



NOTICE

NOTICE is hereby given that the 28th **ANNUAL GENERAL MEETING** of the members of **VADILAL INDUSTRIES LIMITED** will be held on Saturday, the 29th September, 2012, at 2.30 p.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006 to transact the following business :

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss 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, 2012.
- 3) To appoint a Director in place of Mr. Kshitish M. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Rajesh K. Pandya, 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 authorise 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 INDUSTRIES LIMITED**

**RAJESH R. GANDHI
Managing Director**

Registered Office :

Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
Dated : 13th August, 2012.

NOTES :

- (a) **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 THAT 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.
- (b) Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the meeting.
- (c) 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.
- (d) The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 need not be annexed to the notice, as there is no Special Business to be transacted in the meeting.
- (e) The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2012 to 29th September, 2012 (both days inclusive) for the purpose of payment of dividend on Equity Shares of the Company for the year ended 31st March, 2012 as recommended by the Board and if declared at the Annual General Meeting.
- (f) Dividend of ₹1.50 per share (@ 15.00%) on Equity Shares for the year ended on 31st March, 2012 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 13th September, 2012, 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 13th September, 2012.
- (g) 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 Registrar and Transfer Agents can not 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 of the members.



- (h) 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, 2006, 31st March, 2007, 31st March, 2008, 31st March, 2009, 31st March, 2010 and 31st March, 2011, remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 1st November, 2013, 3rd November, 2014, 3rd November, 2015, 31st October, 2016, 4th November, 2017 and 1st November, 2018 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.

- (i) 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.
- (j) 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.
- (k) 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, between 2.00 p.m. and 4.00 p.m., upto the date of this Annual General Meeting.
- (l) 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.
- (m) 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.
- (n) **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.
- (o) At this Annual General Meeting, Mr. Kshitish M. Shah and Mr. Rajesh K. Pandya, Directors of the Company, shall retire by rotation and being eligible, offer themselves for re-appointment.

As required under Clause 49 of Listing Agreement with the Stock Exchanges, given below are the details of the above Directors to be re-appointed as Directors of the Company :-

Mr. Kshitish M. Shah :

Mr. Kshitish M. Shah is BS. (Text. Chemistry), BS (Textile Technology), Masters in Textile Technology N. C. State University (USA). He has worked as a Vice-President of Crystex Corporation, USA from 1971 to 1975. He is an Industrialist, manufacturing diecasting, one of the most diversified product line in diecasting industry. It is the largest diecasting unit in India. He is a Joint-Managing Director of Textile Traders Co-Operative Bank Ltd. He is a Honorary Secretary of Gujarat Cancer Society, Apang Manav Mandal. He is a Trustee of Jivaraj Mehta Memorial Foundation, Saath - Suicide Prevention Centre and he is a Founder of Madanmohan Ramanlal Centre of Human Resources Development, Ahmedabad Management Association. He is a Director in the following other Companies. He is a member of the Audit Committee of your Company. He is also a Chairman of the Selection Committee and Remuneration Committee of your Company. He is also a chairman of Audit Committee of Vadilal Chemicals Limited. Mr. Kshitish M. Shah does not hold any shares in Vadilal Industries Limited.

Directorship:

- | | |
|--|---|
| ✧ Purvish Services Pvt. Ltd. | ✧ M. Ramanlal Holdings Pvt. Ltd. |
| ✧ Shree Vyankateswar Engineering Pvt. Ltd. | ✧ Vadilal Chemicals Ltd. |
| ✧ Textile Traders Co-op Bank Ltd. | ✧ 21 st Century Equipments Pvt. Ltd. |



Mr. Rajesh K. Pandya:

Mr. Rajesh Kantial Pandya is having multiple qualifications mainly Diploma in Electrical Engineering and Diploma in Industrial Safety. Presently, he is working with La Gajjar Machinery Private Limited, Ahmedabad. He is a Director in the following other Companies. He is a Member of the Audit Committee of the Directors of your Company. He is also a Member of Selection Committee of the Directors of your Company. He does not hold any shares in Vadilal Industries Limited.

Directorship:

- ✧ Padm Complex Limited
- ✧ Vadilal Forex and Consultancy Services Limited
(earlier known as Vadilal Happiness Parlour Limited)
- ✧ Veronica Constructions Private Limited
- ✧ Majestic Farm House Limited
- ✧ Volute Constructions Limited
- ✧ Kalpit Realty and Services Limited
- ✧ Vadilal Finance Company Private Limited
- ✧ Vadilal Industries (USA) Inc.
(Wholly-owned Subsidiary Company)



DIRECTORS' REPORT

To,
The Members,
VADILAL INDUSTRIES LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith the 28th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2012.

REVENUE FROM OPERATIONS

The Company has earned the Revenue from Operations (net) of ₹28222.46 lacs and Other Income of ₹288.80 Lacs during the year ended on 31st March, 2012 as against ₹ 23617.93 Lacs and ₹359.10 lacs respectively earned during the previous year ended on 31st March, 2011.

FINANCIAL RESULTS:

(₹ in lacs)

Particulars	Year ended 31-3-2012	Previous year ended 31-3-2011
(a) Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	3881.91	2738.65
(b) Finance Cost	1989.32	1203.21
(c) Depreciation and amortization expenses	952.39	823.06
Less : Recoupment from Revaluation Reserve / Deferred Government Grant	<u>20.73</u>	<u>23.77</u>
	<u>931.66</u>	<u>799.29</u>
(d) Profit before Exceptional and Extraordinary Items and Tax	960.93	736.15
(e) Exceptional Items	<u>0.00</u>	<u>0.21</u>
(f) Profit before Extraordinary Items and Tax	960.93	735.94
(g) Extraordinary Items	<u>0.00</u>	<u>0.00</u>
(h) Profit before Tax	960.93	735.94
(i) Tax Expenses		
(a) Current (MAT Tax)	189.73	141.93
Less : MAT Credit Entitlement	<u>(175.43)</u>	<u>(128.00)</u>
	14.30	13.93
(b) Deferred Tax charge / (release)	311.71	233.51
(c) (Short)/Excess Provision of Tax/Deferred Tax	<u>(9.68)</u>	<u>19.67</u>
	<u>335.69</u>	<u>227.77</u>
(j) Profit/(Loss) for the period	<u>625.24</u>	<u>508.17</u>
(k) Surplus in the Statement of Profit and Loss:		
Balance as per last Financial Statements	323.58	340.72
Profit for the year	625.24	508.17
Less : Appropriations:		
(a) Proposed final equity dividend (amount per share ₹ 1.50/- P. Y. amount per share ₹1.50/-)	107.82	107.82
(b) Tax on proposed equity dividend	17.49	17.49
(c) Transferred to General Reserve	<u>500.00</u>	<u>400.00</u>
Total Appropriations	<u>625.31</u>	<u>525.31</u>
Net Surplus/(Deficit) in the Statement of Profit and Loss	<u>323.51</u>	<u>323.58</u>

DIVIDEND :

The Directors have recommended dividend of ₹1.50 per share (@15.00%) on 71,87,830 Equity Shares of ₹ 10/- each of the Company for the Financial Year ended on 31st March, 2012. The Company declared ₹1.50 per share (@15.00%) dividend for the previous Financial Year ended on 31st March, 2011. This will absorb ₹107.82 lacs as against ₹107.82 lacs absorbed in the previous year. The corporate dividend tax payable by the Company on the said dividend will be ₹17.49 lacs as against ₹17.49 lacs in the previous year. If approved, the dividend will be paid without deduction of tax at source to the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report has been enclosed herewith as per Annexure "A" and forming part of the Directors' Report.

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 Related Party Transactions, Employees Benefits, Taxes on Income, Derivative Instruments, Segmental Reporting (in Notes on Consolidated Accounts), Calculation of EPS, Foreign Currency Transactions etc.

QUALITY ASSURANCE AND AWARDS

ISO 22000:2005 AND ISO 9001:2008 CERTIFICATES

The Company has always made continuous efforts to improve the process of manufacturing and to achieve Foods safety, quality and efficiency in each of its operations. This is evident from the achievement of BRC - Food Certification by Intertek Moody (Mumbai), HALAL from HALAL, India, ISO 22000 : 2005 certified by INDOCERT accredited to National Accreditation Board for Certification Bodies (NABCB, QCI, India) towards Food Safety Management System and ISO 9001:2008 Certification from ISOQAR, (U.K.) towards Quality Management System for its Processed Food Division, situated at Dharampur, Dist. Valsad, Gujarat.

Also, in the list, is the Two Star Export House Status by Joint Director General of Foreign Trade, Ministry of Commerce and Industry for export of Processed Foods Products (APEDA).

The BRC – Food and ISO 22000:2005 Certification from Bureau Veritas, Mumbai for its ice-cream plant at Pundhra in the State of Gujarat and Bareilly in the State of Uttar Pradesh for Management System is another feather in the cap of the Company.

FINANCE:

During the year under review, the Company has availed the Term Loans from various Term Lenders towards part financing the expansion-cum-modernization of its existing manufacturing units. The Company has also availed during the year under review, various short term loans from Banks and other Companies, which have been duly repaid by the Company. The Company has also converted part of its existing Term Loans into Foreign Currency Loan (FCNRB) to save interest cost.

In terms of the provisions of Investor Education and Protection Fund Rules, 2001 (IEPF), during the year under review, the Company has transferred the amount of unclaimed fixed deposit of ₹2,48,000/- and unclaimed interest on fixed deposit of ₹17,883/- upto 31-3-2004, to IEPF established by the Central Government under Section 205C(1) of the Companies Act, 1956.

FIXED DEPOSITS:

The Company has no overdue deposits outstanding other than those unclaimed deposits of ₹26.19 lacs as on 31st March, 2012. As on date of this Report, deposits aggregating ₹ 13.85 lacs thereof have been claimed and either paid or renewed. The Company has mobilised Fixed Deposit of ₹ 911.90 lacs during the year ended on 31st March, 2012, after complying with the provisions of Section 58 A 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, 2012 stood at ₹ 1396.70 lacs.

SUBSIDIARY COMPANY:

The Company has incorporated a wholly-owned subsidiary company namely Vadilal Industries (USA) Inc., in the State of New Jersey in USA during the year – 2009-2010. However, pursuant to the provisions of Section 212 of the Companies Act, 1956 read with the General Circular No. 2/2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs, granting general exemption under Section 212(8) of the Companies Act, 1956, the Annual Accounts and other related details of Vadilal Industries (USA) Inc., including the Statement under Section 212(1)(e), for the year ended on 31-3-2012, are not attached with the Balance Sheet of the Company. However, the financial information of the said Subsidiary Company has been included in the Notes to the Consolidated Accounts attached herewith.

However, the Company undertakes that the Reviewed/Audited Financial Statements of Vadilal Industries (USA) Inc. for the year ended on 31-3-2012, alongwith reports of Directors and Independent Accountant thereon shall be made available to shareholders and a hard copy of the same shall be provided to the shareholders, on their written request. The said Reviewed/Audited Financial Statements of Vadilal Industries (USA) Inc. for the year ended on 31-3-2012, alongwith reports of Directors and Independent Accountant thereon including Statement under Section 212(1)(e) shall also be available for inspection by any shareholder of the Company, **at the Share Department** of the Company on any working days except Saturdays between 2.00 p.m. to 4.00 p.m. upto the date of Annual General Meeting.

CONSOLIDATED FINANCIAL STATEMENTS:

As stipulated by Clause 32 of Listing Agreement with Stock Exchanges, Consolidated Financial Statements of the Company, its wholly-owned Subsidiary Company namely, Vadilal Industries (USA) Inc. and Vadilal Cold Storage, a Partnership Firm, for the year ended on 31st March, 2012 have been prepared by the Company in accordance with the requirements of Accounting Standard - 21 "Consolidated Financial Statements" and Accounting Standard 23 "Accounting for investments in Associates" issued by the Institute of Chartered Accountants of India and prescribed under Section 211(3C) of the Companies Act, 1956. The Audited Consolidated Financial Statements form part of the Annual Report.

CORPORATE GOVERNANCE:

Being a Listed Company, the Company has taken necessary measures to comply with the Listing Agreement with the Stock Exchanges as amended from time to time including revised Clause 49 regarding Corporate Governance. A separate report on Corporate Governance for the year ended on 31st March, 2012 is attached herewith as a part



of this Annual Report. A certificate from Statutory Auditors of the Company regarding compliance of Corporate Governance as stipulated under the revised Clause 49 of Listing Agreement is obtained by the Company and annexed to the Corporate Governance Report.

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 :

- a) 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;
- b) 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, 2012 and of the profit or loss of the Company for that year;
- c) 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;
- d) that they have prepared the Annual Accounts on a going concern basis.

INSURANCE:

All insurable interests of the Company including buildings, plant and machinery, furniture & fixtures and other insurable interest are adequately insured.

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

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure "B" attached herewith and forming part of the Directors' Report.

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 (BSE) and National Stock Exchange of India Limited (NSE). The Company's shares were also listed at Ahmedabad Stock Exchange Limited (ASE) till 30th July, 2012.

The Equity Shares of the Company are admitted to dealings on the National Stock Exchange of India Limited (NSE) on Capital Market Segment vide a Circular of NSE bearing Ref. No. NSE/LIST/C/2011/0587 dated 13-06-2011 and a letter of NSE bearing Ref. No. NSE/LIST/ 167762-A dated 13th June, 2011. The Trading on Capital Segment of the NSE was commenced from 15-06-2011. The designated Security Code for the purpose of dealings at NSE is VADILALIND-EQ.

The Company confirms that it has paid Annual Listing Fees due to the Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. and Ahmedabad Stock Exchange Ltd. upto the Financial Year – 2012-2013

DELISTING AT AHMEDABAD STOCK EXCHANGE LIMITED:

Considering the negligible volume of trading at Ahmedabad Stock Exchange Limited, the Board of Directors has, at its meeting held on 30th May, 2012 approved to voluntarily delist total 7187830 Equity Shares of Rs. 10/- each of the Company from the Ahmedabad Stock Exchange Limited. On application of the Company, the Ahmedabad Stock Exchange Limited has, vide a letter dated 31st July, 2012 approved the delisting of the aforesaid Equity Shares of the Company from the exchange and the said shares has been removed from the list of the exchange w.e.f. 31st July, 2012.

However, the equity shares of the Company shall continue to be listed at the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, which are having nation wide terminals.

PARTICULARS OF EMPLOYEES:

During the financial year under review, no employee of the Company including Managing Directors was in receipt of remuneration in aggregate of ₹ 5,00,000/- per month or more or ₹ 60,00,000/- per annum or more. Hence, the statement of particulars of employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 need not to be given.

DIRECTORS:

Pursuant to the provisions of Section 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Kshitish M. Shah and Mr. Rajesh K. Pandya, Directors of the Company, shall retire by rotation at this Annual General Meeting, and being eligible, offer themselves for re-appointment. The 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. The brief resume/details relating to the said Directors, who are to be re-appointed are furnished in the Notes to the Notice of the Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY

The Company daily provides Ice-cream to the patients of M. P. Shah Cancer Hospital, the Gujarat Cancer and Research Institute, New Civil Hospital Compound, Asarwa, Ahmedabad.



AUDITORS:

M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad, holds office as Statutory Auditors of the Company until the conclusion of this Annual General Meeting and as recommended by Audit Committee, the Board recommends their appointment, as Statutory Auditors of the Company, for the Financial Year – 2012-2013 and to hold office from the conclusion of the ensuing 28th 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 224(1B) of the Companies Act, 1956 to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Act. The Members are requested to consider their appointment as Statutory Auditors of the Company for the Financial Year – 2012-2013, at a remuneration to be decided by the Board of Directors.

AUDITORS' REPORT OF THE COMPANY:

The following clarification has been made by the Directors in respect of the observation made by the Auditors in CARO report for the year ended on 31st March, 2012:-

1. The Company has not paid sales tax overdue for more than six months to the extent of ₹17.00 lacs due to pending litigation / legal cases. The Company has obtained a stay against the said litigation.

COST AUDITORS:

The Ministry of Corporate Affairs has, vide a notification no. G.S.R. 429(E) dated 3rd June, 2011, notified the General Cost Accounting Records Rules, 2011, which has made it mandatory for the Company to maintain cost records on regular basis in such manner so as to make it possible to calculate per unit cost of production of its products.

Further, the Ministry of Corporate Affairs has, by an industry specific Cost Audit Order dated 24th January, 2012 ordered audit of Cost Records under Section 233(B) of the Companies Act, 1956 for "Packaged Food Products". Accordingly, the Company has appointed Mr. Vinod Himmattal Shah, Cost Accountant, Ahmedabad, having Membership No. 889 as Cost Auditor of the Company, to audit the Cost records maintained by the Company, for the Financial Year – 2012-2013. The appointment of Mr. Vinod Himmattal Shah as a Cost Auditor of the Company for the Financial Year – 2012-2013 has been approved by the Central Government.

ACKNOWLEDGEMENT:

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

The Directors also place on record their appreciation of dedicated and sincere services of the employees of the Company at all levels.

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

By Order of the Board of Directors

Date : 13th August, 2012.
Place : Ahmedabad

RAJESH R. GANDHI
MANAGING DIRECTOR

DEVANSHU L. GANDHI
MANAGING DIRECTOR

ANNEXURE "A" TO THE DIRECTORS' REPORT **MANAGEMENT DISCUSSION AND ANALYSIS**

1) INDUSTRY STRUCTURE & DEVELOPMENT, BUSINESS OVERVIEW AND SUSTAINABLE GROWTH OPPORTUNITIES.

a) Ice-cream Division

India is 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 ₹ 2000 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 also getting tremendous response.

The industry structure and ongoing transformation offers opportunities for organized players to invest and grow. Vadilal Ice-cream division has shown a sustainable annual growth consistently.

Keeping with the tradition of regular growth through innovative product launches last year, the Company launched Badabite, Flingo and Gourmet which created a storm in the Indian Ice-cream Market. Badabite and Flingo are essentially targeted at youth and Gourmet is targeted at premium home consumption. And with the tremendous success of these launches, the Company was confronted with a huge challenge to go further.

After a lot of research and strategic thinking, the Company embarked on the journey to create a completely new range of products to delight its most important consumer segment: KIDS. The Company has launched a myriad range of products in delightful shapes, colors and flavors under the umbrella brand of 'Ice Trooper'.



Kids nowadays are bombarded with a constant advertising messages and it is a huge challenge to break the communication clutter. Further, it is a tough task to create a communication appealing to the highly exposed kids of today who gets bored easily. Thereby, a mascot was created to add to the fun/cheer factor for the brand Ice Trooper. Ice Trooper is likeable personality whom the kids would love to relate to.

Along with the kids' category, the Company also introduced around 20 new products this summer. The Company recently introduced a new variant Mocha Fudge in the 'Flingo' cone category. In the 'Gourmet' range also the Company added a few more variants. Following the tremendous response that the company got for its 500 ml Gourmet tubs, the Company is launching smaller Gourmet tubs of 140 ml, especially for institutional segment and people on the move.

In terms of ice cream scoops, Vadilal recently launched flavors like Praline N Creme, Golden Ribbon, Silk Chocolate, Kiwi Queen, Chocolate Peanut, Pina Lemon and Mango Marvel to give Indian consumers a feel of the international ice cream eating experience. Golden Ribbon, Silk Chocolate and Praline N Creme are also available in the Gourmet tub range. In take-home category, the Company recently introduced 2 litre party packs to cater to the bulk demand with regard to the home consumption category.

New mega brands, installation of latest state-of-the-art machines 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.

The Company has just set up India's fastest cone-making machine. As against the current machines which make 6000 cones per hour, the Company has put in place a machine which will make 18,000 cones per hour. It is the first and the only ice cream producer in India to have a machine with such a huge capacity. Vadilal is the largest player in Cones, Cups and Candies categories.

The Company is having two ice-cream production facilities – one at Pundhra in Gandhinagar district, Gujarat and the other one at Bareilly in Uttar Pradesh. To increase the production capacity and to have better automation, the Company has undertaken expansion-cum-modernisation project of its aforesaid Ice-cream factories, which is near completion.

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).

b) Processed Food Division

i. OVERVIEW:

The world today is driven by convenience. Beyond the basic needs and necessities, luxury has now become synonymous with convenience and ease of operation. 'Quick and easy' is the new market mantra, and one area where this behavioral evolution has turned out to be a boon is the Convenience Foods market.

Dwelling a step further into this zone, the Frozen Foods market segment has hitherto been the most sought after segment that has catered to these altering needs. Boasting to be as fresh as garden-picked and as delicious as home-cooked food, and with qualities like longer shelf life and advanced technological expertise, the Frozen Foods category is making positive strides towards representing a more attractive and relevant proposition to a wider range of consumers today.

ii. GLOBAL MARKET VIEW:

The overall global frozen food scenario has showcased a positive outlook over the years. As per holistic stats, the global frozen food market is expected to be \$261.50 billion in 2015 at an estimated CAGR of 3.7%. The U.S.A. is expected to witness a moderate CAGR of 4% from 2010 to 2015 while the Rest of the World (ROW) segment (which includes Latin America, Australia and others) is expected to witness a CAGR of 4.7%.

Asian frozen food market is expected to grow at an estimated CAGR of 3.4% from 2010 to 2015. Japan leads the Asian countries in terms of frozen food consumption.

The recessionary phase that major parts of the world have gone through in the recent past has seen new competitive trends taking shape in frozen as well as other processed Foods. Due to the decline in income and spending power of consumers, the trend of partying out declined and people preferred to spend time at home, which fuelled the growth of frozen food segment. As a result of this, the industry is continuously experiencing a great amount of openness to competitive products in the major frozen food eating countries like USA & Europe, from across the world.

