	138.26	339.37
TOTAL [ A+B ]	480.47	368.35



(₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)	AS AT 31.03.2010 (₹ in Lacs)
<b>SCHEDULE: 4 UNSECURED LOANS:</b>		
Security Deposits from Dealers/Distributors.(Interest Free)	1,685.99	1,376.72
Fixed Deposits from Public	89.49	77.42
Add :-Interest Accrued & due (Repayable within one year ₹58.91/- Lacs P.Y ₹ 47.45/-Lacs)	1.60	1.67
<b>TOTAL</b>	<b>91.09</b>	<b>79.09</b>
	<b>1777.08</b>	<b>1455.81</b>

**SCHEDULE : 5 - FIXED ASSETS (Refer Schedule 19 Note No. D) :**

(₹ in Lacs)

	GROSS BLOCK (At Cost)			DEPRECIATION				NET BLOCK		
	As on 01.04.10	Addi- tion	Deduc- tion	As on 31.03.11	Up to 01.04.10	For the year	Deduc- tion	Upto 31.03.11	As on 31.03.11	As on 31.03.10
Building	55.92	0.00	0.00	55.92	15.53	6.79	0.00	22.32	33.60	40.39
Plant & Machinery	3,297.40	457.04	114.44	3640.00	2,112.67	328.77	114.44	2327.00	1313.00	1184.73
Office Equipments	24.42	0.56	0.00	24.98	13.17	1.93	0.00	15.10	9.88	11.25
Furniture& Fixtures	19.06	0.00	0.00	19.06	15.46	1.20	0.00	16.66	2.40	3.60
Vehicles	226.60	6.37	6.70	226.27	145.12	11.86	6.00	150.98	75.29	81.48
<b>Total.....</b>	<b>3623.40</b>	<b>463.97</b>	<b>121.14</b>	<b>3966.23</b>	<b>2301.95</b>	<b>350.55</b>	<b>120.44</b>	<b>2532.06</b>	<b>1434.17</b>	<b>1321.45</b>
Previous Year	4,039.07	135.58	551.25	3623.40	2,300.20	368.56	366.81	2301.95	1321.45	

**NOTE :**

- [1] Gross Block of Vehicles as on 31/03/11 includes assets taken on Hire Purchase at cost of ₹ 41.29/- Lacs (P.Y ₹ 49.40/- lacs), accumulated depreciation thereon is ₹ 11.55/- Lacs (P.Y ₹ 10.21/- Lacs )and net carrying amount is ₹ 29.74/- Lacs (P.Y.₹ 39.19/- lacs).
- [2] Vehicles includes Vehicles amounting to ₹ 35.39/- Lacs (P.Y.₹ 35.39 /-lacs) which are held in the Name of Directors of the company.
- [3] Gross Block of ₹ 3966.23/- lacs (P.Y.₹ 3623.40/- lacs) and Depreciation upto 31-03-11 of ₹ 2532.06/- lacs (P.Y.₹ 2301.95/-lacs) include amount of ₹ 798.05/- lacs (P.Y.₹ 520.82/- lacs) which represents Fixed Assets fully depreciated and Net Block value of respective fixed assets is ₹ NIL.

(₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)	AS AT 31.03.2010 (₹ in Lacs)
<b>SCHEDULE: 6 INVESTMENTS :</b>		
(Refer Sch.-19 Note No. E)		
Long Term Investments:-		
(A) Quoted :		
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) Unquoted :		
(i) In Equity shares of ₹ 10/- each fully paid up :-		
70000 (P.Y.70000) Vadilal Happinezz Parlour Limited	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 :-Diminution in Value of Investments	14.66	14.66
	4.48	4.48
<b>TOTAL</b>	<b>4.48</b>	<b>4.48</b>
a. Quoted Investments		
Book Value	0.24	0.24
Market Value	Not Available	
b. Unquoted Investments		
Book Value	19.14	19.14