This sequence of events will lead to the establishment of an outstanding platform for Frozen Foods exports from developing countries, in the years to come.

New product launches is one of the major trends followed aggressively by key industry participants, making innovation the key growth factor. Consumers all across the world show as much preference for branded products in frozen foods category as other consumer goods. And the industry is



witnessing an emergence of strong brands in the category. The unorganized sector comprising unbranded frozen products remains the biggest challenge to the organized sector of branded frozen food products.

The existence of private labels, especially in Europe where they constitute around 40% of the total frozen foods market, is the major factor restricting the growth of the market. Ready meals are the most expensive ones among the frozen food product categories and, thus, account for the largest market share of 40% in terms of revenue.

iii. **EVOLUTION OF THE MARKET - FROM INDIAN PERSPECTIVE:**

Mango and its processed products pioneered the Frozen Foods exports in India. From mango dices, slices to pulp, frozen as well as canned mango products have always been the perfect pick. The next leap was the export of commodities like peas, sweet corn & other vegetables with widened demands.

With the evolution of needs and wide acceptance of the commodities, convenience and ethnic products like Indian traditional meals consisting of Indian breads, curries and snacks have carved a market in the Frozen Foods segment. Most interestingly, the Indian vegetarian products are now making inroads in the mainstream consumption as well.

Where on one hand frozen food is considered as a supplement by many, and is therefore demanding consumer price competitiveness, the recent times have experienced that consumers are ready to pay premium on value-added products like frozen pizza which is in fact the fastest growing segment in the frozen ready meals with an estimated CAGR of 4%.

iv. **VADILAL QUICK TREAT:**

The Company's Quick treat has always been on a close watch of the market and Company's innovation driven growth has always complemented the global frozen Foods trends. Treading from processed frozen Mango products in 1990s, in its journey of two decades, the Company has marked milestones in frozen Foods category with multi-faceted growth and an extensive product portfolio along with expanded manufacturing facility.

The Company strives to take up tasks that are more challenging with a contemporary and diversified approach. Which is why, with novel and innovative technologies, refined R&D facilities, exceptional quality support teams and a headstrong determination, today the Company delivers freshness sealed with trust. With a bagful of products to choose from, our basket of freshness has something for everyone, for anytime of the day and for any occasion. And with more than 100 importers and distributors across America, Australia, Europe, UAE and Africa, the Company can pretty much say 'for anywhere' too. As major exporter and market player in frozen Foods today, the Company has an extensive distribution network across all the major continents. With focused efforts, the Company is now a part of some of the major retail chains like Woolworths, Coles (SA), Tesco, Carrefour, Loblaws, Lulu, Fresh n Easy, to name a few.

Nationally, the Company's rich legacy has been a benchmark for establishing strong brand connection with the consumers and with the optimum utilisation of Company's age-old cold chain network, the Company is a comprehensive package of trustworthy brand, quality product and ready availability.

Vadilal Quick Treat 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 last couple months, it has ventured into the northern territories of India like Uttar Pradesh and Chhattisgarh.

On promotions and brand building front, with our efforts that are directed towards creating a stronger brand presence, the Company is all set to capture greener pastures in India as well as abroad. Each day, the Company strives for more, spare a few more minutes and walk an extra mile for making lives easier. That is why, each year the Company comes up with an array of new products that add value to people's lives by saving time, eating healthy or adding convenience.

To make life of its consumers easier, the Company has put in its best of intelligence, expertise and efforts for a long time to create these convenience food products that not only serve its customers' taste buds but also make life in the kitchen utterly simpler for them.

And to highlight this philosophy, the Company has introduced a new brand identity and a baseline - 'Shortcut to Happiness'

c) **Forex Division**

RBI AUTHORISED AD.II CATEGORY LICENCE HOLDER.

The Division has received licence from RBI to conduct business activities linked with Money Changing and current account related transactions. The Division now takes care in Money Changing activities such as buying and selling Travelers Cheques, Currency Notes of all major traded currencies of the world. Besides having licence under AD.II category, the Company now takes care of issuance of Demand Drafts, transfer of money abroad through Swifts, Telegraphic Transfer, etc. RBI has, looking to the functions of



the Division, has renewed the AD.II category licence for consequent 3rd year. The Division has also applied for permission to conduct Trade related transactions.

2) FUTURE STRATEGY

a) Ice-cream Division

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.

For that purpose, the Company will continue with its market expansion and penetration plans. The Company will be consolidating its strong foothold in the market by reaching out to new territories as well as increasing the retail density as well. The addition of imported extrusion machines has created the Company's stronger hold in market.

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 mega brand Ice Trooper. Last years Vadilal made a strong foray into the premium and youth segment. This year, the Company strengthened its presence among most important consumer segment: kids. In future, the Company wants to consolidate the same with more variants and flavors.

b) Processed Food Division

The Company entered the processed foods industry to optimize utilization of its extensive cold chain network in the 1990s. It currently caters to the domestic and export markets with products such as frozen vegetables and ready to eat snacks, curries and breads.

In the coming times, the Company is poised for acquisition of a bigger market share and establishment of a strong brand identity via a meticulous marketing mix, including quality products, a robust chain of distribution ensuring product availability at competitive prices and effective promotions.

To back this up, the Company has a fully operational warehouse in New Jersey and this February saw the opening of a new warehouse at California which will cater to the west coast of USA and will strengthen the distribution network thereof.

Along with this, the Company has now entered the HORECA sector, with its IQF vegetables and ready meals, which is another profitable segment to bank upon.

Our future endeavors will be directed towards identifying more such sectors where there are opportunities of rapid growth. The Company's Quick Treat is now being perceived as a blend of quality and pricing with a product mix that caters to all the consumers of all strata both, nationally and internationally.

In the year 2012-2013, company also looks forward to expand its operations to Delhi and regions around Delhi. In the next five years, company aspires to be one of the leading frozen foods brand of India, with a special interest in modern retail. Understanding the importance of modern retail, Vadilal Quick Treat is strengthening its availability at all leading hyper markets and cash and carry formats in the areas of its presence.

Domestic Market:

The year 2011-2012 was another successful year for the company's processed food division – domestic. The division has established its existence in new territories like Uttar Pradesh & Chhattisgarh. The division has also introduced new products like Frozen Spring Roll, Wraps, and Garlic Clove. The division is also keen to establish itself well in other territories of India.

By appointing many new distributors, Vadilal has extended its market reach with its strong supply chain network. Moreover, this year Vadilal aggressively entered into many big format Modern Trade stores to showcase presence at every hyper, super markets and cash & carry stores.

Vadilal's participation in exhibition & PR activities at right time catches the eyeballs of many shoppers & helped to increase brand recall value. Furthermore, strategic marketing, branding & PR activities would be carried out to get a hold on market like participation in national level exhibition, ATL and BTL activities.

3) HIGHLIGHTS OF FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE.

Inspite of tough competition in Ice-cram business, your Company has earned Revenue from Operations (Net) of ₹ 28222.46 lacs during the year ended on 31st March, 2012 as against ₹ 23617.93 lacs earned during the previous year ended on 31st March, 2011.

Your Company has earned the earning before interest, tax, depreciation and amortization of ₹ 3881.91 lacs during the year ended on 31st March, 2012 as compared to ₹ 2738.65 lacs earned during the previous year ended on 31st March, 2011.

The Company has earned the Net Profit of ₹ 625.24 lacs during the year ended on 31st March, 2012 after providing Financial Expenses and Depreciation and other adjustments and after making Provision for Current (MAT) Tax (net of entitlement) of ₹14.30 lacs, Deferred Tax charge of ₹311.71 lacs and other adjustments as compared to Net Profit of ₹508.17 lacs earned during the previous year ended on 31st March, 2011.



4) SEGMENT WISE PERFORMANCE.

The Company has identified three business segments in line with the Accounting Standard on Segment Reporting (AS 17). These are (1) Ice-cream (2) Processed Foods and (3) Others. Below mentioned table gives the audited financial results of these segments.

Segment revenue, results and capital employed for the year ended 31st March, 2012		(₹ in lacs)
Segment Revenue (Sales plus income from services)		
Ice-cream		23603.55
Processed Foods		4811.00
Others		203.44
Total:		28617.99
Less : Inter-segment revenue		(153.41)
Net Sales/Income from Operations		28464.58
Segment Results (PBIT)		
Ice-cream		3113.42
Processed Foods		(222.23)
Others		4.22
Total:		2895.41
Less : Interest (Net) & prior year adjustment	1772.87	
Other unallocable expenditure	197.50	1970.37
Total Profits (PBT)		925.04
Capital employed in segments (Segment assets less liabilities) - as at 31st March, 2012		
Ice-cream		19302.69
Processed Foods		6326.54
Others		168.84
Total Capital employed in segments		25798.07
Add : Unallocable corporate assets less corporate liabilities		(14840.81)
Total Capital Employed		10957.26

5) RISK AND CONCERN

a) Ice-cream Division

For Vadilal competition is not a risk but a feel that continuously motivates it for innovation that keeps one step ahead than competitors. The Company has tackled competition successfully in past and capable to overcome it efficiently in future also. Now a days the markets are flooded with new local and regional players with cheaper & shoddy product options but Vadilal, with its experience & expertise of more than 8 decades for providing quality ice-cream products, is well equipped to face such challenges. However, there are certain concerns like infrastructure & rising input costs, which the Company should take in mind.

b) Processed Food Division

Inadequate infrastructure, poor agricultural input management and semi-organised supply chain management are the major areas of concern. The high transportation and inventory carrying cost along with fluctuation in foreign currencies adds further risk to it.

On the other side, entry of new players and low priced private label products are making the competition cut throat. Therefore, product innovation and better priced products meeting international quality standards will be the key to generate volume.

6) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY.

In view of the management, the Company has adequate internal control systems for the business processes followed by the Company. The External and Internal Auditors carry out periodical reviews of the functioning and suggest changes if required. The Company has also a sound budgetary control system with frequent reviews of actual performance as against those budgeted.

The Audit Committee of the Board meets periodically to review various aspects of the performance of the Company and also reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them from time to time. The External Auditors also attend these meetings and convey their views on the business processes and also of the policies of financial disclosures.



7) HUMAN RESOURCES

The Company has total staff strength of 591 at all locations, including workers. The Company recognizes the important role that its employees need to play for the growth of various business activities. The human resource policies and processes of the Company are in line with this.

The Company has been maintaining cordial and healthy Industrial Relations, which has helped to a great extent in achieving the steady growth.

8) CAUTIONARY STATEMENT

The statements made and figures given in the various sections of "Management Discussion and Analysis" are keeping in mind the Company's objectives, estimates and expectations. The Actual results may differ from those expected depending upon the economic conditions, changes in Govt. Regulations, tax regimes and other external and internal factors.

ANNEXURE "B" TO THE DIRECTORS' REPORT

[Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended on 31st March, 2012]

A) CONSERVATION OF ENERGY

a) Energy Conservation measures taken :

Ice-cream Division :

In order to reduce the cost of production, save consumption of energy and increase the productivity, the Company has taken several measures which mainly include the following :

- The Company has substantially invested in its Ice-cream factory situated at Pundhra, in the State of Gujarat and at Bareilly in the State of Uttar Pradesh, during last 2 years to expand its production capacity with a goal to achieve energy conservation, quality and food safety.
- The Company is in process of installation of fully automatic Ice-cream Mix Processing Plant with Scada, to achieve Quality standards as per Export norms.
- The Company has installed new cup Machine to increase the capacity. This will result in improvement in the quality as well as savings in energy. After installation of this new cup machine, the Company's entire cup and cone production has now been done with fully automatic machines.
- During the year under review, the Company has installed some latest machineries like new cassata cutting machine, sandwich making machine, Automatic box filling machine, new automatic fruit feeders, glue type box packing machine etc.
- The Company has done energy audit of its Ice-cream division situated at Pundhra, in the State of Gujarat from external agency.
- The Company has started monitoring water consumption and reduced 100kl of water consumption per day by recycling the defrost water in cooling towers as well as by creating awareness amongst the workers.
- The Company has installed material handling conveyers in freezing section for reducing manpower at its Ice-cream factory situated at Pundhra, in the State of Gujarat.
- The Company has added different types of Material Handling Conveyer and Automation for increasing productivity and smooth functioning of its Ice-cream factory, situated at Bareilly, in the state of Uttar Pradesh.

Processed Food Division:

So far as Processed Foods Division is concerned, the Company has taken the following measures towards conservation of energy and technology updates :

- 95% of Plant and Machinery layout restructures for unidirectional man and material movement.
- New Laser sorter installed for quality product.
- New Encrusting machine installed in curried section for Paratha, Roti etc. By this machine, the Company will save 30% of Man power.
- To minimize the energy losses, all steam lines, chilled water/brine and ammonia lines has been insulated.
- Leafy vegetable washer installed which help to give quality product.

b) Additional investments and proposals, if any, for reduction of consumption of energy:

Ice-cream Division :

- Apart from above, the Company is planning to install VFD drives on imported screw compressor of refrigeration plant for power saving purpose.
- The Company is going to study the installation of wood fired boiler in place of oil fired boiler at its Pundhra plant. The Company has already installed wood fired boiler at its Ice-cream plant situated at Bareilly, in the state of Uttar Pradesh.



Processed Food Division:

- Bar coding system is proposed for maintaining FIFO method for easy and effective control of Finished Goods.

- c) **Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :**

Ice-cream Division

- The measures listed in (a) and (b) above would result in reduction in power consumption, increase in storage capacity, increase food safety and quality of product, productivity and profitability.

Processed Food Division

- The measures listed in above (a) and (b) would result in energy saving, increase in production rate, improvement in quality and avoiding in production break-down due to power-off.

- d) **Total Energy Consumption and Energy Consumption per unit of production as per prescribed Form-A :**

As per Annexure - A attached.

B) TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENTS

- a) **Specific areas in which R & D carried out by the Company :**

- » Installed liquid overfeed system with imported screw compressors.
- » Installed palletised cold store.
- » Installed fully automatic Ice-cream mix plant with scada system.
- » Installed Extrusion Line.
- » Installed continuous hardening tunnel.
- » New product development related to frozen products.
- » Process modifications to improve productivity.
- » Product diversification in similar type of products.

- b) **Benefits derived as a result of the above R & D :**

- To continuously upgrade the quality of products, the Company has given a thrust to Research and Development (R&D) activities and this has resulted in better acceptance of the products by all classes of consumers.

- c) **Future Plan of Action :**

- The Company has already introduced and is further planning to introduce various new ice-cream, frozen desert, candies and various products and also processed food products, which will include full range of Frozen vegetables, Fruits and Ready to serve foods by considering consumer requirements as well as export demand.

- d) **Expenditure on R & D : ₹ 21.68 lacs.**

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- a) **Efforts in brief, made towards technology absorption, adaptation and innovation :**

- The installation of 40 nos. of CCTV Camera is going on.
- The Company has constructed RCC roads in its Pundhra Factory and the landscaping work is going on.
- The Company has developed new workers amenity with all facility as per Export norms.
- The Company has started installation of fire hydrant system for safety purpose.

- b) **Benefits derived as a result of the above efforts :**

As per B (b) above.

- c) **In case of Imported technology (imported during last five years reckoned from the beginning of the financial year) following information to be furnished :**

The Company has not imported any technology, hence the questionnaire is not applicable.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

As against Foreign Exchange Earnings of ₹ 2285.30 lacs for the previous year ended on 31st March, 2011, the Company has earned Foreign Exchange of ₹ 2995.25 lacs for Export of Goods on FOB value for the year ended on 31st March, 2012.

As against Foreign Exchange Outgo of ₹ 1281.92 lacs for the previous year, the Outgo during the year under review was ₹ 1116.90 lacs.



CORPORATE GOVERNANCE REPORT

Report on Corporate Governance for the year ended on 31st March, 2012

(2011-2012)

❖ Brief statement on Company's philosophy on Code of Governance :-

In April, 2000, the Securities and Exchange Board of India (SEBI) introduced a comprehensive code on Corporate Governance. Pursuant to this, the Stock Exchanges have amended Listing Agreement. A report, in line with the requirement of the Stock Exchanges pursuant to Clause 49 of Listing Agreement as amended from time to time, is given below.

Over the past few years, the transition in the business environment, coupled with liberalisation and changing market conditions, has led to a fundamental shift in the management's approach to enhancing shareholder value. In this context, Corporate Governance has attained paramount importance for ensuring fairness, transparency, accountability and responsibility to all stakeholders.

The Company's philosophy on Corporate Governance is aimed at making the top management of the Company in the efficient conduct of its business and in making its obligation to Shareholders.

❖ The Report on Corporate Governance is divided into ten parts :-

- 1) Board of Directors,
- 2) Remuneration of Directors,
- 3) Committees of the Board - Audit Committee, Remuneration Committee, Share Transfer and Investors' Grievance Committee and Selection Committee,
- 4) General Body Meetings,
- 5) Disclosures,
- 6) Code of Conduct,
- 7) Code of Conduct under SEBI (Prohibition of Insider Trading) Regulation, 1992,
- 8) Means of Communication,
- 9) General Shareholder information, and
- 10) Compliance of non-mandatory requirements

1) Board of Directors

(i) Composition and category of Directors :

The Board of the Company comprises Executive and Non-executive Directors. The day-to-day management of the Company is conducted by the Managing Directors of the Company, subject to the supervision, direction and control of the Board of Directors of the Company.

The Board of Directors of the Company as on 31-03-2012 consists the following 8 Directors, out of which, majority Directors are Non-executive Directors and one half of the total Directors are Independent Directors :-

Category	Name of the Directors
A. Promoter & Non-executive Director	1 Mr. Ramchandra R. Gandhi, Chairman
B. Promoters & Executive Directors	2 Mr. Virendra R. Gandhi, Vice-Chairman & Managing Director 3 Mr. Rajesh R. Gandhi, Managing Director 4 Mr. Devanshu L. Gandhi, Managing Director
C. Non-executive and Independent Directors	5 Mr. C. M. Maniar 6 Mr. Kshitish M. Shah 7 Mr. Rohit J. Patel 8 Mr. Rajesh K. Pandya

(ii) Number of Board Meetings held and the dates on which held :

The Board met 7 times during the year under review on 24-04-2011, 14-05-2011, 18-07-2011, 08-08-2011, 03-11-2011, 29-12-2011 and 07-02-2012. The gap between two Board Meetings did not exceed 4 months.

The Board Meetings were held at the Registered Office of the Company.

(iii) Attendance of each Director at the Board Meetings (7 Board Meetings) held during the year from 01-04-2011 to 31-03-2012, last Annual General Meeting (AGM) and number of Directorship and Chairmanship / Membership of Committee of each Director in various Companies as on 31-03-2012:

Name of Director	Attendance		No. of Directorships and Committee Member/ Chairmanship (including Vadilal Industries Limited)		
	Particulars		Directorship*	Committee Membership **	Committee Chairmanship **
	Board Meetings (7 Board Meetings)	Last AGM			
Ramchandra R. Gandhi	7	Yes	4	4	2
Virendra R. Gandhi	7	Yes	4	3	1
Rajesh R. Gandhi	7	Yes	5	4	Nil
Devanshu L. Gandhi	6	Yes	4	3	Nil
C. M. Maniar	5	No	15	10	1
Kshitish M. Shah	6	Yes	2	2	1
Rohit J. Patel	5	Yes	3	2	1
Rajesh K. Pandya	7	Yes	4	1	Nil

* This excludes Directorships held in Private/Foreign Companies and Companies incorporated under Section 25 of the Companies Act, 1956.



** Committees of Directors include Audit Committee and Share Transfer and Investors' Grievance Committee. None of the Directors of the Company is a member of Board of more than 15 Public Limited Companies, in terms of Section 275 of the Companies Act, 1956. None of the Directors is a member of more than 10 Board level Committees or a Chairman of more than 5 such Committees as required under Clause 49 of Listing Agreement. The necessary disclosures regarding Committee positions have been made by the Directors.

(iv) **Relationship between the Directors :-**

Name of the Director	Name of the Relative Director	Nature of relation
Mr. Ramchandra R. Gandhi	1. Mr. Virendra R. Gandhi 2. Mr. Rajesh R. Gandhi	Son Son
Mr. Virendra R. Gandhi	1. Mr. Ramchandra R. Gandhi 2. Mr. Rajesh R. Gandhi	Father Brother
Mr. Rajesh R. Gandhi	1. Mr. Ramchandra R. Gandhi 2. Mr. Virendra R. Gandhi	Father Brother

No other Directors have any relations inter-se.

(v) **Information supplied to the Board :-**

Among others, this includes:

- Annual operating plans and budgets and updates,
- Capital budget and updates,
- Quarterly Results of the Company and its operating divisions or business segments,
- Minutes of meetings of Audit Committee & other Committees of the Board,
- The information on recruitment and remuneration of senior officers just below the Board level,
- Show cause, demand, prosecution notices and penalty notices, which are materially important,
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems,
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,
- Any issue, which involves possible public or product liability claims of substantial nature,
- Details of any Joint Ventures or Collaboration Agreement,
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- Significant labour problems and their proposed solutions, significant development in Human Resources/ Industrial Relations front,
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business,
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material,
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board is routinely presented with all information required under Clause 49 of Listing Agreement wherever applicable and materially significant. These are submitted either as a part of the Agenda papers or are tabled in the course of Board Meeting. Action taken report on the decision / minutes of the previous meeting is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

2) **Remuneration to all Directors :**

The aggregate value of salary, perquisites, other allowances and commission paid including contribution towards Provident Fund to the two Managing Directors of the Company during the year ended on 31-03-2012 (i.e. from 01-04-2011 to 31-03-2012) are as follows, as approved by the Shareholders at the 25th Annual General Meeting of the Company held on 26th September, 2009, by passing a Special Resolution towards partial modification in terms of remuneration payable to them, for period of 3 years from 01-04-2009 to 31-03-2012:-

Amount (₹ in lacs)

Name of Managing Director	Salary	Perquisites/ Allowances	Commission on Net Profit	Contribution to PF	Total
Mr. Rajesh R. Gandhi	26.40	12.04	10.10	3.17	51.71
Mr. Devanshu L. Gandhi	26.40	12.06	10.10	3.17	51.73

Besides this, the above Managing Directors are also entitled to Superannuation or Annuity Fund, to the extent not taxable and Gratuity and encashment of Leave as per Rules of the Company.

The Company has not paid Bonus to the above Managing Directors of the Company for the financial year ended on 31-03-2012.

The two Managing Directors have been reappointed as Managing Directors of the Company for a further period of 5 years w.e.f. 1st April, 2009 upto 31st March, 2014 as approved by Remuneration Committee and Board of Directors of the Company, at their respective Meetings held on 28-07-2007. The said re-appointments were approved by the shareholders of the Company at the 23rd Annual General Meeting of the Company held on 29-09-2007. The Company has entered into an Agreement on 19th November, 2007 with Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi for a period of 5 years for their appointment, powers, duties and payment of remuneration.



Subsequently, the Remuneration Committee and Board of Directors have also, at their respective meetings held on 25th October, 2008 partially modified the terms of payment of remuneration to the aforesaid Managing Directors for a period of 3 years w.e.f. 1st April, 2009 to 31st March, 2012. The shareholders of the Company have, at the 25th Annual General Meeting of the Company held on 26th September, 2009 approved the aforesaid modification in terms of remuneration to the aforesaid Managing Directors. In this regard, the Company has entered into a Supplemental Agreement on 30th September, 2009 with Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi modifying the terms of remuneration payable to them for a period of 3 years from 1st April, 2009 to 31st March, 2012.

Thenafter, the Remuneration Committee and the Board of Directors have, at their respective meetings held on 18th July, 2011 partially modified the terms of remuneration to be paid to Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi, Managing Directors of the Company, for the remaining period of their tenure of 2 years w.e.f. 1st April, 2012 to 31st March, 2014. The shareholders of the Company have, at the 27th Annual General Meeting of the Company held on 27th September, 2011 approved the aforesaid partial modification in terms of remuneration of the aforesaid Managing Directors. In this regard, the Company has entered into second Supplemental Agreement on 27-09-2011 with Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi modifying the terms of remuneration payable to them for the remaining period of their tenure of 2 years from 1st April, 2012 to 31st March, 2014.

The Managing Directors are required to give 3 months notice in writing to the Company to resign from the office of Managing Director. The Company does not have a scheme for grant of stock options either to the Managing Directors or Employees. None of the other Directors are paid remuneration except sitting fees for attending Board and Committee Meetings.

The Company has paid sitting fees to all Non-executive Directors of the Company for attending Board Meetings, as under, held during the year ended on 31-03-2012:

Sr. No.	Name of the Director	Amount in ₹
1	Mr. Ramchandra R. Gandhi	42,000/-
2	Mr. C. M. Maniar	30,000/-
3	Mr. Kshitish M. Shah	36,000/-
4	Mr. Rohit J. Patel	30,000/-
5	Mr. Rajesh K. Pandya	42,000/-

The Company has also paid sitting fees to the following Non-executive Directors of the Company for attending Audit Committee meetings, held during the year ended on 31-03-2012 :-

Sr. No.	Name of the Director	Amount in ₹
1	Mr. Ramchandra R. Gandhi	28,000/-
2	Mr. Kshitish M. Shah	24,000/-
3	Mr. Rohit J. Patel	20,000/-
4	Mr. Rajesh K. Pandya	28,000/-

The Non-executive Directors of the Company are also reimbursed the traveling and out-of-pocket expenses for attending such meetings.

Mr. Ramchandra R. Gandhi, a Non-executive Director of the Company is holding 10,000 Equity Shares of ₹ 10/- each of the Company, as on 31st March, 2012.

No other Non-executive Directors hold any shares in the Company.

3) Committees of the Board :

(a) Audit Committee :

(i) Composition

As on 31-03-2012, there were 4 members of Audit Committee as under :-

1	Mr. Rohit J. Patel	-	Chairman
2	Mr. Ramchandra R. Gandhi	-	Member
3	Mr. Kshitish M. Shah	-	Member
4	Mr. Rajesh K. Pandya	-	Member

All members of Audit Committee as mentioned above are Non-executive Directors. The constitution of the Audit Committee also fulfills the requirements under Section 292A of the Companies Act, 1956 apart from the requirements pursuant to Clause 49 of Listing Agreement with the Stock Exchanges.

Out of the 4 members of the Audit Committee, 3 members are Independent Directors, namely, Mr. Kshitish M. Shah, Mr. Rohit J. Patel and Mr. Rajesh K. Pandya.

Mr. Rohit J. Patel, who is the Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 27-09-2011. No queries related to financial results were raised by the members present at the said meeting. Mr. Ramchandra R. Gandhi, Member of the Audit Committee, has the knowledge of Finance & Accounts.

Mr. Nikhil Patel, who is a Company Secretary of the Company, is a Secretary to the Audit Committee.

(ii) Meeting and Attendance :

The Audit Committee met 7 times during the year under review on 24-04-2011, 14-05-2011, 18-07-2011, 08-08-2011, 03-11-2011, 29-12-2011 and 07-02-2012.



The presence of the Members of the aforesaid Audit Committee Meetings are as under :

Sr. No.	Name of the Director	No. of Audit Committee Meetings attended.
1	Mr. Rohit J. Patel	5
2	Mr. Ramchandra R. Gandhi	7
3	Mr. Kshitish M. Shah	6
4	Mr. Rajesh K. Pandya	7

The representative of the Statutory Auditors was present in all meetings of the Audit Committee. The Internal Auditors were also present in the meetings. The Managing Directors of the Company were also generally invited to attend the Audit Committee meetings. The Minutes of the Audit Committee Meetings are sent to all Directors of the Company at the time of Board Meeting and are confirmed in the Board Meeting.

(iii) **Terms of reference :**

The terms of reference of the Audit Committee as stipulated by the Board are as under and they are in accordance with all items listed in Clause 49(II)(D) of Listing Agreement with Stock Exchanges :

- a) Oversight of the Company's financial reporting process and disclosure of its financial information.
- b) Recommending the appointment and removal of external Auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with the management, the annual financial statements before submission to the Board, focusing primarily on :
 - Any changes in accounting policies and practices,
 - Major accounting entries based on exercise of judgment by management,
 - Qualifications in draft Audit Report,
 - Significant adjustments arising out of audit,
 - The going concern assumption,
 - Compliance with accounting standards,
 - Compliance with stock exchange and legal requirements concerning financial statements,
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of Company at large.
- d) Reviewing with the management, external and internal Auditors, the adequacy of internal control systems. Discussions with Internal Auditors any significant findings and follow-up thereon.
- e) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- f) Discussions with external Auditors before the audit commences, nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- g) Reviewing the Company's financial and risk management policies.
- h) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.
- i) It shall have discussions with the Auditors periodically about internal control systems, the scope of audit including observations of the Auditors and review the half yearly and annual financial statements before submissions to the Board. Review of annual financial statements of Subsidiary Companies.
- j) It shall ensure compliance of internal control systems.
- k) Taking note of Report on Corporate Governance.

(b) **Remuneration Committee :**

The Remuneration Committee of the Directors of the Company was constituted by the Board of Directors at their meeting held on 1st February, 2003 pursuant to the provisions contained in Schedule XIII to the Companies Act, 1956. The Remuneration Committee consists the following three Directors of the Company, as on 31st March, 2012, namely :

1. Mr. Kshitish M. Shah - Chairman
2. Mr. C. M. Maniar - Member
3. Mr. Rohit J. Patel - Member

The Remuneration Committee was re-constituted by the Board at their meeting held on 30th June, 2007 by introducing Mr. C. M. Maniar as the member in place of Mr. M. N. Vora, who ceased to be a member of Remuneration Committee due to his sad demise.

The constitution of Remuneration Committee fulfills the requirements of Schedule XIII to the Companies Act, 1956. All members of the Remuneration Committee are independent and Non-executive Directors of the Company.

The Remuneration Committee was constituted by the Board for the purpose of taking its approval for payment of managerial remuneration to Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi, Managing Directors of the Company.

A meeting of the Remuneration Committee of the Company was held on 18th July, 2011 and approved the partial modification in terms of remuneration to be paid to Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi, Managing Directors of the Company for the remaining period of their tenure of 2 years w.e.f. 1st April, 2012 to 31st March, 2014. Subsequently, the Board of Directors of the Company has also approved the partial modification in terms



of remuneration at its meeting held on 18th July, 2011. The said partial modification was also approved by the shareholders at the 27th Annual General Meeting of the Company held on 27th September, 2011.

(c) Share Transfer and Investors' Grievance Committee :

(i) Composition :

The Board of Directors of the Company has constituted a Share Transfer and Investors' Grievance Committee, comprising of 4 Directors of the Company, namely:

- | | | | |
|---|--------------------------|---|-----------------------------------|
| 1 | Mr. Ramchandra R. Gandhi | - | Chairman & Non-executive Director |
| 2 | Mr. Virendra R. Gandhi | - | Member |
| 3 | Mr. Rajesh R. Gandhi | - | Member |
| 4 | Mr. Devanshu L. Gandhi | - | Member |

The Committee, inter alia, approves the transfer of Shares, issue of duplicate Share Certificates, splitting and consolidation of Shares etc. The Committee also looks after redressal of Shareholder's complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. The Board of Directors have delegated the power of approving transfer of Shares etc. to the Share Transfer and Investors' Grievance Committee.

(ii) No. of Shareholders complaints received and not solved to the satisfaction of the Shareholders :

The total number of complaints received and replied to the satisfaction of Shareholders during the year under review were as following :

- | | | |
|---|---|-----|
| No. of Complaints outstanding as on 31-03-2011 | - | Nil |
| No. of complaints received during the year under review | - | 9 |
| No. of complaints disposed off during the year under review | - | 9 |
| No. of complaints outstanding as on 31-03-2012 | - | Nil |

(iii) Name and designation of Compliance Officer :

The Board has designated Mr. Nikhil Patel, Dy. General Manager (Secretarial & Legal) and Company Secretary, as the Compliance Officer of the Company pursuant to Clause - 49 of Listing Agreement.

(iv) Number of pending transfers :

No requests for transfer and dematerialisation were pending for approval as on 31st March, 2012.

(d) Selection Committee :

The Selection Committee of the Company was constituted by the Board of Directors, at its meeting held on 24-05-2010, for the purpose of approving appointment and payment of remuneration to any person, who is a relative of a Director of the Company, to hold any office or place of profit in the Company and approving any increase / revision in remuneration to be paid to such person, under Section 314 of the Companies Act, 1956 read with the Rules made thereunder.

The Selection Committee consists the following three Directors of the Company, as on 31st March, 2012, namely :

- | | | | |
|----|----------------------|---|----------|
| 1. | Mr. Kshitish M. Shah | - | Chairman |
| 2. | Mr. Rohit J. Patel | - | Member |
| 3. | Mr. Rajesh K. Pandya | - | Member |

4) General Body Meetings :

(i) Location and Time for last 3 Annual General Meetings (AGM) were :

Year	AGM	Location	Date	Time
2010-2011	27 th	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	27-09-2011	12.30 p.m.
2009-2010	26 th	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	30-09-2010	11.00 a.m.
2008-2009	25 th	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	26-09-2009	10.30 a.m.

(ii) Resolution carried out through Postal Ballot :

No postal ballots were used/invited for voting at the above meetings in respect of Special Resolutions passed in the above said meetings.

At the forthcoming 28th AGM, no resolution is proposed to be passed through Postal Ballot.

5) Disclosures :

(i) Transaction with related parties are disclosed in Note No. 28.3 of the Notes on Accounts for the year ended on 31st March, 2012, in the Annual Report as required by the Accounting Standard (AS) 18 issued by ICAI.

However, there are no materially significant related party transactions made by the Company with its promoters, directors or the management or their subsidiaries etc. that may have potential conflict with the interests of the Company at large.

The Independent Directors, who are also Non-executive Directors, who apart from receiving sitting fees for attending Board Meetings and Committee Meetings, do not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its subsidiary, which in the judgment of the Board may affect independence of the judgment of the Directors.



The Directors regularly make full disclosures to the Board of Directors regarding nature of their interest in the Companies in which they are Directors or Members. Full particulars of contract entered with the Companies / Partnership Firms, in which the Directors are directly or indirectly concerned or interested are entered in the Register of Contract maintained under Section 301 of the Companies Act, 1956 and the same is placed in every Board Meeting for the noting of the Directors.

(ii) During the last three years, there were no strictures or penalties imposed on the Company by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

(iii) **Risk Management :**

Business risk evaluation and management is an ongoing process within the Company. During the year under review, the Board of Directors has reviewed frequently the risk assessment and minimisation procedure adopted by the Company covering the business operations of the Company.

(iv) **CEO/CFO Certification :**

In terms of revised Clause 49 of Listing Agreement, the Certification by CEO and CFO on the financial statements and internal controls relating to financial reporting of the Company has been obtained.

(v) **Management:**

The Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this report.

Pursuant to Clause – 49 of the Listing Agreement with the Stock Exchanges, the Senior Management has made disclosures to the Board that during the year ended on 31st March, 2012, they have not entered into any material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company.

6) Code of Conduct :

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel of the company. The said Code has been communicated to all the Directors and members of Senior Management. They have also affirmed to the Company about the compliance of the said Code during the Financial Year ended on 31st March, 2012. The Code has also been posted on the Company's website - www.vadilalgroup.com. The Certificate received from Managing Directors of the Company, affirming compliance of the said Code of Conduct by all the Board Members and the Senior Management Personnel is annexed separately to this Report.

7) Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 1992:

The Company has formed a Code of Conduct for Insider Trading for the Directors, Officers, Designated Employees and Statutory Auditors of the Company, as required under Regulation – 12 of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended.

8) Means of communication :

The Company had total 10598 shareholders as on 31st March, 2012. The main channel of communication to the shareholders is through Annual Report, which includes inter alia, the Director's Report, Management Discussions & Analysis and Report on Corporate Governance and Audited Financial Results.

The Unaudited Quarterly Results of the Company for the quarters ended on 30-06-2011 (1st Quarter), 30-09-2011 (2nd Quarter) and 31-12-2011 (3rd Quarter) and the Annual Audited Accounts for the year ended on 31-03-2012 including notes and segment wise revenue, results and capital employed and also the Consolidated Financial Results and Statement of Assets and Liabilities and Limited Review Report thereon were submitted to the Stock Exchanges immediately after conclusion of the Board Meetings in which, they were approved by the Board.

The said results were published in the newspapers of Ahmedabad edition, namely, Indian Express (English) and Financial Express (Gujarati). The said results including Notes and Segment wise revenue, results and capital employed are displayed on the corporate website of the Company viz. www.vadilalgroup.com.

The Financial Results and the Shareholding Pattern of the Company will be uploaded on the Corporate Filing and Dissemination System (CFDS) of SEBI viz www.corpfiling.co.in, as and when applicable to the Company, as the SEBI has vide a circular bearing Ref. No. CIR/CFD/DCR/3/2010 dated 3rd April, 2010 discontinued its EDIFAR website.

The website of the Company viz. www.vadilalgroup.com has an exhaustive investor-help section. It contains comprehensive guidelines and procedure for the investors.

9) General Shareholder information :

(i) **Annual General Meeting, i.e. next AGM**

- Date & Time : Saturday, 29th September, 2012 at 2.30 p.m.
- Venue : GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006.

(ii) **Financial Calendar (from 01-04-2012 to 31-03-2013) (Tentative) :**

- ➔ Results for quarter ended on 30-06-2012 : 13th August, 2012
- ➔ Results for quarter ending on 30-09-2012 : On or before 14th November, 2012
- ➔ Results for quarter ending on 31-12-2012 : On or before 14th February, 2013
- ➔ Audited Results for the year ending on 31-03-2013 : On or before May 30, 2013
- ➔ AGM for the year ending on 31-03-2013 : Last week of September, 2013



(iii) **Book-closure date :**

Book-closure shall be from 14th September, 2012 to 29th September, 2012 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2012

(iv) **Dividend payment date :**

The Dividend of ₹ 1.50 per shares (@ 15%) on Equity Shares for the year ended on 31st March, 2012, if approved and declared, will be paid within the prescribed time limit.

(v) **Listing of Equity Shares on Stock Exchanges at -**

The Company's shares are listed at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company's shares were also listed at the Ahmedabad Stock Exchange Limited (ASE) till 30th July, 2012.

Considering the negligible volume of trading at Ahmedabad Stock Exchange Limited, the Board of Directors has, at its meeting held on 30th May, 2012 approved to voluntarily delist total 7187830 Equity Shares of Rs.10/- each of the Company from the Ahmedabad Stock Exchange Limited. However, the equity shares of the Company shall continue to be listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited, which are having nation wide terminals. On application of the Company, the Ahmedabad Stock Exchange Limited has, vide a letter dated 31st July, 2012 approved the delisting of the aforesaid Equity Shares of the Company from the exchange and the said shares has been removed from the list of the exchange w.e.f. 31st July, 2012.

Listing fees for the Financial Year – 2012-2013 has already been paid to all the above Stock Exchanges.

(vi) **Security Code No. :**

- Bombay Stock Exchange Limited : 519156
- National Stock Exchange of (India) Limited : VADILALIND-EQ
- ISIN No. of NSDL & CDSL for demat of Equity Shares : INE694D01016

(vii) **Stock Market Data :**

The monthly High, Low and Closing Prices of Shares of the Company at Bombay Stock Exchange Limited, (BSE), for the year under review are as under:

Months	High (₹)	Low (₹)	Closing (₹)
April, 2011	194.45	140.25	174.70
May, 2011	181.00	135.00	151.20
June, 2011	182.80	137.55	159.00
July, 2011	173.80	155.00	156.25
August, 2011	157.90	119.00	129.50
September, 2011	139.95	112.10	114.70
October, 2011	149.90	107.15	140.55
November, 2011	144.45	106.00	112.50
December, 2011	117.50	88.00	98.40
January, 2012	124.30	87.00	113.40
February, 2012	139.70	108.20	118.30
March, 2012	128.70	109.10	125.05

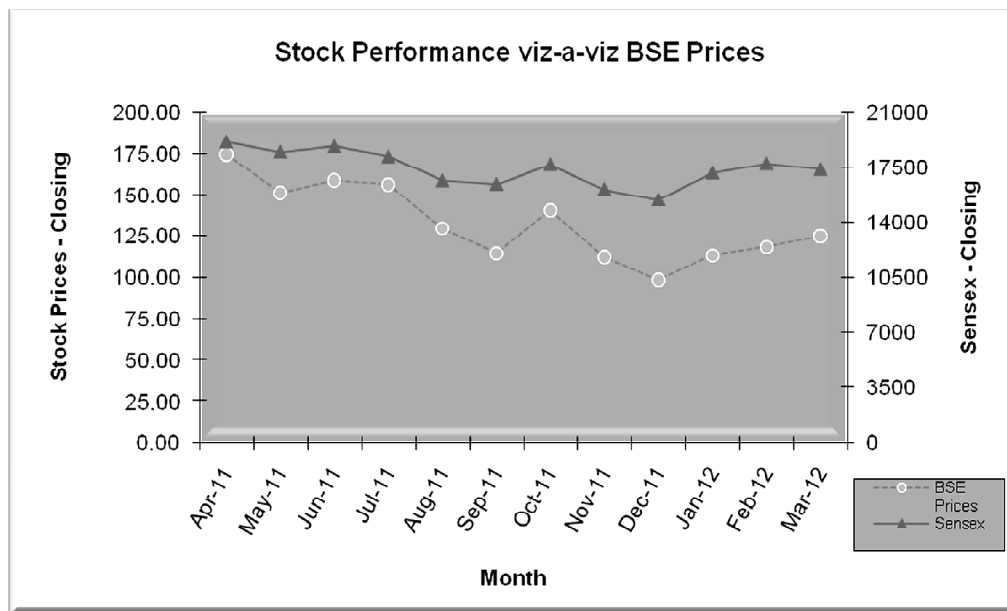
(viii) **Share price performance in comparison to BSE Sensex based on share price on 31-03-2012:**

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

Months	BSE			SENSEX		
	High (₹)	Low (₹)	Closing (₹)	High (₹)	Low (₹)	Closing (₹)
April, 2011	194.45	140.25	174.70	19,811.14	18,976.19	19,135.96
May, 2011	181.00	135.00	151.20	19,253.87	17,786.13	18,503.28
June, 2011	182.80	137.55	159.00	18,873.39	17,314.38	18,845.87
July, 2011	173.80	155.00	156.25	19,131.70	18,131.86	18,197.20
August, 2011	157.90	119.00	129.50	18,440.07	15,765.53	16,676.75
September, 2011	139.95	112.10	114.70	17,211.80	15,801.01	16,453.76
October, 2011	149.90	107.15	140.55	17,908.13	15,745.43	17,705.01
November, 2011	144.45	106.00	112.50	17,702.26	15,478.69	16,123.46
December, 2011	117.50	88.00	98.40	17,003.71	15,135.86	15,454.92
January, 2012	124.30	87.00	113.40	17,258.97	15,358.02	17,193.55
February, 2012	139.70	108.20	118.30	18,523.78	17,061.55	17,752.68
March, 2012	128.70	109.10	125.05	18,040.69	16,920.61	17,404.20



Price Chart:



(ix) Registrar and Transfer Agent :

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2002, dated 27-12-2002, the Company has assigned all work related to Share Registry in terms of both physical and electronic to MCS Ltd., Ahmedabad, by entering into an Agreement with the said R&T Agent to that effect. 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, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380 009.