	AS AT 31.03.2011 (₹ in Lacs)	AS AT 31.03.2010 (₹ in Lacs)
<b>SCHEDULE: 7 DEFERRED TAX LIABILITY/(ASSETS) (NET) :</b>		
(Refer Sch.-19 Note No.L)		
Deferred Tax Assets		
Difference between book and Income Tax Depreciation	55.83	27.72
Expenditure disallowable under Section 43B	22.70	19.33
Provision for Doubtful Debts	3.24	0.00
	81.77	47.05
TOTAL	(81.77)	(47.05)
<b>SCHEDULE: 8 INVENTORIES :</b>		
(Refer Sch.-19 Note No. F)		
Machinery Parts	91.93	61.62
Finished Goods	284.15	93.74
TOTAL	376.08	155.36
<b>SCHEDULE: 9 SUNDRY DEBTORS :</b>		
(Refer Sch.-20 Note No. 2)		
Debts outstanding for a period exceeding Six months	355.57	280.05
Less: Provision for Doubtful Debt	9.75	0.00
Total [a]	345.82	280.05
Other debts [b]	1,311.45	1,099.68
TOTAL [a+b]	1657.27	1379.73
Of the above debts		
a) Fully Secured	578.89	510.83
b) Unsecured Considered Good	1,078.38	868.90
c) Considered Doubtful	9.75	0.00
TOTAL	1667.02	1379.73
<b>SCHEDULE: 10 - CASH &amp; BANK BALANCES :</b>		
Cash on hand	6.18	4.01
Bank Balances:		
With Scheduled Banks:		
(i) In Current Accounts	25.13	46.64
(ii) In Fixed Deposit Accounts	7.15	5.07
[Fixed Deposits of ₹ 1.02/- Lacs (P.Y. ₹ 1.02/- Lacs) are pledged with Scheduled Banks]		
TOTAL	38.46	55.72
<b>SCHEDULE: 11 - LOANS &amp; ADVANCES :</b>		
Advances recoverable in Cash or in kind or for value to be received.	164.05	203.55
Staff Loan	14.54	16.42
Deposits with Government Authority	11.87	9.70
Other Trade/Security Deposits	810.77	823.70
Advance Payment Of Tax Less Provisions (Current Tax)	14.27	14.09
Loan to others	10.12	10.12
Loan in current Account	2730.61	2606.12
	3756.23	3683.70
Less: Provision for irrecoverable Advances	14.40	33.07
TOTAL	3741.83	3650.63
Of the above Loans and Advances -		
a) Fully Secured	0.00	0.00
b) Unsecured Considered Good	3741.83	3650.63
c) Considered Irrecoverable	14.40	33.07
TOTAL	3756.23	3683.70
<b>SCHEDULE: 12 - CURRENT LIABILITIES</b>		
Sundry Creditors	3,599.65	3,326.30
(Refer Sch.20 Note No. 3)		
Other Liabilities	688.52	670.65
Advance received from customers	151.59	117.97



	AS AT 31.03.2011 (₹ in Lacs)	AS AT 31.03.2010 (₹ in Lacs)
Temporary overdraft in current a/c with Banks	106.02	131.66
Unclaimed Dividend *	1.28	1.02
Unclaimed matured fixed deposits *	1.40	2.60
Interest Accrued But not Due on fixed deposits*	5.89	4.70
TOTAL	4554.35	4254.90
* These figures do not include any amounts, due & outstanding, to be credited to investors education & protection fund.		
<b>SCHEDULE: 13 - PROVISIONS:</b>		
Employee Benefits (Refer Sch.-19 Note No. G )	52.81	55.09
Proposed Dividend	10.35	10.35
Provision for Dividend Tax	1.68	1.72
Provision for Income Tax Less Advance Tax (Current Tax)	14.95	96.72
TOTAL	79.79	163.88
<b>SCHEDULES TO PROFIT &amp; LOSS ACCOUNT</b>		
	YEAR ENDED 31.03.2011 (₹ in Lacs)	YEAR ENDED 31.03.2010 (₹ in Lacs)
<b>SCHEDULE: 14 - SALES &amp; SERVICE CHARGES :</b>		
(Refer Sch.-19 Note No. C)		
Sales	25,631.50	20,863.01
Less: Sales Comm.,Trade Discount, Scheme Discount,Damages etc.	1,323.19	1,132.05
	24308.31	19730.96
Service Charges Income	16.15	25.19
Forex Advisory Fees	119.41	105.44
TOTAL	24443.87	19861.59
<b>SCHEDULE: 15 - OTHER INCOME :</b>		
Dividend Income on Long Term Investments(Gross)	0.07	0.08
Promotional Charges Recovered	17.06	15.13
Excess Provision / Credit Balance Written back	24.17	7.87
Profit on Sale of Fixed Assets (Net)	0.34	0.00
Profit on Sale of Long Term Investments (Net)	0.00	1.26
Foreign exchange difference (Refer Sch.-19 Note No.H)	0.00	0.42
Miscellaneous Income	68.27	73.60
TOTAL	109.91	98.36
<b>SCHEDULE: 16 - COST OF GOODS SOLD :</b>		
(Refer Sch.- 20 Note No. 11)		
Opening Stock	93.74	64.79
Add: Purchases	21,085.93	15,980.96
	21179.67	16045.75
Less: Capitalised during the year	339.32	66.64
	20840.35	15979.11
Less: Closing Stock	284.15	93.74
TOTAL	20556.20	15885.37
<b>SCHEDULE: 17 - SELLING, DISTRIBUTION &amp; OTHER EXPENSES:</b>		
Advertisement,Sales Promotion & Publicity Expenses	947.51	920.36
Freight & Forwarding Charges	939.55	752.73
Employees Expenses (Refer Sch.- 17.1 )	856.63	732.99
Repairs & Maintenance : Machinery	119.18	191.47
: Building	0.90	0.56
: Others	7.23	3.01
	127.31	195.04
Rent	74.49	59.31
Rates & Taxes	26.49	23.75
Insurance	16.43	9.41
Royalty	13.84	288.12
Vehicle Repairs & Petrol Expenses	51.79	48.97
Travelling	105.62	96.39
Provision for doubtful Advances/Debtors	9.75	8.77