(x) Share Transfer system :

Presently, the requests for share transfer, which are received by the Company or its Registrar & Share Transfer Agent, in physical form, from the shareholders, are processed and the share certificates are returned to the shareholders, within a period of 1 month from the date of receipt of such request for transfer, subject to the documents being valid and complete in all respects. The Share Transfer & Investors' Grievance Committee of the Company, normally meets twice a month to approve the transfer, issue of duplicate share certificates, consolidation and splitting of shares etc.

(xi) Secretarial Audit:

Mr. Ashish C. Doshi, a practicing Company Secretary carried out secretarial audit in each of the quarter in the Financial Year –2011-2012, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by Mr. Ashish C. Doshi, a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

(xii) Shareholding Details:

(a) Distribution of Shareholding as on 31st March, 2012 :

No. of Equity Shares held	No. of Share holders	No. of Shares	% of Shares
1-500	10125	802223	11.16
501-1000	225	182485	2.54
1001-2000	120	180035	2.50
2001-3000	32	83365	1.16
3001-4000	14	49139	0.68
4001-5000	14	65878	0.92
5001-10000	30	226465	3.15
10001- 50000	22	425538	5.92
50001-100000	5	323932	4.51
100001 & above	11	4848770	67.46
Total	10598	7187830	100.00

**(b) Categories of Shareholders as on 31st March, 2012 :**

Sr. No.	Category of Shareholder	No. of Equity Shares held	% to total Paid-up Capital
A : Promoters and Promoters' Group :			
1	Directors	731249	10.17
2	Directors' relatives	397028	5.52
3	Group Companies	3444975	47.93
4	HUFs	186351	2.59
5	NRIs	13396	0.19
Total (A) :		4772999	66.40
B : Public :			
1	Foreign Institutional Investors (FIIs)	500700	6.96
2	Mutual Funds & UTI	7450	0.10
3	NRIs/OCBs	59263	0.82
4	Bodies Corporate	288372	4.01
5	Nationalized Banks	1650	0.02
6	Trust	2	0.00
7	HUF	158056	2.20
8	Public	1399338	19.47
Total (B) :		2414831	33.60
Total		7187830	100.00

(xiii) Dematerialisation of Shares :

The Company, consequent to introduction of Depository System (DS), has established an electronic connectivity with NSDL & CDSL, 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 the numerous advantages offered by the DS, members are requested to avail the facility of dematerialisation of the Company's shares on either of the Depositories 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 or CDSL and lodge your share certificates with your DP for Dematerialisation. The DP will then ensure that the physical share certificates are cancelled 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 or its Registrar & Share Transfer Agent.

Total 6683210 Equity Shares of the Company representing 92.98% of the total paid-up capital of the Company have been dematerialised upto 31-03-2012. Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by SEBI.

(xiv) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity :

Not Applicable

(xv) Plant locations :

- A. Ice-cream Division : 1) Village Pundhra, Taluka Mansa, Dist. Gandhinagar (Gujarat)
2) Parsakhera Industrial Area, Bareilly, Uttar Pradesh.
- B. Processed Food Division : Dharampur, Dist. Valsad (Gujarat)
- C. Forex Division : Vadilal House, Navrangpura, Ahmedabad (Gujarat)

(xvi) Investor Correspondence :

For transfer and dematerialisation of shares, payment of dividend on shares and interest and redemption on debentures and any other query relating to the shares of the Company :-

- 1) MCS Limited, (Unit : Vadilal Industries Limited), 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. Tel. Nos. : (079) 26582878, 26581296 Fax No. : (079) 26584027
- 2) Secretarial & Share Department, B/404, 4th Floor, "Time Square" Building, C.G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad - 380 009.
Contact person : Mr. Nikhil Patel, Company Secretary, Tel. Nos. : (079) 30153194 Fax No. : (079) 30153102
- 3) E-mail ID for investors' grievance purpose : shareslogs@vadilalgroup.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.



(xvii) **Amalgamation of Vadilal Financial Services Ltd. with Vadilal Industries Limited - Exchange of Share Certificates :**

Vadilal Financial Services Ltd. (VFSL), which was a Subsidiary Company, was amalgamated with Vadilal Industries Limited (VIL) w.e.f. 1st April, 1997. It is observed that some of the members of VFSL have still not exchanged their Share Certificates for new Shares of VIL on amalgamation of VFSL with VIL. As the Share Certificates of VFSL are no longer valid, concerned Shareholders are requested to surrender their Share Certificates of VFSL at the Registered Office of the Company to enable them to get new Shares of VIL in the ratio of 1:4.

(xviii) **Address of Registrar of Companies (ROC), Gujarat :**

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

(xix) **Nomination facility :**

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 Department** of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name. In case of any assistance, please contract **at the Share Department** of the Company at B/ 404, 4th Floor, "Time Square" Building, C.G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad - 380 009. Tel. Nos. : (079) 30153194 Fax No. : (079) 30153102

10) Compliance of non-mandatory requirements :

The Company has not adopted the following non-mandatory requirements as per Clause 49 of Listing Agreement regarding Corporate Governance :-

- 1) Half-yearly declaration of Financial performance and summary of significant events in last six months have not been sent to each shareholder of the Company.
- 2) The Company has not conducted training for the Board members.
- 3) The Company does not have peer group of Board of Directors to evaluate performance of Non-executive Directors.
- 4) The Company does not have Whistle Blower policy.

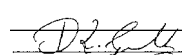
DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

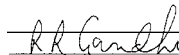
In terms of the requirement of the amended Clause 49 of Listing Agreement with the Stock Exchanges regarding Corporate Governance, we hereby confirm that all Board Members and Senior Management Personnel of Vadilal Industries Limited have affirmed the compliance of Code of Business Conduct and Ethics for the year ended on 31st March, 2012.

For VADILAL INDUSTRIES LIMITED

Place : Ahmedabad

Date : 6th June, 2012.


DEVANSHU Z. GANDHI
MANAGING DIRECTOR


RAJESH R. GANDHI
MANAGING DIRECTOR

CERTIFICATE

The Members of
Vadilal Industries Limited,
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by **Vadilal Industries Limited**, for the year ended on **31st March 2012**, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Date : 13th August, 2012

Place : Ahmedabad

Mayank S. Shah
Partner
Membership No.: 44922



AUDITORS' REPORT

The Members of Vadilal Industries Ltd., Ahmedabad.

1. We have audited the attached balance sheet of **Vadilal Industries Limited** as at **March 31, 2012**, the Statement of profit & loss 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 [Auditors' 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, 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 the books.

- (iii) The balance sheet, Statement of profit & loss and cash flow statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the balance sheet, Statement of profit & loss and cash flow statement dealt with by this report comply with 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 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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, 2012;
 - (b) in the case of Statement of profit & loss, 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

Place : Ahmedabad

Date : May 30, 2012

Membership No.: 44922

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF VADILAL INDUSTRIES LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012.

- (i) (a) The company has maintained separate records showing particulars about quantitative details and situation of fixed assets in respect of plant and machinery and in respect of other fixed assets for addition made from August 2009, on the basis of available information.
- (b) As explained to us, the company has not conducted physical verification of fixed assets during the year. In absence of physical verification of 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) (a) As explained to us, the inventory have been physically verified during the year by the management. In respect of inventory lying with third parties, inventories have been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (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 the information and explanations given to us, the company has maintained proper records of inventory and the discrepancies noticed on such physical verification between physical stocks and book records have been adequately dealt with in the books of account.
- (iii) In respect of loans, secured or unsecured, granted or taken by the company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 :
 - [a] The company has granted interest free loan to subsidiary company. The maximum amount involved during the year and year end balance of loan granted is Rs. 115.92 lacs.
 - [b] In our opinion other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.



- [c] In respect of loans given by the company, principal amount is repayable on demand and therefore the question of overdue amount does not arise.
- [d] The company has taken unsecured loan from one company. The year end and maximum outstanding balance of loan taken from such company is Rs. 15.38 lacs
- [e] In our opinion, the rate of interest and other terms and conditions of such loan is not *prima facie* prejudicial to the interest of the company.
- [f] In respect of loan taken by the company the interest payments are regular and the principal amount is repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of a special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and 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 internal controls.
- (v) In respect of contracts or arrangements referred to in 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] According to the information and explanations given to us transactions 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 Rupees five lakhs or more in respect of any party, have been made at the prices which are *prima facie* reasonable having regard to prevailing market prices at the relevant time. In respect of ice cream, sales are made at predetermined prices, which in our opinion are *prima facie* reasonable.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A 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 the size of the company and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by Central Government for the maintenance of cost records under Section 209 [1][d] of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

- (ix) (a) The company is generally regular in depositing undisputed provident fund, investor education & protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues to appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amount in respect of aforesaid statutory dues were outstanding as at 31st March, 2012 for the period of more than six months from the date they become payable *except sales tax of Rs.17.00 lakhs which remains outstanding for a period of more than six months from the date it became payable.*
- (c) The details of disputed statutory dues as at March 31, 2012 that have not been deposited by the company, are as under :

(Rs. in lakhs)

Sr. No.	Dispute under:	Amount (net of deposit) (Rs.)	Period to which the amount relates	Forum where dispute is pending
(i)	Central Sales Tax Act	23.24	1998-99	- High Court
		12.49	2000-01	- Jt. Comm..
		15.74	2000-01	- Dy. Comm.
		1.55	2001-02	- Dy. Comm.
		0.60	2002-03	- Tribunal
		2.39	2003-04	- Jt Comm
(ii)	Tax Act of various states	0.46	2003-04	- Jt. Comm
		3.67	2004-05	- Tribunal
	Income Tax Act, 1961	1.93	1996-97	- High Court
		3.12	1999-00	- High Court
(iii)		1.37	2006-07	- A.O
		2.45	2006-07	- Tribunal
		1.50	2009-10	- CIT Appeals
(iv)	Central Excise Act	2.32	2006-07	- Asst Comm.
(v)	Water Cess	6.55	1998-99 to 2010-11	U.P.State Pollution Control Board

The following matters, which have been excluded from the above table, have been decided in favour of the company but the department has preferred appeals at higher levels. The details are as under :

(Rs. in lakhs)

Sr. No.	Dispute under:	Amount (net of deposit) (Rs.)	Period to which the amount relates	Forum where department has preferred appeals
(i)	Central Excise Act, 1944	4.58	1988-89	- Asst. Comm. of Central Excise
		4.28	2003-04	- Asst. Comm. of Central Excise
		9.17	2000-01	- High Court, Hyderabad
(ii)	Income Tax Act, 1961	50.46	1992-93	- Tribunal
		31.10	1993-94	- Tribunal
		7.84	1994-95	- High Court
		14.06	1995-96	- High Court
		16.03	1996-97	- High Court
		0.51	2001-02	- High Court
		5.10	2002-03	- High Court
		41.55	1997-98	- High Court



- (x) The company has no accumulated losses and has not incurred any cash losses during the current financial year or for 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 financial institution or banks. The company has not obtained any borrowings by way of debentures.
- (xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted 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 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 the 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 explanations given to us, no fraud on or by the company was noticed or reported during the year.
- (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 clause;
- 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 (Auditors' Report) Order, 2003 are not applicable to the company.

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

Mayank S. Shah
Partner

Place : Ahmedabad
Date : May 30, 2012

Membership No.: 44922

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	NOTE	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	3	718.78	718.78
(b) Reserves & Surplus	4	10370.72	3601.62
Sub Total		11089.50	4320.40
(2) Deferred Government Grant		25.58	28.77
(3) Non-Current liabilities			
(a) Long Term borrowings	5	8272.86	6296.74
(b) Deferred tax liabilities (Net)	6	1094.41	782.70
(c) Long term provisions	7	34.19	11.91
Sub Total		9401.46	7091.35
(4) Current liabilities			
(a) Short term borrowings	8	5119.32	6863.70
(b) Trade payables	9	4487.99	1759.25
(c) Other current liabilities	10	2617.18	1919.23
(d) Short term provisions	7	268.97	242.58
Sub Total		12493.46	10784.76
TOTAL ->		33010.00	22225.28
II ASSETS			
(1) Non-current assets			
(a) Fixed Assets :	11		
i) Tangible assets		19518.00	9548.67
ii) Capital Work - In - Progress		828.33	1908.37
Sub Total		20346.33	11457.04
(b) Non-current Investments	12	156.61	156.55
(c) Long-term loans and advances	13	1179.12	1737.09
(d) Other non-current assets	14	60.04	65.08
Sub Total		21742.10	13415.76
(2) Current Assets			
(a) Current Investments	15	1.48	1.76
(b) Inventories	16	6705.18	5588.86
(c) Trade receivables	17	3340.85	2387.60
(d) Cash & Bank balances	18	185.94	112.18
(e) Short term Loans & Advances	13	707.36	419.20
(f) Other Current Assets	14	327.09	299.92
Sub Total		11267.90	8809.52
TOTAL ->		33010.00	22225.28
Summary of Significant Accounting Policies	2.1		
The accompanying notes are an 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 : May 30, 2012

For and on behalf of the Board

Rajesh R. Gandhi : Managing Director
Devanshu L. Gandhi : Managing Director
Nikhil Patel : Company Secretary

Place : Ahmedabad
Date : May 30, 2012



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	NOTE	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2011 (₹ in Lacs)
I Revenue From Operations (Gross)	19	28580.25	23649.95
Less : Excise Duty		357.79	32.02
Revenue From Operations (Net)		<u>28222.46</u>	<u>23617.93</u>
Other Income	20	288.80	359.10
Total Revenue (I)	Sub Total	<u>28511.26</u>	<u>23977.03</u>
II Expenses :			
(a) Cost of Materials Consumed	21	16077.99	13574.46
(b) Purchases of stock-in-Trade	22	591.76	129.94
(c) Changes in inventories of Finished goods and stock in trade	23	(498.87)	638.14
(d) Employee Benefits expenses	24	1342.12	1115.27
(e) Other Expenses	25	7116.35	5780.57
Total (II)	Sub Total	<u>24629.35</u>	<u>21238.38</u>
III Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		3881.91	2738.65
IV Finance Cost	26	1989.32	1203.21
Depreciation and Amortization expenses		952.39	823.06
Less : Recoupment from Revaluation reserve / Deferred Government grant		20.73	23.77
Total (IV)	Sub Total	<u>931.66</u>	<u>799.29</u>
V Profit before Exceptional & extraordinary items and tax (III-IV)		960.93	736.15
VI Exceptional Items		0.00	0.21
VII Profit before extraordinary items and tax (V-VI)		960.93	735.94
VIII Extraordinary items		0.00	0.00
IX Profit before Tax (VII-VIII)		960.93	735.94
X Tax Expenses (Refer K on Note 2.1)			
(a) Current Tax			
Current (MAT Tax)		189.73	141.93
Less : MAT Credit entitlement		(175.43)	(128.00)
		14.30	13.93
(b) Deferred Tax charge / (release)		311.71	233.51
(c) (Short) / Excess Provision of Tax / Deferred Tax of earlier years (Net)		(9.68)	19.67
		<u>335.69</u>	<u>227.77</u>
XI Profit for the period (IX – X)		<u>625.24</u>	<u>508.17</u>
XII Earnings per equity share (Refer Note 28.5)			
Nominal Value of Share ₹ 10 (P.Y. ₹ 10)			
Basic & Diluted			
Computed on the basis of total profit for the year		8.70	7.07
Summary of Significant Accounting Policies	2.1		
The accompanying notes are an 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 : May 30, 2012

For and on behalf of the Board

Rajesh R. Gandhi : Managing Director
Devanshu L. Gandhi : Managing Director
Nikhil Patel : Company Secretary

Place : Ahmedabad
Date : May 30, 2012



CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

		For the year ended 31.03.2012	For the year ended 31.03.2011
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
A CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax and Exceptional Items from continuing operations	960.93		736.15
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense	952.39		823.06
Impairment loss on tangible assets	0.00		17.36
Withdrawn From Revaluation Reserve / Deferred Government Grant	(20.73)		(23.77)
Loss / (Profit) on sale of Assets	(12.14)		0.01
Loss / (Profit) on sales of Investments	0.00		2.63
Loss / (Profit) on Partnership Firms (Net)	(13.74)		(39.46)
Upfront Interest on restructuring of Loan	10.86		6.12
Diminution in value of Current Investments	0.28		0.43
Excess Provision written back	(11.08)		(24.06)
Dividend	(0.24)		(0.25)
Interest expenses	1989.32		1203.21
Interest Income	(197.96)		(224.00)
Operating Profit before working capital changes	3657.89		2477.43
Movements in working capital :			
Increase / (decrease) in trade payables	2728.75		(329.65)
Increase / (decrease) in long term provisions	22.27		(115.86)
Increase / (decrease) in short term provisions	(8.37)		92.19
Increase / (decrease) in other current liabilities	674.10		281.79
Decrease / (increase) in trade receivable	(953.25)		(907.63)
Decrease / (increase) in inventories	(1116.32)		(15.65)
Decrease / (increase) in long term loans and advances	737.34		21.30
Decrease / (increase) in short term loans and advances	(260.54)		(79.31)
Decrease / (increase) in other current assets	(50.90)		18.63
Cash Generated from / (used in) Operations	5430.97		1443.24
Direct taxes paid (net of refunds)	(154.85)		(340.24)
Cash flow before extraordinary items	5276.12		1103.00
Net Prior Year Expenses	0.00		(0.21)
Net Cash from / (used in) Operating Activities		5276.12	1102.79
B CASH FLOWS FROM INVESTING ACTIVITIES			
Loans given (Net)	(27.63)		(2.84)
Purchase of fixed assets	(3464.14)		(4779.14)
Sale of fixed assets	12.36		29.70
Purchase of Current Investments	(0.22)		(29.57)
Proceeds from Sale / maturity of Investments	0.00		27.37
Investments in bank deposits (having original maturity of more than three months)	(148.23)		(36.81)
Redemption / maturity of bank deposits (having original maturity of more than three months)	36.81		78.60
Interest received	221.12		189.17
Dividend received	0.24		0.25
Net Cash flow from / (used in) Investing Activities		(3369.69)	(4523.27)
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term borrowings (Net)	1976.12		2411.44
Proceeds / (Repayment) of Short Term borrowings (Net)	(1744.37)		2304.15
Interest paid	(2048.12)		(1238.90)
Dividends paid on equity shares	(105.00)		(104.99)
Tax on equity dividend paid	(17.49)		(17.91)
Net Cash used in Financing Activities		(1938.86)	3353.79
Net Increase/(Decrease) in cash and Cash equivalents (A+B+C)		(32.43)	(66.69)
Op. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ 0.07 lacs (P.Y. ₹ 2.06 lacs))		101.26	167.95
Cl. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ 0.07 Lacs (P.Y. ₹ 0.07 lacs))		68.83	101.26
Major Components of Cash and Cash Equivalents as at		31.03.2012	31.03.2011
Cash and Cheques on hand		21.27	32.84
Balance With Banks			
On Current Accounts		41.10	43.94
On Fixed / Margin Money Deposit Accounts		6.46	24.48
		<u>68.83</u>	<u>101.26</u>

- Notes : 1. The above Cash Flow has been prepared under Indirect Method set out in AS 3, issued by Companies (Accounting Standard) Rules, 2006.
2. Figures in brackets represents outflow.
3. Previous Year 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
Firm Registration No.104744W

For and on behalf of the Board

Rajesh R. Gandhi : Managing Director
Devanshu L. Gandhi : Managing Director
Nikhil Patel : Company Secretary

Mayank S. Shah
Partner
Membership No.:44922
Place : Ahmedabad
Date : May 30, 2012

Place : Ahmedabad
Date : May 30, 2012



NOTES TO BALANCE - SHEET & STATEMENT OF PROFIT & LOSS

NOTE : 1

Corporate Information:

The Company is engaged in the business of manufacturing Ice-cream ,Frozen Dessert and processing and exporting Processed Food Products, such as Frozen Fruits, Vegetable, Canned Pulp, Ready-to-eat and Ready-to-serve products, etc.

The Company is having two ice-cream production facilities – one in Gujarat and the other in Uttar Pradesh and sales its products in India except states of Maharashtra, Karnataka, Andhra Pradesh, Kerala and Goa.

The company is processing Frozen Fruits, Vegetables and Processed Foods at factory situated at Dharampur, Dist.Valsad, Gujarat. The Company is exporting nearly 60 products to various Countries.

The company is having RBI license under AD.II category and engaged in Money changing business.

NOTE : 2

BASIS OF PREPARATION:

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules,2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain fixed assets which are carried at revalued amount.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year,except for the change in accounting policy explained below.

NOTE : 2.1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

A) CHANGE IN ACCOUNTING POLICY :

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements.The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

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 assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

Difference between the actual result and estimates, are recognised in the period in which the results are known/materialised.

C) REVENUE RECOGNITION :

i) REVENUE FROM OPERATION:

a) 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 the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.

b) Sales is inclusive of Excise and exclusive of Trade discount and VAT/CST.

ii) DIVIDEND INCOME :

Dividend income from Investment is accounted for when the right to receive is established.

iii) INTEREST INCOME :

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

D) FIXED ASSETS, DEPRECIATION AND EXPENDITURE DURING CONSTRUCTION PERIOD :

i) Fixed assets are stated at cost of acquisition & installation, net of cenvat and VAT credits availed ,if any, and includes amount added on revaluation 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 liabilities 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.



Critical spares are capitalised as a part of Fixed Assets, depreciation on the same is provided over useful life of Fixed Assets.

- ii) a) i) The Company based on report issued by external valuer has revalued freehold and leasehold land and building situated at Ahmedabad, Pundhra, Bareilly and Dharampur as at 31st March, 2012 by replacement basis policy.
- a) ii) The net increase due to revaluation of such assets of ₹ 6286.71 lacs has been carried to Revaluation Reserve Account. The revalued amount of ₹ 12460.90 lacs stands substituted for historical cost of ₹ 4252.16 lacs in the gross block of fixed assets.
- b) Free hold Land, Building and Plant & Machineries of Ice Cream Plant, Ahmedabad and Agri. Foods plant, Dharampur have been revalued as on 31st March 2000 and are shown at the value approved by an external valuer, using replacement basis policy.
- c) The net increase due to revaluation of assets of ₹ 6956.53 lacs (Previous Year ₹ 669.82 lacs) since inception is transferred to revaluation reserve account. Outstanding balance of revaluation reserve account as on 31st March, 2012 is ₹ 6351.10 lacs (Previous Year ₹ 81.93 lacs).Consequent to the said revaluation there is an additional charge of depreciation of ₹ 17.54 lacs (Previous Year ₹ 20.57 lacs) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss. This has no impact on profit for the year.
- iii) a) 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).
- b) On revalued assets, depreciation is provided on the estimate of the remaining useful life of such assets.
- c) Premium paid for lease hold land is amortised over the residuary lease period.
- d) In respect of major alterations/modifications forming an integral part of existing assets, depreciation is provided at the rate arrived on the basis of useful life of such assets after such alterations/modifications or at the rate prescribed under schedule XIV, whichever is higher on the total value of such assets.

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 fixed assets exceeds its recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

E) INVESTMENTS :

Investments are classified into current and Non Current investments. Current investments are such which is held primarily for the purpose of being traded. Non Current investments are carried at cost. A provision for diminution in value of Non Current investments is made for each investment individually ,if such decline is other than temporary. Current investments are stated at the lower of cost and fair value, computed category wise.

F) INVENTORIES :

Inventories are valued as under:

- i) RAW MATERIALS, PACKING MATERIALS AND STORES & SPARES. Valued at lower of cost or net realisable value and for this purpose cost is determined on weighted average basis. Due provision for obsolescence is made.
- ii) FINISHED GOODS At cost or net realisable value, whichever is lower. Cost is determined on absorption basis. Due provision for obsolescence is made.

G) EMPLOYEE BENEFITS :

- a) Short Term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the service 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 Statement of Profit and Loss.

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) SEGMENT REPORTING :

i) Identification of Segments:-

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

ii) Inter Segment transfer:- The company generally accounts for inter segment sales and transfer at cost plus appropriate margins.

iii) Allocation of Common Cost:- Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

iv) Unallocated items:- Unallocated items include general corporate income and expense items which are not allocated to any business segment.

v) Segment accounting policies:- The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

I) EARNING 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.

J) BORROWING COSTS :

i) Borrowing costs whether specific or general, 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. General borrowing costs are capitalised at the weighted average of such borrowings outstanding during the year. All other borrowing costs are charged in statement of profit & loss of the year in which incurred.

ii) Ancillary cost incurred in connection with term loan borrowings is amortised over the period of term loan.

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

K) TAXES ON INCOME :

a) Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, on timing difference, 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 that sufficient future taxable income will be available against which such assets can be realised. 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.

b) MAT Credit Entitlement

MAT credit is recognised as an asset only when there is convincing evidence that the company will pay normal income tax within the specified period. The asset shall be reviewed at each balance sheet date.

L) FOREIGN CURRENCY TRANSACTIONS :

i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

ii) Monetary items denominated in foreign currency at the year end are translated at the exchange rates



prevailing at the balance sheet date.

- 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.
- iv) Premium or discount arising at the inception of the forward exchange contract is amortised as income or expense over the period of the contract. Any profit or loss arising in renewal or cancellation of forward exchange contracts is recognised as income or expense during the year.
- v) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.
- vi) Losses in respect of all outstanding derivative contracts at the balance sheet date is provided by marking them to market.

M) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions are recognised when the company has a present 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.

Contingent Liabilities are disclosed by way of notes to financial statements.

Contingent Assets are neither recognised nor disclosed in the financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

N) CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

O) ACCOUNTING FOR GOVERNMENT GRANTS :

- i) Government grants in the form of promoters contribution is treated as capital receipt and credited to capital reserve.
- ii) Grant in the form of revenue subsidy is treated as revenue receipt and credited to "Income from Operation" in Statement of Profit and Loss. However, from 2007-08, specific grants (e.g. Transport subsidy from APEDA) is deducted from the freight expenses.
- iii) Grant towards specific fixed assets was presented as deduction from its gross value up to 31.03.2005 and there after the same is presented by credit to Deferred Government grant and amortised over the period of useful life of specific fixed assets.

P) RESEARCH AND DEVELOPMENT EXPENSES :

Expenditure relating to capital items is debited to Fixed Assets and depreciated at applicable rates. Revenue expenditure is charged to Statement of Profit and Loss of the period in which they are incurred.

Q) CASH AND CASH EQUIVALENTS :

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

R) DISCLOSURE 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 depreciation and amortization expense, finance costs and tax expense.



	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE - 3		
SHARE CAPITAL		
Share capital		
Authorized shares 1,50,00,000 (31st March, 2011: 1,50,00,000) equity shares of ₹ 10/- each	1500.00	1500.00
Issued, subscribed and fully paid-up shares		
Issued and Subscribed :		
71,88,230 (31st March, 2011: 71,88,230) equity shares of ₹ 10/- each	718.82	718.82
Total issued and subscribed share capital	718.82	718.82
Paid up :		
71,87,830 (31st March, 2011: 71,87,830) equity shares of ₹ 10/- each	718.78	718.78
Total paid-up share capital		
Total issued and subscribed share capital	718.78	718.78

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

	31st March, 2012		31st March, 2011	
	Nos	₹ in Lacs	Nos	₹ in Lacs
Equity shares				
At the beginning of the period	7187830	718.78	7187830	718.78
Outstanding at the end of the period	7187830	718.78	7187830	718.78

b 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 shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

During the year ended 31st March, 2012, the amount of per share dividend recognized as distribution to equity shareholders is ₹ 1.50 (31st March, 2011: ₹ 1.50).

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 in proportion to the number of equity shares held by the shareholders.

c Shares held by holding/ultimate holding company and/or their subsidiaries / associates

The Company does not have any holding company.

d Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

Nil

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

	31st March, 2012		31st March, 2011	
	Nos	%holding in the class	Nos	%holding in the class
Vadilal International Pvt. Ltd.	2809704	39.09%	2811504	39.12%
Acacia Institutional Partners, LP	419035	5.83%	419035	5.83%

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 ownerships of shares.



	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 4		
RESERVES & SURPLUS		
Capital Reserve		
Closing Balance	8.84	8.84
Securities Premium Account		
Closing Balance	487.27	487.27
Revaluation Reserve		
(Refer D (ii) on Note No. 2.1)		
Balance as per last Financial Statements	81.93	102.50
Add : Additions during the year	6286.71	0.00
	6368.64	102.50
Less : Amount transferred to the statement of profit and loss as reduction from depreciation	17.54	20.57
	6351.10	81.93
General Reserve		
Balance as per last Financial Statements	2700.00	2300.00
Add : Amount transferred from surplus balance in the statement of profit and loss	500.00	400.00
	3200.00	2700.00
Surplus in the statement of profit and loss		
Balance as per last Financial Statements	323.58	340.72
Profit for the year	625.24	508.17
Less : Appropriations		
Proposed final equity dividend (amount per share ₹ 1.50. P.Y. amount per share ₹ 1.50))	107.82	107.82
Tax on proposed equity dividend	17.49	17.49
Transferred to General reserve	500.00	400.00
Total Appropriations	625.31	525.31
Net Surplus in the statement of profit and loss	323.51	323.58
Total Reserves and Surplus	10370.72	3601.62

	Non – Current As At 31.03.2012 (₹ in Lacs)	Current As At 31.03.2011 (₹ in Lacs)	Current Maturities As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 5				
LONG TERM BORROWINGS				
Term Loans (Secured)				
From Banks	5222.10	4629.03	893.93	652.48
From Financial Institutions	903.13	1190.63	287.50	137.50
From Others	0.00	0.00	0.00	1.11
	6125.23	5819.66	1181.43	791.09
Deposits (Unsecured)				
Fixed Deposits	547.63	477.08	187.60	187.76
Deposits from Related Parties (Refer Note 28.3)	1600.00	-	-	-
	2147.63	477.08	187.60	187.76
	8272.86	6296.74	1369.03	978.85



	Non – Current As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)	Current As At 31.03.2012 (₹ in Lacs)	Maturities As At 31.03.2011 (₹ in Lacs)
The above amount includes :				
Secured borrowings	6125.23	5819.66	1181.43	791.09
Unsecured borrowings	2147.63	477.08	187.60	187.76
Less : Amount disclosed under the head "Other current Liabilities" Note – 10			(1181.43)	(791.09)
Less : Amount disclosed under the head "Other current Liabilities" Note – 10			(187.60)	(187.76)
Net Amount	8272.86	6296.74	0.00	0.00

Repayment Schedule of Loans

(₹ in Lacs)

	Sanctioned / Disbursed Amount	As at 31.03.2012	As at 31.03.2011	Rate of Interest	No of installment	installment Amount
Term Loans						
From Banks						
IDBI Bank	600.00	46.37	157.61	15.25%	4 Monthly 1 Monthly	9.27 9.29
IDBI Bank (Expansion Loan)	800.00	428.59	542.87	15.25%	14 Quarterly 1 Quarterly	28.57 28.61
BOB	1000.00	950.00	1000.00	15.75%	57 Monthly	16.67
BOB	1400.00	1400.00	0.00	15.75%	48 Monthly	29.17
SBT	2000.00	1000.00	1975.17	14.50%	59 Monthly 1 Monthly	33.50 23.50
SBT		1018.19	991.20	14.50%	1 Monthly	18.19
SBI (old loan)	775.00	387.55	514.95	14.25%	35 Monthly 1 Monthly	10.76 11.04
SBI (Project)	1000.00	809.31	17.16	14.25%	48 Monthly	16.70
SBI (Project)					1 Monthly	7.74
Hire Purchase Loans						
BOB		20.07	25.80	—	From 6 EMIs	—
HDFC		55.25	54.74	—	To 41 EMIs	—
ICICI		0.71	2.01	—		—
From Financial Institutions						
Exim	1000.00	950.00	1000.00	11.50%	19 Quarterly	50.00
Exim	525.00	240.62	328.13	13.00%	11 Quarterly	21.87
Others		0.00	1.11	—	—	—
Total		7306.66	6610.75			
Fixed deposits		735.23	664.84	10.25% to 11.00%	12 months to 36 months based on period of deposit	

A 1) Existing Term loans from IDBI, SBI and Exim aggregating to ₹ 21.00 Crores, New Term loan from BOB, SBI and Exim Bank aggregating to ₹ 30 crores and further term loan from BOB And SBT ₹ 34.00 Crores are secured by English Mortgage on Immovable properties and hypothecation on movable properties of the company situated at the following places by way of 1st and 2nd charge on pari – passu basis :

- i Dudheshwar, Ahmedabad (Icecream Plant) (1st Charge) (Owned property)
- ii Dharampur, Dist.: Valsad (Canning Unit) (1st Charge) (Owned property)
- iii Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st Charge) (Owned property)
- iv Village Pundhra, Tal : Kalol, Dist. : Gandhinagar (Icecream Plant) (1st Charge) (Owned property)
- v Unit - I, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (1st Charge) (Leased property)
- vi Dharampur, Dist.: Valsad (IQF Unit - excluding specific plant & machineries) (2nd charge) (Owned property)
- vii Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd Charge) (Owned property)
- viii Dharampur, Dist. : Valsad (New Land) (1st Charge) (Owned property)



- ix Unit - II, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant)
(Only on movable properties as 1st Charge) (Excluding specific plant & machineries)
- x Gomitpur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 1st Charge)
- xi Gomitpur, Ahmedabad (earlier in Vadilal Cone Company) (Only on movable properties as 1st Charge)
- 2) New Term Loans aggregating to ₹ 30 crores from BOB, SBI and Exim bank and further term loan aggregating to ₹ 34 crores from BOB and SBT as above are also secured by way mortgage and hypothecation on immovable and movable properties of the Company situated at bareilly,parsakhera Industrial Area,U.P. (New Land F-12) (Leased property)
- 3) The above Term Loans are also secured by way of Hypothecation on entire current assets of the Company on 2nd pari-passu charge basis
- 4) The Old Term Loan of ₹ 6 Crores from IDBI Bank Ltd. are also secured by mortgage and hypothecation on immovable immovable and movable properties of the Company situated at the following places by way of 1st charge on pari passu basis and also hypothecation on specific plant and machineries situated at IQF unit, Dharampur and Bareilly Unit – II by way of 1st charge :-
- i Dudheshwar, Ahmedabad (Icecream Plant) (1st Charge) (Owned property)
- ii Dharampur, Dist.: Valsad (Canning Unit) (1st Charge) (Owned property)
- iii Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st Charge) (Owned property)
- iv Village Pundhra, Tal : Kalol, Dist. :Gandhinagar (Icecream Plant) (1st Charge) (Owned property)
- v Unit - I, Parsakhera Industrial Estate,Bareilly, U.P.(Icecream Plant (1st Charge) (Leased property)
- vi Unit - II, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (Only on movable properties as 1st Charge) (Excluding specific plant & machineries)
- vii Gomitpur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 1st Charge)
- viii Gomitpur, Ahmedabad (earlier in Vadilal Cone Company) (Only on movable properties as 1st Charge)
- 5) Hire Purchase Loans for Vehicles are secured by hypothecation of vehicles
- B The Term Loans are also secured by personal Guarantee of some of the Directors of the Company and also guaranteed by Three Companies

	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 6		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Fixed assets :		
Impact of difference between tax Depreciation and depreciation / amortisation charged for the financial reporting	1173.15	905.34
Others	16.10	8.85
	<u>1189.25</u>	<u>914.19</u>
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	34.34	29.02
Others	60.50	102.47
	<u>94.84</u>	<u>131.49</u>
Deferred Tax Liability (Net)	<u><u>1094.41</u></u>	<u><u>782.70</u></u>



	Long term		Short term	
	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 7				
PROVISIONS				
Employee Benefits :				
Gratuity (Refer Note 28.1)	32.27	11.91	37.05	31.71
Compensated absences	1.92	-	46.76	60.47
Others :				
Income Tax Less Advance Tax (Current Tax)	-	-	43.20	8.44
Proposed Equity Dividend	-	-	107.82	107.82
Provision for Tax on Proposed Equity Dividend	-	-	17.49	17.49
Other Provisions (Refer Note 28.6)	-	-	16.65	16.65
	<u>34.19</u>	<u>11.91</u>	<u>268.97</u>	<u>242.58</u>

	As At	
	31.03.2012 (₹ in Lacs)	31.03.2011 (₹ in Lacs)
Note – 8		
SHORT TERM BORROWINGS		
Loans Repayable on Demand :		
From Banks		
Working Capital Loans (Secured)	3642.77	4282.77
Short Term Loans (Unsecured)	0.00	999.99
	<u>3642.77</u>	<u>5282.76</u>
Short Term Loan from Finance Company (Unsecured)	144.66	0.00
Deposits (Unsecured)		
Public Fixed Deposits	635.28	587.21
Inter Corporate deposits	260.00	570.00
Deposits from Related Parties (Refer Note 28.3)	436.61	423.73
	<u>1331.89</u>	<u>1580.94</u>
	<u>5119.32</u>	<u>6863.70</u>
The above amount includes :		
Secured borrowings	3642.77	4282.77
Unsecured borrowings	1476.55	2580.93
	<u>5119.32</u>	<u>6863.70</u>

A 1) Working Capital facilities from consortium banks namely BOB, SBI, SBT, IDBI Ltd and Exim Bank aggregating to ₹ 65.28 crores (enhanced from ₹ 45.25 crores after repayment of ₹ 4 crores to SIB) are secured by way of English mortgage on Immovable properties and hypothecation on movable properties of the company situated at the following places by way of 1st & 2nd Charge on pari-passu basis :-

- i Dudheshwar, Ahmedabad (Icecream Plant) (2nd Charge) (Owned property)
- ii Dharampur, Dist. : Valsad (Canning Unit) (2nd Charge) (Owned property)
- iii Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd Charge) (Owned property)
- iv Village Pundhra, Taluka Kalol, Dist. : Gandhinagar (Icecream Plant) (2nd Charge) (Owned property)
- v Unit - I, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (2nd Charge) (Leased property)
- vi Dharampur, Dist. : Valsad (IQF Unit - excluding specific plant & machineries) (1st charge) (Owned property)
- vii Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st Charge) (Owned property)
- viii 4 Flats No. 801 to 804, Maruti Centre, Gurukul, Drive-in Road, Ahmedabad (Flats) (1st Charge) (Owned property)
- ix Unit - II, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (Only on movable properties as 2nd Charge) (Excluding specific plant & machineries)



- x Gomitpur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 2nd Charge)
 - xi Gomitpur, Ahmedabad (earlier in Vadilal Cone Company) (Only on movable properties as 2nd Charge)
 - XII Dharampur, Dist : Valsad (New land) (2nd charge) (Owned property)
 - XIII Bareilly, Parsakhera Industrial area, U.P. (New land – F-12)
(2nd Charge) (Leased property)
- 2) The Working Capital facilities are also secured by way of hypothecation on entire current assets of the Company on 1st pari-passu charge basis.
- B Working Capital facilities are also secured by Personal Guarantee of some of the Directors of the Company and also guaranteed by Three Companies
- C The cash credit and working capital demand loan is repayable on demand and carries interest @ 13.50 % to 15.75 %
- D Loans and Advances from Related Parties are repayable on demand and carry interest @ 10.50 %
- E inter corporate deposits are repayable between 60 days to 90 days and carry Interest @ 13.75 % to 14.75 %

	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 9		
TRADE PAYABLES		
Micro, Small and Medium Enterprises (Refer Note 27.7)	0.00	0.00
Others	4487.99	1759.25
	<u>4487.99</u>	<u>1759.25</u>
NOTE – 10		
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term borrowings (Refer Note 5)		
From Banks	893.93	652.48
From Financial Institutions	287.50	137.50
From Others	0.00	1.11
Public Fixed Deposits (Refer Note 5)	187.60	187.76
Interest Accrued but not due on borrowings	89.16	78.73
Interest Accrued and due on borrowings	90.87	69.21
Unpaid Dividends	14.57	11.75
Unpaid Matured deposits and Interest accrued thereon	33.24	44.82
Payable for Capital Goods	459.87	327.18
Other Liabilities		
Statutory dues payable	305.96	245.89
Advance from Customers	71.01	28.74
Security Deposits from Customers	111.35	75.01
Others	72.12	59.05
	<u>2617.18</u>	<u>1919.23</u>
* Does not include any amounts outstanding as on 31.03.2012 which are required to be credited to Investor Education and Protection Fund		
# These figures includes ₹ 0.15 (P.Y. ₹ 0.15) due and outstanding as on date 31.03.2012, which is held in abeyance due to legal case pending		



NOTE – 11

FIXED ASSETS (Refer D on Note 2.1)

(₹ in Lacs)

Particulars	Land Freehold	Land Leasehold	Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
Tangible Assets								
I Cost or Valuation -								
At 31st March, 2011	164.66	112.57	3089.60	10815.67	136.42	355.98	205.42	14880.32
Additions	0.00	0.00	883.88	3590.90	12.01	35.03	6.30	4528.12
On account of Revaluation	4214.01	1172.68	2822.05	0.00	0.00	0.00	0.00	8208.74
Disposals	0.00	0.00	0.00	30.35	0.00	0.02	4.36	34.73
Other adjustments								
Borrowing costs	0.00	0.00	21.42	85.69	0.00	0.00	0.00	107.11
At 31st March, 2012	4378.67	1285.25	6816.95	14461.91	148.43	390.99	207.36	27689.56
II Depreciation -								
At 31st March, 2011	0.00	3.58	550.61	4295.23	108.53	263.74	109.96	5331.65
Additions	0.00	1.79	96.32	818.66	2.63	14.82	18.17	952.39
On account of Revaluation	0.00	0.00	1922.03	0.00	0.00	0.00	0.00	1922.03
Disposals	0.00	0.00	0.00	30.35	0.00	0.01	4.15	34.51
At 31st March, 2012	0.00	5.37	2568.96	5083.54	111.16	278.56	123.98	8171.56
III Net Block								
At 31st March, 2012	4378.67	1279.88	4247.99	9378.37	37.28	112.44	83.38	19518.00
At 31st March, 2011	164.66	108.99	2538.99	6520.44	27.89	92.24	95.46	9548.67
Capital Work In Progress								
At 31st March, 2011		1908.37						
Additions		828.33						
Disposals		1908.37						
At 31st March, 2012		828.33						