	YEAR ENDED 31.03.2011 (₹ in Lacs)	YEAR ENDED 31.03.2010 (₹ in Lacs)
Fixed Assets Written off (Net of Dealers Balances)	0.00	72.03
Diminution in value of Long Term Investment	0.00	6.30
Foreign Exchange Difference	5.39	0.00
Bad Debts/Loans/Advances/Other Current Assets irrecoverable written-off	36.77	49.46
Less : Provided in earlier years	18.67	0.00
	18.10	49.46
Miscellaneous Expenses (Refer Sch.-17.2 )	360.68	315.87
TOTAL	<u>3553.58</u>	<u>3579.50</u>
<b>EMPLOYEES EXPENSES : 17.1</b>		
Salaries, Wages, Allowances & Bonus ,etc. (Refer Sch.20 Note No.4)	790.64	695.13
Contribution to P.F.,F.P.F., etc.	57.19	30.53
Staff Welfare Expenses	8.80	7.33
TOTAL	<u>856.63</u>	<u>732.99</u>
<b>MISCELLANEOUS EXPENSES : 17.2</b>		
Sales Tax	0.49	0.41
C & F Commission	131.50	108.87
Directors' Travelling Expenses	0.00	2.82
Directors' sitting fees	0.50	0.44
Auditor's Remuneration - Audit Fees	4.96	3.95
- Tax Audit Fees	1.98	1.58
- Certificate Fees	0.83	2.08
- Taxation Matters	1.40	1.26
- Out of Pocket expenses	0.29	0.35
Other Expenses (Including Legal & Professional Charges, Conveyance,Electricity,Printing & Stationery,Telephone, Telerate Fees Expenses,etc.)	218.73	194.11
TOTAL	<u>360.68</u>	<u>315.87</u>
<b>SCHEDULE : 18 - FINANCIAL EXPENSES (NET) :</b>		
On Fixed Loans	3.61	34.98
On Bank Overdraft	25.73	20.02
On Fixed deposits	9.60	8.37
Brokerage & other financial Charges	11.21	15.40
TOTAL	50.15	78.77
Less : Interest Income	83.28	78.80
(Tax Deducted at Source ₹ 8.23/- Lacs, P.Y. ₹ 7.76/- Lacs )		
TOTAL	<u>(33.13)</u>	<u>(0.03)</u>

#### SCHEDULE 19-SIGNIFICANT ACCOUNTING POLICIES

##### (A) ACCOUNTING CONVENTION :

The financial statements have been prepared in accordance with the accounting principles generally accepted in India (Indian GAAP) and comply with the Companies (Accounting Standards) Rules, 2006, issued by the Central Government and relevant provisions of Companies Act, 1956 and are based on the historical cost convention as modified to include the revaluation of certain fixed assets.