Notes

- I Land & Building includes ₹ 29.94 lacs (P.Y. ₹ 29.94 lacs) & ₹ 151.61 lacs (P.Y. ₹ 151.61 lacs) respectively in process of being transferred in the name of the company.
- II a Building includes House Building of ₹ 12.90 lacs (Gross) (P.Y. ₹ 12.90 lacs) acquired against loan which is yet to be transferred in the name of the company.
- b The Value of Building acquired against loan includes cost of documentation charges.
- III Borrowing cost capitalised during the year ₹ 107.11 lacs (P.Y. ₹ 135.93 lacs) and shown in additions to fixed Assets ₹ 107.11 Lacs (P.Y. ₹ 100.86 Lacs) and in additions to Capital work in progress ₹ Nil (P.Y. ₹ 35.07 Lacs)
- IV Capital Work in progress includes -
 ₹ 828.33 Lacs (P.Y. ₹ 1832.03 Lacs) on account of Construction materials at site
 ₹ Nil (P.Y. ₹ 76.34 Lacs) on account of expenses incurred during Construction period as under :

	31.03.2012 ₹ in Lacs	31.03.2011 ₹ in Lacs
Opening Balance	76.34	81.06
Add :		
Expenses Incurred towards acquisition of Fixed assets (Refer Note 27.3)	59.39	95.81
Interest Capitalised ((Refer Note 27.3)	107.11	135.93
Less :		
Capitalised during the year	166.50	231.74
	242.84	236.46
Closing Balance (included in capital work in progress)	0.00	76.34



	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 12		
NON-CURRENT INVESTMENTS (LONG TERM)		
(Refer E on Note 2.1)		
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in Subsidiary		
250 (P.Y. 250) equity shares of US \$ 100 each fully paid up In Vadilal Industries (Inc) U S A	11.74	11.74
Others		
72500 (P.Y. 72500) equity shares of ₹ 10 each fully paid up In Vadilal Forex and Consultancy services Ltd (Formerly known as Vadilal Happinezz Parlour Ltd) (At cost less provision for other than temporary diminution ₹ 6.53 Lacs (P.Y. ₹ 6.53 Lacs)	0.72	0.72
Investment in Partnership Firm		
(Refer details below)		
Vadilal Cold Storage	140.00	140.00
Non trade Investments (valued at cost unless stated otherwise)		
Government and Trust Securities		
Unquoted		
7 Year National Saving Certificates (Lodged with Govt. Authorities)	0.28	0.28
Other Investments		
Equity Instruments		
Unquoted		
74100 (P.Y. 74100) equity shares of ₹ 10 each fully paid up In Majestic Farm House Ltd.	1.87	1.87
280 (P.Y. Nil) equity shares of ₹ 10 each fully paid up In Padm Complex Pvt. Ltd.	0.03	0.00
280 (P.Y. Nil) equity shares of ₹ 10 each fully paid up In Volute Construction Pvt Ltd.	0.03	0.00
4195 (P.Y. 4195) equity shares of ₹ 25 each fully paid In Textile Traders Coop Bank Ltd	1.05	1.05
3540 (P.Y. 3540) equity shares of ₹ 25 each fully paid In Siddhi Co-op. Bank Ltd	0.89	0.89
	156.61	156.55
Aggregate amount of unquoted investments	156.61	156.55
Details of Investment in Partnership Firm -		
Investment in Vadilal Cold Storage		
Name of the partner and share in profits (%)		
M/S Vadilal Industries Limited	98%	98%
M/S Vadilal Chemicals Limited	2%	2%
Total Capital of the Firm (₹)	142.90	142.90



	Non – Current		Current	
	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 13				
LOANS AND ADVANCES				
Unsecured, Considered good unless otherwise stated				
Capital Advances	67.82	705.93	0.00	0.00
Loans and Advances to related parties (Refer Note 28.3)	282.78	223.97	0.00	0.00
Advances recoverable in cash or in kind or for value to be received (Refer Note 28.3)				
Considered Good	0.00	0.00	484.75	337.02
Considered Doubtful	0.00	0.00	9.50	9.50
Less : Provided for :	0.00	0.00	9.50	9.50
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>	<u>484.75</u>	<u>337.02</u>
Other Loans and Advances				
Loans to employees	0.81	3.76	8.74	8.21
Prepaid Expenses	0.42	0.66	12.73	58.63
Deposits with Government Authorities	43.16	199.75	158.18	0.00
Advance Income Tax less Provisions	47.32	47.92	0.00	0.00
MAT Credit entitlement	303.43	137.20	0.00	0.00
Other Trade / Security Deposits (Refer Note 28.3)	433.38	417.90	0.00	0.00
Loans in Current Account	0.00	0.00	42.96	15.34
	<u>828.52</u>	<u>807.19</u>	<u>222.61</u>	<u>82.18</u>
	<u>1179.12</u>	<u>1737.09</u>	<u>707.36</u>	<u>419.20</u>
Loans and Advances to related parties include -				
Loan to Subsidiary	115.92	70.85	0.00	0.00
Balance with Firm in which company is a partner	166.86	153.12	0.00	0.00
	<u>282.78</u>	<u>223.97</u>	<u>0.00</u>	<u>0.00</u>
NOTE – 14				
Other Assets				
(Unsecured, Considered good unless otherwise stated)				
Deposits with original maturity of more than 12 months (Refer Note 18)	31.12	25.88	0.00	0.00
Unamortised Borrowing cost (Refer J (ii) & (iii) on Note 2.1))	28.92	39.20	10.28	10.86
Interest Receivable	0.00	0.00	172.43	195.59
Export Benefits Receivable	0.00	0.00	144.38	93.47
	<u>60.04</u>	<u>65.08</u>	<u>327.09</u>	<u>299.92</u>



	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 15		
CURRENT INVESTMENTS (Valued at lower of cost and fair value)		
(Refer E on Note 2.1)		
Quoted Equity Instruments		
400 (P.Y. 400) equity shares of ₹ 10 each fully paid-up In Aminex Chemicals Ltd.	0.04	0.04
15 (P.Y. 15) equity shares of ₹ 10 each fully paid-up In Century Enka Ltd	0.06	0.06
60 (P.Y. 60) equity shares of ₹ 10 each fully paid-up In Essar Steel Ltd.	0.01	0.01
200 (P.Y. 200) equity shares of ₹ 10 each fully paid-up In Golden Agro Tech Industries Ltd	0.02	0.02
100 (P.Y. 100) equity shares of ₹ 10 each fully paid-up In Great Eastern Shipping Co.Ltd	0.04	0.04
25 (P.Y. 25) equity shares of ₹ 10 each fully paid-up in Great Offshore Ltd	0.01	0.01
25000 (P.Y. 25000) equity shares of ₹ 1 each fully paid-up In Interface Financial Services Ltd	2.00	2.00
120 (P.Y. 120) equity shares of ₹ 2 each fully paid-up In Matrix Laboratories Ltd	0.64	0.64
49000 (P.Y. 49000) equity shares of ₹ 1 each fully paid-up In Radhe Developers Ltd	0.49	0.49
2500 (P.Y. 2500) equity shares of ₹ 10 each fully paid-up In Saket Projects Ltd	0.25	0.25
900000 (P.Y. 900000) equity shares of ₹ 1 each fully paid-up In Sanara Media Ltd.	1.24	1.24
	4.80	4.80
Less : Diminution in value of Investments	3.32	3.04
Total (II)	1.48	1.76
Aggregate amount of quoted investments (Market value ₹ 1.71 Lacs) (P.Y. ₹ 2.04 Lacs)	4.80	4.80
Aggregate provision for diminution in value of Investments	3.32	3.04
NOTE – 16		
INVENTORIES		
(Refer F on Note No. 2.1)		
Stores & Spares	336.66	241.87
Raw Materials (Includes Goods in Transit ₹ 2.52 Lacs P.Y. ₹ 23.02 Lacs))	1992.19	1598.06
Packing Materials (Includes Goods in Transit ₹ 0.21 Lacs P.Y. ₹ 4.95 Lacs))	935.40	806.87
Finished Goods (Includes Goods in Transit ₹ 125.21 Lacs P.Y. ₹ 117.16 Lacs))	3440.93	2942.06
	6705.18	5588.86



	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 17		
TRADE RECEIVABLES		
Unsecured, Considered good unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	16.10	61.51
Considered Doubtful	0.37	0.37
Less : Provided for	0.37	0.37
	<u>0.00</u>	<u>0.00</u>
	16.10	61.51
Other receivables - Considered Good	3324.75	2326.09
	<u>3340.85</u>	<u>2387.60</u>
NOTE – 18		
CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with Banks		
On Current Accounts	26.52	32.18
Deposits with original maturity of less than three months	15.19	33.70
On Unpaid Dividend a/c	14.58	11.76
Cheques, Drafts on hand	3.49	15.63
Cash Balance on hand	17.78	17.21
	<u>77.56</u>	<u>110.48</u>
Other Bank Balances		
Deposits with original maturity for more than Three months (Includes Security deposit with bank ₹ 18.64 Lacs P. Y. ₹ 16.18 Lacs)	19.32	18.05
Margin Money deposit (against bank guarantee and L C)	120.18	9.53
	<u>139.50</u>	<u>27.58</u>
	217.06	138.06
Less : Deposits with original maturity of more than 12 months Amount disclosed under non – current assets (Refer Note 14)	31.12	25.88
	<u>185.94</u>	<u>112.18</u>
	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2011 (₹ in Lacs)
NOTE – 19		
REVENUE FROM OPERATIONS (GROSS)		
Sale of Products (Refer Note below)		
Finished Goods	28318.10	23434.19
Sale of Services		
Income from Money Changing Business	5.89	5.19
Other Operating Revenues		
Export Licences / DEPB	166.46	132.69
Miscellaneous Sales	89.80	77.88
	<u>28580.25</u>	<u>23649.95</u>



	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2011 (₹ in Lacs)
Details of Products sold		
Finished Goods		
Ice Cream & Frozen Desserts	23881.81	19850.94
Fruit Pulp, Frozen Fruits, Vegetables & Ready to eat / serve	4436.29	3583.25
	<u>28318.10</u>	<u>23434.19</u>
Note -		
The Company is engaged in the manufacturing and trading of selected Fruit Pulp, Frozen Fruits, Vegetables & Ready to eat / serve Products. Due to complexities, it is not possible to segregate the information regarding Sales, consumption and inventories of such products into Finished goods and traded goods		
NOTE – 20		
OTHER INCOME		
Interest Income	197.96	224.00
Dividend Income		
On Long Term Investments	0.24	0.25
Net gain on Foreign Currency Translations and Transactions	0.00	7.63
Share of Profit of Partnership Firms #	13.74	39.46
Other Income		
Profit on Sale of Fixed Assets	12.14	0.00
Excess Provision written back	11.08	24.06
Miscellaneous Income	53.64	63.70
	<u>288.80</u>	<u>359.10</u>
# Amount of share of profit in partnership firm have been accounted on the basis of unaudited financial statements of the partnership firm		
NOTE – 21		
COST OF MATERIALS CONSUMED		
(Also Refer Note 27.9)		
Inventory at the beginning of the year	2404.93	1820.66
Add : Purchases	16600.65	14158.73
	<u>19005.58</u>	<u>15979.39</u>
Less : Inventory at the end of the year	2927.59	2404.93
Cost of Materials consumed	<u>16077.99</u>	<u>13574.46</u>
Details of Materials consumed -		
Milk and Milk Products	4783.45	4020.86
Dry Fruits, Fresh Fruits & Vegetables	2528.19	2286.33
Packing Materials	3565.97	2765.86
Others	5200.38	4501.41
	<u>16077.99</u>	<u>13574.46</u>
Details of Inventory -		
Milk and Milk Products	1339.39	1029.08
Dry Fruits, Fresh Fruits & Vegetables	137.91	165.58
Packing Materials	935.40	806.87
Others	514.89	403.40
	<u>2927.59</u>	<u>2404.93</u>



	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2011 (₹ in Lacs)
NOTE – 22		
PURCHASE OF TRADED GOODS		
Ready to eat / serve	86.69	52.99
Fruit Pulp,Frozen Fruits, Vegetables	494.40	48.73
Others	10.67	28.22
	<u>591.76</u>	<u>129.94</u>
NOTE – 23		
CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE		
Opening Stock :		
Finished Goods	2942.06	3580.20
	<u>2942.06</u>	<u>3580.20</u>
Closing Stock :		
Finished Goods	3440.93	2942.06
	<u>3440.93</u>	<u>2942.06</u>
Net Changes in Inventories	<u>(498.87)</u>	<u>638.14</u>
Details of Inventory - Finished Goods		
Ice Cream & Frozen Desserts	1740.09	946.03
Fruit Pulp,Frozen Fruits, Vegetables & Ready to eat / serve	1700.84	1996.04
	<u>3440.93</u>	<u>2942.06</u>
NOTE – 24		
EMPLOYEE BENEFITS EXPENSE		
Salary, Wages, Allowances & Bonus, etc	1159.24	986.18
Contribution to Provident & other funds	78.39	43.76
Staff Welfare Expenses	104.49	85.33
	<u>1342.12</u>	<u>1115.27</u>
NOTE – 25		
OTHER EXPENSES		
Job Charges	1403.40	1059.63
Power & Fuel	2209.52	1785.41
Stores & Spares Consumption (Also Refer Note 27.10)	60.91	60.21
Repairs		
Building	42.52	35.49
Machinery	184.22	167.36
Excise Duty others	37.93	45.81
Rent	524.64	483.17
Rates & Taxes	20.56	13.42
Insurance	45.36	42.80
Payment to Auditors (Refer details below)	23.58	23.45
Freight, & Forwarding expenses	1366.23	1133.88
Loss on sale of Long Term Investments	0.00	2.63
Diminution in Value of Current Investments	0.28	0.43
Net loss on Foreign Currency Translation and Transactions	61.13	0.00
Impairment Loss on Fixed Assets	0.00	17.36
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery, etc)	1136.07	909.52
	<u>7116.35</u>	<u>5780.57</u>



	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2011 (₹ in Lacs)
Payment to Auditors		
As Auditor		
Audit Fees	10.75	10.15
Tax Audit Fees	4.25	4.20
Limited Review	1.60	1.54
In Other Capacity		
Taxation matters	1.71	1.76
Other services (certification fees)	4.60	5.08
Reimbursement of expenses	0.67	0.72
	<u>23.58</u>	<u>23.45</u>
NOTE – 26		
FINANCE COST		
(Refer J on Note 2.1)		
Interest Expenses	1759.32	1078.84
Other Borrowing Cost	114.28	75.46
Amortisation of ancilliary borrowing costs	10.20	11.07
Net Loss on Foreign Currency Transactions and Translations	105.52	37.84
	<u>1989.32</u>	<u>1203.21</u>
NOTE - 27 Additional Information to the Financial Statements		
27.1) [A] CONTINGENT LIABILITIES NOT PROVIDED FOR :		
	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
I) Guarantees given by the company against Term Loans given to companies in which Directors are interested. Outstanding against this as at 31.03.2012	924.00	895.00
II) i) For Excise -		
a) Related to a matter decided in favor of the company, against which the Excise department has preferred an appeal. Gross ₹ 18.03 lacs (P.Y. ₹ 18.03 lacs) Net of Tax	620.72	441.23
b) Related to a matter which is disputed by the company against which appeal is preferred. Gross ₹ 2.32 lacs (P.Y. ₹ 1.16 lacs) Net of Tax	12.18	12.04
ii) For Income Tax -		
a) which is disputed by the company and against which company has preferred appeal, based on the demand notices raised by Income Tax Dept. and received by the company.	1.57	0.77
b) Against which Income Tax department has preferred appeal	8.44	6.94
c) In respect of erstwhile Vadilal Financial Services Limited (VFSL) Income Tax Demand (including interest) for which the company has preferred appeal.	166.65	166.65
iii) For Sales Tax -		
Disputed by the company and against which company has preferred an appeal. Gross ₹ 83.11 lacs (P.Y. ₹ 83.11 lacs) Net of Tax	1.93	3.16
iv) For other Matters -		
Gross ₹ 9.39 lacs (P.Y. ₹ 1.66 lacs) Net of Tax	56.14	55.50
v) In respect of other labor suits pending before various courts, liability is unascertainable.	6.34	1.11
vi) Differential amount of custom/excise duty in respect of machinery purchased under EPCG scheme.	—	—
	426.33	707.42



	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
III) Other Money for which the Company is contingently liable		
i) Liability in respect of Bills Discounted with Third Party	2561.88	1106.93
ii) Liabilities in respect of Foreign Bills Purchased by Banks Note :	101.54	—
Note :		
a) Future cash outflows in respect of A (II) (i) to (v) above depends on ultimate settlement / conclusions with the relevant authorities.		
b) Future cash outflows in respect of A (II) (vi) above depends if company is unable to fulfill export obligations of ₹ 2581.94 Lacs (P.Y.₹ 5986.67 Lacs) within next eight to twelve years. The fulfillment of export obligation is considered on the basis of license claimed at the time of export.		
c) Future cash outflows in respect of A (III) above depends if Vendors are unable to fulfill the liability.		

[B] Particulars of dues of Sales Tax, Income Tax, Excise duty and Other Matters as at March 31, 2012, which have not been deposited. [₹ in Lacs]

(I) Disputed cases, where company has preferred appeals.				
Name of Statute	Nature of dues	Amount	Period of which the amount relates	Forum where dispute is pending
(i) FOR SALES TAX ASST.DUES				
S. Tax	Asst. dues	23.24 (23.24)	1998-99	High Court
	Asst. dues	12.49 (12.49)	2000-01	Jt. Comm., S. Tax
	Asst. dues	15.74 (15.74)	2000-01	Dy. Comm., S. Tax
	Asst. dues	1.55 (1.55)	2001-02	Dy. Comm., S. Tax
	Asst. dues	0.60 (0.60)	2002-03	S. Tax Tribunal
	Asst. dues	2.39 (2.39)	2003-04	Jt. Comm., S. Tax
	Asst. dues	0.46 (0.46)	2003-04	Jt. Comm., S. Tax
	Asst. dues	3.67 (3.67)	2004-05	S. Tax Tribunal
Total		60.14 (60.14)		
(ii) FOR EXCISE				
	Cenvat credit	2.32 (1.16)	2006-07	Asst. Commissioner
Total		2.32 (1.16)		
(iii) FOR INCOME TAX				
	Asst. dues	0.00 (1.23)	1996-97	ITAT
	Asst. dues	1.93 (1.93)	1996-97	High Court
	Asst. dues	3.12 (3.12)	1999-00	High Court
	Asst. dues	1.37 (1.37)	2006-07	ASSESSING OFFICER
	Asst. dues	2.45 (2.45)	2006-07	ITAT
	Asst. dues	1.50 (0.00)	2009-10	CIT-APPEALS
Total		10.37 (10.10)		



Name of Statute	Nature of dues	Amount	Period of which the amount relates	Forum where dispute is pending
(iv) FOR	Other Matters			
	Asst.dues	6.55 (0.00)	01/04/98 to 31/05/11	U.P.State Pollution Control Board
	Total	6.55 (0.00)		
(II)	Decided in favour of the company but the department has preferred appeals.			
(i)	Excise Goods cleared with differential	4.58 (4.58)	1988-89	Asst.Commissioner classification
	Cenvat credit	4.28 (4.28)	2003-04	Asst.Commissioner
	Cenvat credit	9.17 (9.17)	2000-01	High Court, Hyderabad
	Total	18.03 (18.03)		
(ii)	I.Tax	50.46 (50.46)	1992-93	ITAT
	I.Tax Asst.	31.10 (31.10)	1993-94	ITAT
		7.84 (7.84)	1994-95	High Court
		14.06 (14.06)	1995-96	High Court
		16.03 (16.03)	1996-97	High Court
		0.51 (0.51)	2001-02	High Court
		5.10 (5.10)	2002-03	High Court
		41.55 (41.55)	1997-98	High Court
Total		166.65 (166.65)		

Note : Figures in brackets relate to previous year.

27.2) At 31st March, 2012, the company has commitments of ₹ 134.16 lacs (31st March, 2011 ₹ 422.09 lacs) relating to amount of contracts (net amount) remaining to be executed on capital account not provided for.

27.3) Capitalisation of Expenditure:

During the year, the company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in- progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2011 (₹ in Lacs)
Employees Benefits expenses	11.74	19.19
Legal & Professional Exps.	31.15	28.20
Travelling expenses	6.88	14.87
Insurance expenses	0.00	4.52
Electricity expenses (Extension of KVA)	9.36	4.39
Miscellaneous expenses	0.26	3.30
Bank Interest	107.11	135.93
Finance Cost (Bank TL Charges)	0.00	21.34
TOTAL	166.50	231.74

27.4) The company has written down the inventories to net realisable value during the year by ₹ 31.73 Lacs (Previous year ₹ 38.91 Lacs).



27.5) Disclosure as required under clause No.32 of Stock Exchange listing agreement :
Loans/Advances and Investments of the company :

Particulars	O/S.as at 31.03.2012 (₹ in Lacs)	Maximum O/S. during the year (₹ in Lacs)
(I) SUBSIDIARY COMPANY		
Vadilal Industries (USA) Inc.		
- Investments	11.74	11.74
	(11.74)	(11.74)
- Loan & Advance*	115.92	115.92
	(70.85)	(70.85)
(II) PARTNERSHIP FIRMS WHERE SHARE IS MORE THAN 51 %		
Vadilal Cold Storage		
- Investments	140.00	140.00
	(140.00)	(140.00)
- Loans & Advances	166.86	166.86
	(153.12)	(153.12)

* Loans and Advance shown above, to Subsidiaries fall under the category of "Long Term Loans and Advances" in the nature of Loans where there is no repayment schedule and are repayable on demand. Such Loans and Advances is given free of Interest.