##### (B) 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.

##### (C) REVENUE RECOGNITION:

###### SALES ACCOUNTING:

- (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) Income of Forex Advisory Fees accounted on accrual basis.
- (v) Dividend income from Investment is accounted for when the right to receive is established

**(D) FIXED ASSETS AND DEPRECIATION & IMPAIRMENT:**

- (i) Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss. Other attributable cost incurred for bringing the fixed assets to its intended use are added to the cost of Fixed Assets. Adjustments arising from exchange rate variations relating to transaction in foreign currencies attributable to Fixed Assets are capitalized.
- (ii) 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) On electrical installation (Acrylic Glow Sign Board & Translite) addition made upto 31.03.09, Push Carts, Tricycles, Insulated Iron / Plastic Boxes and Freezer on wheels in respect of which depreciation is charged at 20% based on the estimated useful life of five years.
  - (b) On Plastic Crates and on specific assets of Happinezz 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) Cost of electrical installation more than five years old and their corresponding depreciation are adjusted from gross block of fixed assets and depreciation fund respectively.

**(iii) 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 fixed 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.

**(E) INVESTMENTS:**

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

**(F) INVENTORIES:**

Inventories are valued as under:

<u>INVENTORY</u>	<u>VALUATION METHOD</u>
(i) Finished Goods (Trading)	At Cost or Net realisable value whichever is lower. Cost is determined on 'FIFO' and 'Special identification' basis, whichever applicable. Due provision for obsolescence and wear & tear is made.
(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.

**(G) 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.

**(H) 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 Profit & Loss Account.

**(I) 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.

**(J) 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.

**(K) 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.

**(L) TAXES ON INCOME :**

- (i) 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 reasonable 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.

**(M) MISCELLANEOUS EXPENDITURE :**

Upfront interest paid on restructuring of term loans is amortised over the tenure of such loans.

**SCHEDULE 20 - NOTES TO THE ACCOUNTS.**

**1. CONTINGENT LIABILITIES NOT PROVIDED FOR :**

	As on 31-03-2011 (₹ In Lacs)	As on 31-03-2010 (₹ In Lacs)
(a) Estimated amount of Contracts remaining to be executed on Capital account and not provided For (net of advances).	214.45	260.85
(b) Claims against the Company not acknowledged as debt / against which appeal has been filed.		
(i) Sales Tax*	31.14	9.52
(ii) Others	20.77	20.77
(iii) Income Tax*	20.21	15.51
(c) Outstanding amount of bills accepted by the company	1106.93	1639.88
(d) 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 31.03.2011	542.87	685.72

\*(Disputed Statutory dues pending at Office of Deputy Commissioner (Appeal)

Note : Future Cash outflows in respect of 1 (b) above depends on ultimate settlement / conclusions with the relevant authorities.



2. Certain balances of debtors, creditors, 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.
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 2011. Hence, the informations required under the Micro, Small & Medium Enterprises Development Act, 2006 is not disclosed. This is relied upon by Auditors.

**4. REMUNERATION TO CHAIRMAN & MANAGING DIRECTOR :**

Salaries, Wages, Allowances, Bonus etc. includes ₹14.95/- Lacs towards managerial remuneration as under :-

	<b>Year ended 31-03-2011 (₹ In Lacs)</b>	<b>Year ended 31-03-2010 (₹ In Lacs)</b>
(a) Salary.	9.60	7.80
(b) Contribution to P.F. & other Funds	1.15	0.94
(c) Perquisites (HRA, Allow.etc.)	4.20	4.23
	<u>14.95</u>	<u>12.97</u>

The Computation of net profit U/s 349 of The Companies Act 1956 is not given as no commission is paid to the Managing Director in view of inadequate profit as per such computation.

5. (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 Profit & Loss Statement on a Straight Line basis over the lease term under "Rent" in Schedule 18 "Selling, Distribution & Other Expenses".
- (c) The future minimum estimated operating lease payments under non cancellable operating lease : (₹ in Lacs)

<b>Particulars</b>	Not Later Than one Year	Later than one year and not later than five Years
Total of minimum Lease payments	66.42 (50.72)	292.24 (202.88)

6. Segment Reporting as defined in Accounting Standard 17 is not applicable since revenue of segment other than 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.

**7. EARNINGS PER SHARE:**

- 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 profit & loss account.
- 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).

**8. RELATED PARTY DISCLOSURES:**

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

- 1) Key Management Personnel
- a) Shri Ramchandra R. Gandhi
- 2) Relative of Key Management Personnel
- a) Shri Rajesh R. Gandhi
- b) Shri Virendra R. Gandhi
- c) Nija K.Gandhi
- 3) Group of Individuals having significant influence over the company & relatives of such individuals.
- a) Shri Devanshu L. Gandhi
- 4) 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 Hapinezz Parlour 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 : i) Vadilal Soda Fountain	100.72 (99.15)
2	Purchase : i) Vadilal Industries Ltd.	20518.64 (15,848.46)
3	Rent paid : i) V.R. Gandhi & Others ii) Vadilal Industries Ltd.	3.33 (3.33) 0.54 (0.90)
4	Salary Paid : i) Nija Kalpit Gandhi	0.48 (0.00)
5	Trade Discount Given : i) Vadilal Soda Fountain	5.04 (4.96)
6	Interest Income : i) Vadilal International Pvt. Ltd.	7.74 (7.74)
7	Royalty Paid : i) Vadilal International Pvt. Ltd.	13.84 (288.12)
8	Purchase of Fixed Assets i) Vadilal Happinezz Parlour Ltd.	0.00 (18.40)
9	Balance outstanding at year end : a) Receivable : <u>Deposit Given</u> i) Vadilal International Pvt. Ltd.	780.96 (796.39)
	<u>Debtors</u> i) Others	69.27 (96.35)
	b) Payable : <u>Creditors</u> i) Vadilal Industries Ltd. ii) Vadilal International Pvt. Ltd.	3,270.97 (2,861.36) 0.00 (266.28)
	iii) Others	0.00 (0.83)
	c) Against corporate guarantee taken : i) Vadilal Industries Ltd.	441.23 (332.39)
	d) Against corporate guarantee given : i) Vadilal Industries Ltd.	542.87 (685.72)

Note : a) Payment to key management personnel in form of Managing Director's remuneration is shown in Note No. 4.  
b) Sitting fees to the other Directors is disclosed elsewhere in accounts.  
c) Figures in bracket relates to previous year.





9. (i) **Defined Contribution Plans :**  
Amount of ₹ 37.41/-Lacs (P.Y. ₹ 26.01/-Lacs) is recognised as expenses and included in "Employee's Expenses" (schedule 17.1) in the Profit and Loss Account.

(ii) **Defined Benefit Plans :**

(a) **Changes in present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:**

Particulars	Gratuity Plan		Leave Encashment	
	31.03.11	31.03.10	31.03.11	31.03.10
	(₹ In Lacs)			
Opening defined benefit obligation				
As at 01.04.2010	46.35	42.42	22.01	20.82
Service Cost	6.62	4.68	4.14	3.54
Interest Cost	3.80	3.48	1.80	1.71
Actuarial Losses /(Gains)	7.01	(3.28)	1.30	(3.09)
Losses /(Gains) on curtailments	—	—	—	—
Liabilities extinguished on settlements	—	—	—	—
Benefits Paid	(3.48)	(0.95)	(2.88)	(0.97)
Closing defined benefit obligation as at 31.03.2011	60.30	46.35	26.37	22.01

(b) **Changes in the fair value of plan assets representing reconciliation of the opening and closing balance thereof are as follows:**

Particulars	Gratuity Plan		Leave Encashment	
	31.03.11	31.03.10	31.03.11	31.03.10
	(₹ In Lacs)			
Opening fair value of plan assets as at 01.04.2010	28.53	22.74	—	—
Expected return	3.31	2.31	0.20	—
Actuarial gains and (Losses)	(0.87)	(0.20)	(0.18)	—
Assets distributed on settlements	—	—	—	—
Contributions by employer	15.54	4.63	7.22	—
Benefits Paid	(3.48)	(0.95)	(2.88)	—
Closing balance of fair value of plan Assets as at 31.03.2011	43.03	28.53	4.36	—

(c) **The amounts recognised in Balance Sheet are as follows:**

Particulars	Gratuity Plan		Leave Encashment	
	31.03.11	31.03.10	31.03.11	31.03.10
	(₹ In Lacs)			
Amount to be recognised in Balance Sheet				
A) Present value of Defined Benefit Obligations				
- Funded	43.03	28.53	4.36	—
- Unfunded	17.27	17.82	22.01	22.01
Total	60.30	46.35	26.37	22.01
Less: Fair value of Plan Assets	43.03	28.53	4.36	—
- Unrecognised Past Service Costs	—	—	—	—
Amount to be recognised as liability	17.27	17.82	22.01	22.01
B) Amount Reflected in the Balance Sheet				
Liabilities	17.27	17.82	22.01	22.01
Assets	—	—	—	—
Net Liability/(Asset)	17.27	17.82	22.01	22.01