Note : Figures in bracket relate to previous year.

27.6) PARTICULARS OF DERIVATIVE INSTRUMENTS :

a) Derivative contracts entered into by the company and outstanding as on 31st March, 2012:

- i) All derivative and financial instruments acquired by the company are for hedging.
- ii) Foreign currency exposure that are hedged by derivative instruments as on 31st March, 2012 -

PARTICULARS	As At 31.03.2012	As At 31.03.2011
Number of Buy Contract	1	0
Aggregate Amount	US \$ 2111932.41 ₹ 1033.37 Lacs	US \$ 0.00 ₹ 0.00 Lacs

iii) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2012 - US \$ 2768494 equal to ₹ 1416.36 Lacs (Previous year US \$ 2818588 equal to ₹ 1292.59 Lacs)Euro 30323 equal to ₹ 20.72 Lacs (Previous year Euro 51130 equal to ₹ 30.22 Lacs)GBP 8167 equal to ₹ 6.68 Lacs (Previous Year GBP 0 equal to ₹ 0.00 Lacs)

27.7) The information as required to be disclosed under the "Micro, Small and Medium Enterprises Development Act,2006" has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosure relating to balance if any as at the year end have been given in Note No.-9.This is relied upon by the Auditors.

27.8) MANAGERIAL REMUNERATION

Salaries, Wages, Allowances, Bonus etc. includes ₹ 103.44 lacs towards Managing Director's remuneration as per details given below.

	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2011 (₹ in Lacs)
Salary	52.80	48.00
Commission #	20.21	6.14
Contribution to P.F.	6.34	5.76
Other perquisites in cash or kind	24.09	23.22
Total	103.44	83.12

Note:- The Overall Managerial Remuneration to be paid to both the Managing Directors can not exceed 10% of the Net Profit of the Company and hence, the commission payable to the Managing Directors is restricted to 0.9770% of the Net Profit (instead of 2%) to each Managing Director.

27.9) Consumption of Raw and Packing Materials :

	C.YEAR (₹ in Lacs)	%age	P.YEAR (₹ in Lacs)	%age
1) Imported	131.33	0.82	123.76	0.91
2) Indigenous	15946.66	99.18	13450.70	99.09
	16077.99	100.00	13574.46	100.00


27.10) STORES AND SPARES CONSUMED:

	C.YEAR (₹ in Lacs)	%age	P.YEAR (₹ in Lacs)	%age
1) Imported	11.18	18.35	6.57	10.91
2) Indigenous	49.73	81.65	53.64	89.09
	60.91	100.00	60.21	100.00

27.11)

	C.YEAR (₹ in Lacs)	P.YEAR (₹ in Lacs)
A) C.I.F.VALUE OF IMPORTS:-		
a) Raw Materials and Packing Materials	271.24	104.59
b) Stores and Spares	11.00	15.56
c) Capital Goods	568.23	952.37
B) EXPENDITURE IN FOREIGN CURRENCY: (on accrual basis)		
i) Sales Promotion and Commission	28.85	20.06
ii) Travelling	8.30	3.33
iii) Freight	220.62	171.96
iv) Others	7.73	8.32
v) legal & Prof Charges	0.93	5.73
C) EARNINGS IN FOREIGN CURRENCY:-		
Export of Goods (F.O.B.Value)	2995.25	2285.30

27.12) 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 :

	C.YEAR	P.YEAR
Year to which dividend relates	2010-11	2009-10
Number of non-resident shareholders	12	69
Number of shares held by them on which dividend is due	15431	27249
Amount remitted to bank accounts in India of non-resident shareholders-₹ in Lacs	0.23	0.41

NOTE - 28 Disclosure under Accounting Standards
28.1) (i) Defined Contribution Plans:

Amount of ₹ 64.26 Lacs is recognised as expense and included in "Employee Benefits Expenses" in the Statement of Profit and Loss.

(ii) Defined Benefit Plans :

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

Particulars	Gratuity Plan	Gratuity Plan
	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
Opening defined benefit		
Obligation as at 01.04.11	138.46	138.27
Service Cost	13.75	12.73
Interest Cost	11.34	11.32
Actuarial Losses (Gains)	8.30	(21.57)
Losses (Gains) on Curtailments	0.00	0.00
Liabilities extinguished on settlements	0.00	0.00
Benefits Paid	(17.87)	(2.31)
Closing defined benefit obligation as at 31.03.2012	153.98	138.46



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

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
Opening fair value of plan assets as at 01.04.2011	94.84	76.87
Expected return	8.68	7.86
Actuarial gains(Losses)	(0.99)	(1.26)
Assets distributed on Settlements	0.00	0.00
Contribution by employer	00.00	13.68
Benefits paid	(17.87)	(2.31)
Closing balance of fair value of plan Assets as at 31.03.2012	84.66	94.84

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

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
Amount to be recognised in Balance Sheet		
A) Present Value of Defined Benefit Obligation		
- Funded	84.66	94.84
- Unfunded	69.32	43.62
Total	153.98	138.46
Less: Fair Value of Plan Assets	84.66	94.84
- Unrecognised Past Service Costs	0.00	0.00
- Amount to be recognised as Liability	69.32	43.62
B) Amount Reflected in the Balance Sheet		
Liabilities	69.32	43.62
Assets	0.00	0.00
Net Liability/(Asset)	69.32	43.62

(d) The amounts recognised in Statement of Profit and Loss are as follows:

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
1. Current Service Cost	13.75	12.73
2. Interest cost	11.34	11.32
3. Expected return on plan assets	(8.68)	(7.86)
4. Net Actuarial Losses (Gains) recognised in yr.	9.30	(20.30)
5. Past service cost	0.00	0.00
6. Losses (gains) on Curtailments and Settlement	0.00	0.00
Total included in Employee's expense	25.71	(4.10)
Actual return on plan assets	7.69	6.59

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

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
Government of India -Securities	0.00 %	0.00 %
High quality- -Corporate bond	0.00 %	0.00 %
Equity shares of -listed companies	0.00 %	0.00 %
Property	0.00 %	0.00 %
Insurance company	100.00 %	100.00 %



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

Particulars	Gratuity Plan	Gratuity Plan
	Current Year	Previous Year
	(₹ in Lacs)	(₹ in Lacs)
Discount rate	8.50 %	8.19 %
Expected return on plan assets	8.50 %	9.15 %
Proportion of employees opting for early retirement/ Attrition rate	16.00 %	16.00 %
Annual increase in salary costs	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 benefits plans for current and previous three years are as follows :

Gratuity Plan:- (₹ in Lacs)

Particulars	Current Year	Previous Years		
	2011-12	2010-11	2009-10	2008-09
Defined benefit				
Obligation	153.98	138.46	138.27	111.86
Plan assets	84.66	94.84	76.87	58.14
Surplus / (Deficit)	(69.32)	(43.62)	(61.40)	(53.72)
Experience adjustment on plan Liabilities	12.54	0.00	0.00	0.00
Experience adjustment on plan Assets	(0.99)	0.00	0.00	0.00

Note: Amount not available for Experience adjustment of previous years on plan liabilities and on plan Assets as per actuarial certificate for Gratuity Plan.

- (h) The company expects to fund ₹ 20.00 Lacs towards gratuity plan and ₹ 28.00 Lacs towards provident fund plan during the year 2012-13.

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 and SBI Life-Cap Assure Gratuity Scheme. 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) As per Accounting Standard (AS) 17, "Segment Reporting", segment information is provided in the Notes to Consolidated Financial Statements.

28.3) RELATED PARTY DISCLOSURES : As per Accounting Standard 18.

A) Name of related party and description of relationship where control exists.

Vadilal Industries (USA) Inc. : Subsidiary Company

Vadilal Cold Storage : Partnership firm where share is more than 51 %

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

1) Key Management Personnel :

i) Virendra R Gandhi

ii) Rajesh R Gandhi

iii) Devanshu L Gandhi

2) Enterprises owned or significantly influenced by key management personnel or their relatives :

i) Vadilal Enterprises Ltd.

ii) Vadilal International Pvt. Ltd.

iii) Kalpit Reality & Services Ltd.

iv) Vadilal Forex and Consultancy Services Ltd. (Earlier known as 'Vadilal Happiness Parlour Ltd.')

v) Veronica Construction Pvt.Ltd.

vi) Padm Complex Pvt.Ltd.

vii) Majestic Farm House Ltd.

viii) Volute Construction Pvt. Ltd.

ix) Ambica Dairy Products

3) Relative of key Management Personnel :

i) Mamta R Gandhi

ii) Kalpit R Gandhi


Transaction with related parties :

[₹ in Lacs]

Sr. No.	Particulars of Transaction & Name of related party with whom transaction are more than 10%	Subsidiary	Control Exist	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
1	Sales :					
	i) Vadilal Enterprises Ltd.	—	—	—	24641.47	24641.47
		(—)	(—)	(—)	(20,514.36)	(20,514.36)
	ii) Vadilal Industries (USA) Inc	278.79	—	—	—	278.79
		(136.88)	(—)	(—)	(—)	(136.88)
	iii) Others	—	—	—	66.84	66.84
		(—)	(—)	(—)	(62.85)	(62.85)
2	Purchase :					
	Ambica Dairy Products	—	—	—	103.40	103.40
		(—)	(—)	(—)	(64.64)	(64.64)
3	Hire Charges/Rent paid :					
	Vadilal Cold Storage	—	2.40	—	—	2.40
		(—)	(3.01)	(—)	(—)	(3.01)
4	Rent Income :					
	Vadilal Enterprises Ltd.	—	—	—	0.54	0.54
		(—)	(—)	(—)	(0.54)	(0.54)
5	Interest paid :					
	i) Vadilal Forex and Consultancy Services Ltd.	—	—	—	1.48	1.48
	(Earlier Known as Vadilal Happinezz Parlour Ltd.)	(—)	(—)	(—)	(1.35)	(1.35)
	ii) Padm Complex Pvt.Ltd.	—	—	—	0.57	0.57
		(—)	(—)	(—)	(3.22)	(3.22)
	iii) Veronica Construction P. Ltd	—	—	—	40.46	40.46
		(—)	(—)	(—)	(11.62)	(11.62)
	iv) Kalpit Realty & Services Ltd	—	—	—	0.00	0.00
		(—)	(—)	(—)	(16.38)	(16.38)
6	Salary paid :					
	i) Mamta R.Gandhi	—	—	1.08	—	1.08
		(—)	(—)	(1.08)	(—)	(1.08)
	ii) Kalpit R. Gandhi	—	—	3.43	—	3.43
		(—)	(—)	(0.00)	(—)	(0.00)
7	Interest Income :					
	Vadilal International Pvt.Ltd.	—	—	—	3.75	3.75
		(—)	(—)	(—)	(3.75)	(3.75)
8	Share of profit in Partnership Firm					
	Vadilal Cold Storage	—	13.74	—	—	13.74
		(—)	(39.46)	(—)	(—)	(39.46)
9	Royalty paid/payable :					
	Vadilal International Pvt.Ltd.	—	—	—	1.38	1.38
		(—)	(—)	(—)	(1.38)	(1.38)
10	Loan & Advance Given					
	i) Vadilal Industries (USA) Inc	45.07	—	—	—	45.07
		(70.85)	(—)	(—)	(—)	(70.85)
	ii) Majestic Farm House Ltd.	—	—	—	3.57	3.57
		(—)	(—)	(—)	(0.00)	(0.00)
11	Intercompany Deposit Received					
	Veronica Construction P. Ltd	—	—	—	1600.00	1600.00
		(—)	(—)	(—)	(260.00)	(260.00)



[₹ in Lacs]

Sr. No.	Particulars of Transaction & Name of related party with whom transaction are more than 10%	Subsidiary	Control Exist	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
12	Intercompany Deposit Re-paid Kalpit Realty & Services Ltd	— (—)	— (—)	— (—)	0.00 (171.16)	0.00 (171.16)
13	Balance outstanding at year end :					
a)	Investments :					
i)	Vadilal Industries (USA) Inc	11.74 (11.74)	— (—)	— (—)	— (—)	11.74 (11.74)
ii)	Others	— (—)	140.00 (140.00)	— (—)	1.87 (1.87)	141.87 (141.87)
b)	Receivable :					
	Trade Receivables					
i)	Vadilal Enterprises Ltd.	— (—)	— (—)	— (—)	2987.97 (2164.04)	2987.97 (2164.04)
ii)	Vadilal Industries (USA) Inc	163.04 (78.64)	— (—)	— (—)	— (—)	163.04 (78.64)
iii)	Others	— (—)	— (—)	— (—)	11.67 (13.17)	11.67 (13.17)
	Loans & Advances Given					
i)	Vadilal International Pvt.Ltd.	— (—)	— (—)	— (—)	375.25 (375.25)	375.25 (375.25)
ii)	Vadilal Industries (USA) Inc	115.92 (70.85)	— (—)	— (—)	— (—)	115.92 (70.85)
iii)	Vadilal Cold Storage	— (—)	166.86 (153.12)	— (—)	— (—)	166.86 (153.12)
iv)	PADM Complex Pvt Ltd	— (—)	— (—)	— (—)	20.69 (20.69)	20.69 (20.69)
c)	Payable :					
	ICD Taken					
i)	Padm Complex Pvt.Ltd.	— (—)	— (—)	— (—)	0.33 (29.23)	0.33 (29.23)
ii)	Vadilal Forex and Consultancy Services Ltd. (Earlier Known as Vadilal Happiness Parlour Ltd.)	— (—)	— (—)	— (—)	15.38 (14.05)	15.38 (14.05)
iii)	Veronica Construction P. Ltd	— (—)	— (—)	— (—)	2020.90 (380.44)	2020.90 (380.44)
	Trade Payables					
i)	Vadilal International Pvt. Ltd.	— (—)	— (—)	— (—)	0.00 (1.25)	0.00 (1.25)
ii)	Ambica Dairy Products	— (—)	— (—)	— (—)	28.40 (21.74)	28.40 (21.74)
iii)	Vadilal Cold Storage	— (—)	2.16 (—)	— (—)	— (—)	2.16 (—)
d)	Against corporate guarantee given :					
	Vadilal Enterprises Ltd.	— (—)	— (—)	— (—)	924.00 (895.00)	924.00 (895.00)
e)	Against corporate guarantee taken :					
i)	Vadilal Enterprises Ltd.	— (—)	— (—)	— (—)	800.00 (800.00)	800.00 (800.00)
ii)	Padm Complex & Volute Construction	— (—)	— (—)	— (—)	9303.00 (9303.00)	9303.00 (9303.00)



- Note : a) Payment to key management personnel in form of Managing Director's remuneration is shown in Note No. 27.8.
 b) Represents towards deposit & receivable
 c) Represents as capital investments and amount in current account with partnership firm in which company is partner.
 d) Investment in subsidiary of ₹ 11.74 Lacs equals to \$ 25000 & Loans and advance made ₹ 115.92 Lacs equals to US \$ 250000.
 e) Transaction of sales are shown net of VAT/ CST and Outstanding of Trade Receivables are inclusive of VAT/CST.
 f) Figures in brackets relate to previous year.
 g) Vadilal Forex and Consultancy Services Ltd. was earlier known as Vadilal Happiness Parlour Ltd.
 h) Outstanding balance shown net of Acceptance.

28.4) OPERATING LEASE:-

- i) The company has taken various residential, office and godown premises under operating lease or leave and licence agreements. These are generally not non-cancellable and range between 11 months and 36 months under leave and licence 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.
 ii) Lease payments are recognised as expense in the Profit & Loss Statement on a straight line basis over the lease term under expense head "Rent" in Note 25 "Other Expenses."

28.5) Earnings Per Share (EPS) :

The following reflect the profit and share data used in the basic and diluted EPS computation

	(₹ in Lacs)	
	C. Year	P. Year
Total Operation for the year		
Profit/(loss) after Tax	625.24	508.17
Net Profit/(loss) for calculating basic/diluted EPS	625.24	508.17
Weighted Avg. Number of Equity shares in calculating Basic/Diluted EPS	7187830	7187830

28.6) Disclosure as required by Accounting Standard (AS) 29

"Provisions, Contingent Liabilities and Contingent Assets :

- a) Movement in provisions : (₹ in Lacs)

Sr. No.	Particulars of Disclosure	— Class of Provisions —		
		S. Tax / Entry Tax	Others	Total
1)	Balance as at 01.04.2011	16.65	00.00	16.65
2)	Additional provision during 2011-12	00.00	00.00	00.00
3)	Provision used during 2011-12	00.00	00.00	00.00
4)	Provision reversed during 2011-12	00.00	00.00	00.00
5)	Balance as at 31.03.2012	16.65	00.00	16.65

- b) Nature of provisions :

In respect of others provisions, the nature thereof has not been disclosed on the grounds that it can prejudice the Interests of the company.

- c) The timing and the probability of the outflow with regards to these matters depend on the ultimate settlement / conclusion with the relevant authorities.

Signatures to Notes 1 to 28
 For KANTILAL PATEL & CO.
 Chartered Accountants
 Firm Registration No.104744W

For and on behalf of the Board
 Rajesh R. Gandhi : Managing Director
 Devanshu L. Gandhi : Managing Director
 Nikhil Patel : Company Secretary

Mayank S. Shah
 Partner
 Membership No.:44922

Place : Ahmedabad
 Date : May 30, 2012

Place : Ahmedabad
 Date : May 30, 2012

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012**

Sr. No.	Particulars	Note	As At	As At
			31.03.2012 (₹ in Lacs)	31.03.2011 (₹ in Lacs)
I EQUITY AND LIABILITIES				
(1) Shareholders' Funds:				
	(a) Share Capital	2	718.78	718.78
	(b) Reserves & Surplus	3	10243.94	3523.84
	Sub Total		10962.72	4242.62
(2)	Minority Interest		8.16	7.88
(3)	Deferred Government Grant		25.58	28.77
(4) Non-Current liabilities				
	(a) Long Term borrowings	4	8272.86	6296.74
	(b) Deferred tax liabilities (Net)	5	1094.41	782.70
	(c) Long term provisions	6	34.19	11.91
	Sub Total		9401.46	7091.35
(5) Current liabilities				
	(a) Short term borrowings	7	5119.32	6863.70
	(b) Trade payables	8	4485.83	1787.38
	(c) Other current liabilities	9	2641.90	1938.23
	(d) Short term provisions	6	277.94	253.24
	Sub Total		12524.99	10842.55
	TOTAL ->		32922.91	22213.17
II ASSETS				
(1) Non-current assets				
	(a) Fixed Assets :	10		
	i) Tangible assets		19631.58	9665.37
	ii) Capital Work - In - Progress		828.33	1908.37
	Sub Total		20459.91	11573.74
	(b) Non-current Investments	11	4.87	4.81
	(c) Long-term loans and advances	12	922.77	1520.47
	(d) Other non-current assets	13	60.04	65.08
	Sub Total		21447.59	13164.10
(2) Current Assets				
	(a) Current Investments	14	1.48	1.76
	(b) Inventories	15	6778.67	5630.85
	(c) Trade receivables	16	3250.11	2348.41
	(d) Cash & Bank balances	17	215.55	129.54
	(e) Short term Loans & Advances	12	902.42	638.52
	(f) Other Current Assets	13	327.09	299.99
	Sub Total		11475.32	9049.07
	TOTAL ->		32922.91	22213.17

Summary of significant accounting policies 1
The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

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

Rajesh R. Gandhi : Managing Director
Devanshu L. Gandhi : Managing Director
Nikhil Patel : Company Secretary

Mayank S. Shah
Partner
Membership No.:44922

Place : Ahmedabad
Date : May 30, 2012

Place : Ahmedabad
Date : May 30, 2012



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Sr. No.	Particulars	Note	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2011 (₹ in Lacs)
I	Revenue From Operations (Gross)	18	28822.37	23907.76
	Less : Excise Duty		357.79	32.02
	Revenue From Operations (Net)		28464.58	23875.74
	Other Income	19	290.15	343.85
	Total Revenue (I) Sub Total		28754.73	24219.59
II	Expenses :			
	(a) Cost of Materials Consumed	20	16077.99	13574.46
	(b) Purchases of stock-in-Trade	21	596.43	140.91
	(c) Changes in inventories of Finished goods and stock in trade	22	(530.37)	620.70
	(d) Employee Benefits expenses	23	1392.71	1163.10
	(e) Other Expenses	24	7363.53	6002.10
	Total (II) Sub Total		24900.29	21501.27
III	Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		3854.44	2718.32
IV	Finance Cost	25	1989.65	1203.53
	Depreciation and Amortization expenses		960.48	830.50
	Less : Recoupment from Revaluation reserve / Deferred Government grant		20.73	23.77
	Total (IV) Sub Total		939.75	806.73
V	Profit before Exceptional & extraordinary items and tax (III-IV)		925.04	708.06
VI	Exceptional Items		0.00	0.21
VII	Profit before extraordinary items and tax (V-VI)		925.04	707.85
VIII	Extraordinary items		0.00	0.00
IX	Profit before Tax (VII-VIII)		925.04	707.85
X	Tax Expenses			
	(a) Current Tax		23.07	24.40
	(b) Deferred Tax charge / (release)		311.71	233.51
	(c) (Short) / Excess Provision of Tax / Deferred Tax of earlier years (Net)		(10.70)	19.66
	Total (X) Sub Total		345.48	238.25
XI	Profit (Loss) for the period (IX - X)		579.56	469.60
XII	Profits applicable to Minority Interest		0.28	0.80
XIII	Profit (Loss) for the period (XI - XII)		579.28	468.80
XIV	Earnings per equity share : (Refer Note 27.4)			
	Nominal Value of Share ₹ 10 (P.Y. ₹ 10)			
	Basic & Diluted			
	Computed on the basis of total profit for the year		8.06	6.53