(d) **The amounts recognised in Profit and Loss account are as follows:**

Particulars	Gratuity Plan		Leave Encashment	
	31.03.11	31.03.10	31.03.11	31.03.10
	(₹ In Lacs)			
1. Current Service Cost	6.62	4.68	4.14	3.54
2. Interest Cost	3.80	3.48	1.81	1.71
3. Expected return on plan assets	(3.31)	(2.31)	(0.20)	—
4. Net Actuarial Losses (Gains) recognised in year	7.88	(3.08)	1.48	(3.09)
5. Past service cost	—	—	—	—
6. Losses (Gains) on curtailments and settlement	—	—	—	—
Total included in 'Employee's expense'	14.99	2.77	7.23	2.15
[Ref. Sch. 17.1]				
Actual return on plan assets	2.43	2.11	0.02	—

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

Particulars	Gratuity Plan		Leave Encashment	
	31.03.11	31.03.10	31.03.11	31.03.10
Government of India Securities	0%	0%	0%	0%
High quality corporate bonds	0%	0%	0%	0%
Equity shares of listed companies	0%	0%	0%	0%
Property	0%	0%	0%	0%
Insurance company	100%	100%	100%	0%

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

Particulars	Gratuity Plan		Leave Encashment	
	31.03.11	31.03.10	31.03.11	31.03.10
Discount rate	8.19%	8.20%	8.19%	8.20%
Expected return on plan assets	9.25%	9.00%	9.00%	0.00%
Annual increase in salary costs	6.00%	6.00%	6.00%	6.00%

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	Gratuity Plan			Leave Encashment		
	31.03.11	31.03.10	31.03.09	31.03.11	31.03.10	31.03.09
	(₹ In Lacs)					
Defined benefit obligation	60.30	46.35	42.42	26.38	22.01	20.82
Plan Assets	43.03	28.53	22.74	4.36	—	—
Surplus / (deficit)	(17.27)	(17.82)	(19.68)	(22.02)	(22.01)	(20.82)
Experience adjustments on plan Liabilities	—	—	—	—	—	—
Experience adjustments on plan Assets	—	—	—	—	—	—

Note:-Amount not available for Experience adjustment on plan liabilities and on plan Assets as per actuarial certificate for Gratuity Plan and Leave Encashment.

**(h) The company expects to fund ₹ 5.00/- Lacs (P.Y.₹ 15.45/- Lacs) towards gratuity plan and ₹15.00/- Lacs (P.Y.₹ 9.05/- Lacs) towards Provident Fund plan during the year 2011-12.**

**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 plan 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.

**10. 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 :

Year to which dividend relates	2009-10	2008-09
Number of non-resident shareholders	9	5
Number of shares held by them on Which dividend is due	8878	601
Amount remitted to bank accounts in India of non-resident shareholders	₹ 10653	₹ 601

**11. PURCHASES, TURNOVER & STOCK**

Particulars (Unit)	Qty In	Opening Stock		Purchases		Turn Over		Closing Stock	
		(Qty.)	(Value) (₹ In Lacs)	(Qty.)	(Value) (₹ In Lacs)	(Qty.)	(Value) (₹ In Lacs)	(Qty.)	(Value) (₹ In Lacs)
Ice cream/Frozen Dessert	K.L.	12	4.61	35,307	19,655.73	35,298	23,295.69	21	14.67
		(6)	(2.80)	(31,942)	(15,198.53)	(31,936)	(18,863.84)	(12)	(4.61)
Deep Freeze Machines	Nos.	538	88.04	2,794	541.48	0	0.00	1,517	268.54
		(529)	(60.63)	(579)	(108.15)	0	0.00	(538)	(88.04)
Others			1.09		888.72		1,012.62		0.94
			(1.36)		(674.28)		(867.12)		(1.09)
			93.74		21,085.93		24,308.31		284.15
			(64.79)		(15,980.96)		(19,730.96)		(93.74)

Notes: 1. Ice Cream and Frozen Dessert Turnover in value is after deduction of damages at dealers places of ₹ 34.92/- Lacs (P.Y. ₹ 31.06/- Lacs) for which quantity adjustments are not made as it is not readily ascertainable.

2. 1815 Nos. (P.Y. 418 Nos) of Deep Freeze Machine amounting to ₹ 339.32/- Lacs (P.Y.₹ 66.64/- Lacs) have been capitalised during the year.



3. NIL Nos. (P.Y. 152 Nos.) of Deep Freeze Machines amounting to ₹ NIL (P.Y. 7.68/- Lacs) have been written off during the year.

	2010-2011 (₹ In Lacs)	2009-2010 (₹ In Lacs)
12. (a) Value of Imports on C.I.F value	Nil	Nil
(b) Expenditure in Foreign Currency	1.68	3.53
(c) Earnings in Foreign Currency	Nil	Nil

13. Previous year figures have been regrouped/rearranged wherever necessary to make them comparable with current year figures

**14 Information pursuant to Part IV to the Companies Act, 1956.**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

**I. REGISTRATION DETAIL :**

CIN No. : L51100GJ1985PLC007995 State Code : 04  
Balance Sheet Date : 31.03.2011

**II CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ THOUSANDS )**

Public Issue : NIL Right Issue : NIL  
Bonus Issue : NIL Private Placement : NIL

**III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS(AMOUNT IN ₹ THOUSANDS)**

Total Liabilities : 269,992 Total Assets : 269,992

**Sources of Funds**

Paid - up Capital : 8,626 Reserve & Surplus : 35,611  
Secured Loans : 48,047 Unsecured Loans : 177,708

**Application of Funds**

Net Fixed Assets : 143,417 Investments : 448  
Deferred Taxation (Net) : 8,177 Net Current Assets : 117,950  
Misc. Expenditure : NIL Accumulated Losses : NIL

**IV PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSANDS)**

Turnover : 2,455,378 Total Expenditure : 2,442,720  
Profit/Loss before Tax : 12,658 Profit after Tax : 8,292  
Earning Per Share (₹) : 9.61 Dividend Rate : 12%

Annualised.

**GENERIC NAME OF PRINCIPAL PRODUCTS OF THE COMPANY**

Item Code No. (ITC Code) : 040210.09  
Product Description : Marketing of Ice-cream and Frozen Desert.  
Item Code No. (ITC Code) : 081290.02  
Product Description : Marketing of Mango Pulp.

For and on behalf of the Board

For **KANTILAL PATEL & CO.**  
Chartered Accountants

**Ramchandra R. Gandhi** - Chairman & Managing Director  
**Jayantilal M. Shah** - Director  
**Ruchita Gurjar** - Company Secretary

**Mayank S. Shah**  
Partner

**Place:** Ahmedabad  
**Date :** July 18, 2011

**Place:** Ahmedabad  
**Date :** July 18, 2011



**FORM OF PROXY  
VADILAL ENTERPRISES LIMITED**

Share Dept.: B/404, 4th Floor, "Time Square" Building, C. G. Road,  
Nr. Lal Bunglow Char Rasta, Navrangpura, Ahmedabad - 380 009.

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of VADILAL ENTERPRISES LIMITED, hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

as my/our Proxy to vote for me/us on my/our behalf at the 26th Annual General Meeting of the members of the Company to be held on Thursday, the 29th September, 2011, at 12.30 p.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 and at any adjournment thereof.

Ledger Folio No. \_\_\_\_\_

\*DP ID No. : \_\_\_\_\_

\*Client ID No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

Signature \_\_\_\_\_

Affix  
15 paise  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

\* Applicable for investors holding shares in electronic form.

**IMPORTANT :**

- [1] **This form duly completed and signed across the stamp as per specimen signature registered with the Company should be deposited at the Share Department of the Company not less than 48 hours before the time fixed for the commencement of the Meeting.**
- [2] Revenue Stamp of 15 paise is to be affixed on this form.



**ATTENDANCE SLIP  
VADILAL ENTERPRISES LIMITED**

Share Dept.: B/404, 4th Floor, "Time Square"  
Building, C. G. Road, Nr. Lal Bunglow Char Rasta,  
Navrangpura, Ahmedabad - 380 009.

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 26th Annual General Meeting of the members of the Company on Thursday, the 29th September, 2011, at 12.30 p.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad-380006.

\* Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
Signature of Shareholder(s)/Proxy

Book - Post

To,

If undelivered please return to :



**VADILAL ENTERPRISES LIMITED**

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