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

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

Rajesh R. Gandhi : Managing Director
Devanshu L. Gandhi : Managing Director
Nikhil Patel : Company Secretary

Mayank S. Shah
Partner
Membership No.:44922

Place : Ahmedabad
Date : May 30, 2012

Place : Ahmedabad
Date : May 30, 2012



CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

	For the year ended 31.03.2012 (₹ in Lacs)	For the year ended 31.03.2011 (₹ in Lacs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and Exceptional Items from continuing operations	925.04	708.06
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	960.48	830.50
Impairment loss on tangible assets	0.00	17.36
Withdrawn From Revaluation Reserve / Deferred Government Grant	(20.73)	(23.77)
Loss / (Profit) on sale of Assets	(12.14)	0.01
Loss / (Profit) on sale of Investments	0.00	2.63
Upfront Interest on restructuring of Loan	10.86	6.12
Diminution in value of Current Investments	0.28	0.43
Excess Provision written back	(11.08)	(24.06)
Dividend	(0.24)	(0.25)
Interest expenses	1989.65	1203.53
Interest Income	(216.78)	(242.48)
Exchange rate difference on consolidation	(3.04)	(1.98)
Operating Profit before working capital changes	3622.30	2476.10
Movements in working capital :		
Increase / (decrease) in trade payables	2698.45	(326.04)
Increase / (decrease) in long term provisions	22.28	(115.86)
Increase / (decrease) in short term provisions	(8.37)	92.19
Increase / (decrease) in other current liabilities	679.86	280.75
Decrease / (increase) in trade receivable	(901.70)	(914.23)
Decrease / (increase) in inventories	(1147.82)	(33.10)
Decrease / (increase) in long term loans and advances	771.36	94.73
Decrease / (increase) in short term loans and advances	(258.40)	(76.51)
Decrease / (increase) in other current assets	(50.91)	18.63
Decrease / (increase) in other non current assets	0.00	0.00
Cash Generated from / (used in) Operations	5427.05	1496.66
Direct taxes paid (net of refunds)	(174.36)	(355.39)
Cash flow before extraordinary items	5252.69	1141.27
Net Prior Year Expenses	0.00	(0.21)
Net Cash from / (used in) Operating Activities	5252.69	1141.06
B CASH FLOWS FROM INVESTING ACTIVITIES		
Loans given (Net)	(5.51)	(43.73)
Purchase of fixed assets	(3469.14)	(4796.77)
Sale of fixed assets	12.36	29.70
Purchase of Current Investments	(0.22)	(29.57)
Proceeds from Sale / maturity of Investments	0.00	27.37
Investments in bank deposits (having original maturity of more than three months	(148.23)	(36.81)
Redemption / maturity of bank deposits (having original maturity of more than three months	36.81	78.60
Interest received	240.01	207.58
Dividend received	0.24	0.25
Net Cash flow from / (used in) Investing Activities	(3333.68)	(4563.38)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term borrowings (Net)	1976.12	2411.44
Proceeds / (Repayment) of Short Term borrowings (Net)	(1744.38)	2304.15
Interest paid	(2048.44)	(1238.79)
Dividends paid on equity shares	(105.00)	(104.99)
Tax on equity dividend paid	(17.49)	(17.91)
Net Cash flow from / (used in) Financing Activities	(1939.19)	3353.90
Net Increase/(Decrease) in cash and Cash equivalents (A+B+C)	(20.18)	(68.42)
Op. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ 0.07 lacs (P.Y. ₹ 2.06 lacs)	118.62	187.04
Cl. Balance of Cash and Cash Equivalents (Includes unrealised exchange difference of ₹ 0.07 Lacs (P.Y. ₹. 0.07 lacs)	98.44	118.62
Major Components of Cash and Cash Equivalents as at	31.03.2012	31.03.2011
Cash and Cheques on hand	25.44	34.96
Balance With Banks		
On Current Accounts	66.54	59.18
On Fixed / Margin Money Deposit Accounts	6.46	24.48
	98.44	118.62

- Notes :
1. The above Cash Flow has been prepared under Indirect Method set out in AS 3, issued by Companies (Accounting Standard) Rules, 2006.
 2. Figures in brackets represents outflow.
 3. Previous Year 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
Firm Registration No.104744W

For and on behalf of the Board

Rajesh R. Gandhi : Managing Director
Devanshu L. Gandhi : Managing Director
Nikhil Patel : Company Secretary

Mayank S. Shah
Partner
Membership No.:44922
Place : Ahmedabad
Date : May 30, 2012

Place : Ahmedabad
Date : May 30, 2012



NOTE : 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

A) ACCOUNTING CONVENTION :

The consolidated financial statements have been prepared in accordance with Accounting standard 21 (AS 21) - "Consolidated Financial Statements" and Accounting standards 23 (AS 23) - " Accounting for investments in associates" issued by the Institute of Chartered Accountants of India.

B) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to " Vadilal Industries Ltd. "(The parent Company), Vadilal Industries (USA) Inc., a subsidiary company and Vadilal Cold Storage (Partnership Firm). The consolidated statements have been prepared on the following basis.

- a) The financial statements have been combined on a line -by-line basis by adding together the book values of like items of Assets, Liabilities, Income and Expenses. The Intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated .
- b) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstance and are presented to the extent possible, in the same manner as the parent company's separate financial statements.
- c) The difference between the cost/carrying amount of investments over the net assets is recognised in financial statements as goodwill or capital reserve as the case may be.
- d) Minority interest's share of net profit/loss of consolidated for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders.
- e) In case of associates where the company holds more than 20 % of equity investments in associates are accounted for using equity method in accordance with Accounting Standard - (AS 23) " Accounting for investments in associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India.
- f) The company accounts for its share in the change in the net assets of the associate, post Acquisition, after eliminating unrealised profit and losses resulting from transactions between the company and its associate to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associate's Statement of Profit and Loss and through its reserves for the Balance, based on available information.
- g) The difference between the carrying amount of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the financial statements as goodwill or capital reserve as the case may be.
- h) Financial statement of non-integral foreign operations translated into Indian rupees pursuant to Accounting Standards 11 (AS-11) (revised 2003) 'The effects of changes in foreign currency rate are as follows:
 - 1) Revenues and expenses are translated into Rupees at the average of monthly average exchange rates, which is not as per requirements of AS-11, but having no material effect on the results of consolidated accounts.
 - 2) All balance sheet items are translated into rupees using the year end exchange rate.
 - 3) All resulting exchange differences are accumulated in a Foreign currency Traslation Reserve Account.

C) Investments other than in subsidiaries and associates have been accounted as per Accounting standard 13 on Accounting for Investments.

D) OTHER SIGNIFICANT ACCOUNTING POLICIES :

These are set out in the notes to financial statements under "Statement of accounting policies" of the financial statements of Vadilal Industries Ltd.

NOTES TO CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE - 2		
SHARE CAPITAL		
Share capital		
Authorized shares	1500.00	1500.00
1,50,00,000 (31st March, 2011: 1,50,00,000) equity shares of ₹ 10/- each		
Issued, subscribed and fully paid-up shares		
Issued and Subscribed :		
71,88,230 (31st March, 2011: 71,88,230) equity shares of ₹ 10/- each	718.82	718.82
Total issued and subscribed share capital	718.82	718.82
Paid up :		
71,87,830 (31st March, 2011: 71,87,830) equity shares of ₹ 10/- each	718.78	718.78
Total paid-up share capital	718.78	718.78
Total issued and subscribed share capital	718.78	718.78



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

	31st March, 2012		31st March, 2011	
	Nos	₹ in Lacs	Nos	₹ in Lacs
Equity shares				
At the beginning of the period	7187830	718.78	7187830	718.78
Outstanding at the end of the period	7187830	718.78	7187830	718.78

b **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 shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

During the year ended 31st March, 2012, the amount of per share dividend recognized as distributions to equity shareholders is ₹ 1.50 (31st March, 2011: ₹ 1.50).

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 in proportion to the number of equity shares held by the shareholders.

c **Shares held by holding/ultimate holding company and/or their subsidiaries / associates**

The Company does not have any holding company.

d **Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

Nil

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

	31st March, 2012		31st March, 2011	
	Nos	% holding in the class	Nos	% holding in the class
Vadilal International Pvt. Ltd.	2809704.00	39.09%	2811504.00	39.12%
Acacia Institutional Partners, LP	419035.00	5.83%	419035.00	5.83%

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 ownerships of shares.

	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 3		
RESERVES & SURPLUS		
Capital Reserve		
Closing Balance	8.84	8.84
Securities Premium Account		
Closing Balance	487.27	487.27
Revaluation Reserve		
Balance as per last Financial Statements	81.93	102.50
Add : Additions during the year	6286.71	0.00
	6368.64	102.50
Less : Amount transferred to the statement of profit and loss as reduction from depreciation	17.54	20.57
Closing Balance	6351.10	81.93
General Reserve		
Balance as per last Financial Statements	2700.00	2300.00
Add : Amount transferred from surplus balance in the statement of profit and loss	500.00	400.00
	3200.00	2700.00
Foreign Currency Translation Reserve		
Balance as per last Financial Statements	(0.72)	1.26
Less : Current Year Transfer	3.04	1.98
	(3.76)	(0.72)



	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
Surplus in the statement of profit and loss		
Balance as per last Financial Statements	246.52	303.03
Profit for the year	579.28	468.80
Less : Appropriations		
Proposed final equity dividend (amount per share ₹ 1.50. P.Y. amount per share ₹ 1.50))	107.82	107.82
Tax on proposed equity dividend	17.49	17.49
Transferred to General reserve	500.00	400.00
Total Appropriations	625.31	525.31
Net Surplus in the statement of profit and loss	200.49	246.52
Total Reserves and Surplus	10243.94	3523.84

	Non – Current		Current Maturities	
	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 4				
LONG TERM BORROWINGS				
Term Loans (Secured)				
From Banks	5222.10	4629.03	893.93	652.48
From Financial Institutions	903.13	1190.63	287.50	137.50
From Others	0.00	0.00	0.00	1.11
	6125.23	5819.66	1181.43	791.09
Deposits (Unsecured)				
Public Fixed Deposits	547.63	477.08	187.60	187.76
Loans from Related Parties (Unsecured) (Refer Note 27.2)	1600.00	—	—	—
	2147.63	477.08	187.60	187.76
	8272.86	6296.74	1369.03	978.85
The above amount includes :				
Secured borrowings	6125.23	5819.66	1181.43	791.09
Unsecured borrowings	2147.63	477.08	187.60	187.76
Less : Amount disclosed under the head "Other current Liabilities"			(1181.43)	(791.09)
Note – 9				
Less : Amount disclosed under the head "Other current Liabilities" Note – 9			(187.60)	(187.76)
Net Amount	8272.86	6296.74	0.00	0.00

Repayment Schedule of Loans							(₹ in Lacs)
Term Loans From Banks	Sanctioned / Disbursed Amount	As at 31.03.2012	As at 31.03.2011	Rate of Interest	No of installment		Amount of installment
IDBI Bank	600.00	46.37	157.61	15.25%	4 Monthly		9.27
					1 Monthly		9.29
IDBI Bank (Expansion Loan)	800.00	428.59	542.87	15.25%	14 Quarterly		28.57
					1 Quarterly		28.61
BOB	1000.00	950.00	1000.00	15.75%	57 Monthly		16.67
BOB	1400.00	1400.00	0.00	15.75%	48 Monthly		29.17
SBT	2000.00	1000.00	1975.17	14.50%	59 Monthly		33.50
					1 Monthly		23.50
SBT		1018.19	991.20	14.50%	1 Monthly		18.19
SBT (old loan)	774.91	387.55	514.95	14.25%	10 Monthly		10.76
					1 Monthly		11.04



							(₹ in Lacs)
Term Loans From Banks	Sanctioned / Disbursed Amount	As at 31.03.2012	As at 31.03.2011	Rate of Interest	No of installment	Amount of installment	
SBI (Project)	926.24	809.31	17.16	14.25%	48 Monthly	16.70	
SBI (Project)					1 Monthly	7.74	
Hire Purchase Loans							
BOB		20.07	25.80	-	From 6EMIs	-	
HDFC		55.25	54.74	-	To 41 EMIs	-	
ICICI		0.71	2.01	-			
From Financial Institutions							
Exim	1000.00	950.00	1000.00	11.50%	19 Quarterly	50.00	
Exim	525.00	240.62	328.13	13.00%	11 Quarterly	21.87	
Other		0.00	1.11	-	-	-	
Total		7306.66	6610.75				
Fixed deposits		735.23	664.84	10.25% 11.00%	12 Month to 36 months based on period of deposition period of deposit		

- A 1) Existing Term loans from IDBI, SBI and Exim aggregating to ₹ 21.00 Crores, New Term loan from BOB, SBI and Exim Bank aggregating to ₹ 30 crores and further term loan from BOB And SBT ₹ 34.00 Crores are secured by English Mortgage on Immovable properties and hypothecation on movable properties of the company situated at the following places by way of 1st and 2nd charge on pari – passu basis :
- Dudheshwar, Ahmedabad (Icecream Plant) (1st Charge) (Owned property)
 - Dharampur, Dist.: Valsad (Canning Unit) (1st Charge) (Owned property)
 - Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st Charge) (Owned property)
 - Village Pundhra, Tal : Kalol, Dist. :Gandhinagar (Icecream Plant) (1st Charge) (Owned property)
 - Unit - I, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (1st Charge) (Leased property)
 - Dharampur, Dist.: Valsad (IQF Unit - excluding specific plant & machineries) (2nd charge) (Owned property)
 - Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd Charge) (Owned property)
 - Dharampur, Dist. : Valsad (New Land) (1st Charge) (Owned property)
 - Unit - II, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (Only on movable properties as 1st Charge) (Excluding specific plant & machineries)
 - Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 1st Charge)
 - Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) (Only on movable properties as 1st Charge)
- 2) New Term Loans aggregating to ₹. 30 crores from BOB, SBI and Exim bank and further term loan aggregating to ₹ 34 crores from BOB and SBT as above are also secured by way mortgage and hypothecation on immovable and movable properties of the Company situated at bareilly, parsakhera Industrial Area, U.P. (New Land F-12) (Leased property)
- 3) The above Term Loans are also secured by way of Hypothecation on entire current assets of the Company on 2nd pari-passu charge basis
- 4) The Old Term Loan of ₹ 6 Crores from IDBI Bank Ltd. are also secured by mortgage and hypothecation on immovable immovable and movable properties of the Company situated at the following places by way of 1st charge on pari passu basis and also hypothecation on specific plant and machineries situated at IQF unit, Dharampur and Bareilly Unit – II by way of 1st charge :-
- Dudheshwar, Ahmedabad (Icecream Plant) (1st Charge) (Owned property)
 - Dharampur, Dist.: Valsad (Canning Unit) (1st Charge) (Owned property)
 - Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st Charge) (Owned property)
 - Village Pundhra, Tal : Kalol, Dist. :Gandhinagar (Icecream Plant) (1st Charge) (Owned property)
 - Unit - I, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (1st Charge) (Leased property)
 - Unit - II, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (Only on movable properties as 1st Charge) (Excluding specific plant & machineries)
 - Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 1st Charge)
 - Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) (Only on movable properties as 1st Charge)
- 5) Vehicle Loans are secured by hypothecation of vehicles
- B The Term Loans are also secured by personal Guarantee of some of the Directors of the Company and also guaranteed by Three Companies



	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 5		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Fixed assets : Impact of difference between tax Depreciation and depreciation / amortisation charged for the financial reporting	1173.15	905.34
Others	16.10	8.85
	<u>1189.25</u>	<u>914.19</u>
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	34.34	29.02
Others	60.50	102.47
	<u>94.84</u>	<u>131.49</u>
Deferred Tax Liability (Net)	1094.41	782.70

	Long term		Short term	
	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 6				
PROVISIONS				
Employee Benefits :				
Provision for Gratuity	32.27	11.91	37.05	31.71
Compensated absences	1.92	—	46.76	60.47
Others :				
Income Tax Less Advance Tax (Current Tax)	—	—	52.17	19.10
Proposed Equity Dividend	—	—	107.82	107.82
Provision for Tax on Proposed Equity Dividend	—	—	17.49	17.49
Other Provisions	—	—	16.65	16.65
	<u>34.19</u>	<u>11.91</u>	<u>277.94</u>	<u>253.24</u>

	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
Note – 7		
SHORT TERM BORROWINGS		
Loans Repayable on Demand		
From Banks		
Working Capital Loans (Secured)	3642.77	4282.77
Short Term Loans (Unsecured)	0.00	999.99
	<u>3642.77</u>	<u>5282.76</u>
Short Term Loan from Finance Company (Unsecured)	144.66	0.00
Deposits (Unsecured)		
Public Fixed Deposits	635.28	587.21
Inter Corporate deposits	260.00	570.00
Loans from Related Parties (Unsecured) (Refer Note 27.2)	436.61	423.73
	<u>1331.89</u>	<u>1580.94</u>
	<u>5119.32</u>	<u>6863.70</u>
The above amount includes :		
Secured borrowings	3642.77	4282.77
Unsecured borrowings	1476.55	2580.93
	<u>5119.32</u>	<u>6863.70</u>



- A 1) Working Capital facilities from consortium banks namely BOB, SBI, SBT, IDBI Ltd and Exim Bank aggregating to ₹ 65.28 crores (enhanced from ₹ 45.25 crores after repayment of ₹ 4 crores to SIB) are secured by way of English mortgage on Immovable properties and hypothecation on movable properties of the company situated at the following places by way of 1st & 2nd Charge on pari-passu basis :-
- Dudheshwar, Ahmedabad (Icecream Plant) (2nd Charge) (Owned property)
 - Dharampur, Dist. : Valsad (Canning Unit) (2nd Charge) (Owned property)
 - Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd Charge) (Owned property)
 - Village Pundhra, Taluka Kalol, Dist. : Gandhinagar (Icecream Plant) (2nd Charge) (Owned property)
 - Unit - I, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (2nd Charge) (Leased property)
 - Dharampur, Dist.: Valsad (IQF Unit - excluding specific plant & machineries) (1st charge) (Owned property)
 - Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st Charge) (Owned property)
 - 4 Flats No. 801 to 804, Maruti Centre, Gurukul, Drive-in Road, Ahmedabad (Flats) (1st Charge) (Owned property)
 - Unit - II, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (Only on movable properties as 2nd Charge) (Excluding specific plant & machineries)
 - Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 2nd Charge)
 - Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) (Only on movable properties as 2nd Charge) XII Dharampur, Dist : Valsad (New land) (2nd charge) (Owned property)
- XIII Bareilly, Parsakhera Industrial area, U.P. (New land – F-12) (2nd Charge) (Leased property)
- 2) The Working Capital facilities are also secured by way of hypothecation on entire current assets of the Company on 1st pari-passu charge basis.
- B Working Capital facilities are also secured by Personal Guarantee of some of the Directors of the Company and also guaranteed by Three Companies
- C The cash credit and working capital demand loan is repayable on demand and carries interest @ 13.50% to 15.75%
- D Loans and Advances from Related Parties are repayable on demand and carry interest @ 10.50 %
- E inter corporate deposits are repayable between 60 days to 90 days and carry Interest @ 13.75% to 14.75%

NOTE – 8

TRADE PAYABLES

	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
Micro Small and Medium Enterprises	0.00	0.00
Others	4485.83	1787.38
	<u>4485.83</u>	<u>1787.38</u>

NOTE – 9

OTHER CURRENT LIABILITIES

Current Maturities of Long Term debts (Refer Note 4)		
From Banks	893.93	652.48
From Financial Institutions	287.50	137.50
From Others	0.00	1.11
Public Deposits (Refer Note 4)	187.60	187.76
Interest Accrued but not due on borrowings	89.16	78.73
Interest Accrued and due on borrowings	90.87	69.21
Unpaid Dividends	14.57	11.75
Unpaid Matured deposits and Interest accrued thereon	33.24	44.82
Payable for Capital Goods	459.87	327.18
Other Payables -		
Statutory dues payable	307.73	249.02
Advance from Customers	71.01	29.14
Security Deposits from Customers	111.56	75.01
Others	94.86	74.52
	<u>2641.90</u>	<u>1938.23</u>

* Does not include any amounts outstanding as on 31.03.2012 which are required to be credited to Investor Education and Protection Fund

These figures includes ₹ 0.15 (P.Y. ₹ 0.15) due and outstanding as on date 31.03.2012, which is held in abeyance due to legal case pending



NOTE – 10
FIXED ASSETS

₹ in Lacs

Particulars	Land Freehold	Land Leasehold	Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Vehicles	Total
At 31st March, 2011	164.66	156.19	3184.80	10983.92	140.35	359.32	213.21	15202.45
Additions	0.00	0.00	883.88	3595.18	12.01	35.32	7.43	4533.82
On account of Revaluation	4214.01	1172.68	2822.05	0.00	0.00	0.00	0.00	8208.74
Disposals	0.00	0.00	0.00	30.35	0.00	0.02	4.36	34.73
Other adjustments								
Borrowing costs	0.00	0.00	21.42	85.69	0.00	0.00	0.00	107.11
At 31st March, 2012	4378.67	1328.87	6912.15	14634.44	152.36	394.62	216.28	28017.39
ii Depreciation -								
At 31st March, 2011	0.00	3.58	611.28	4434.65	109.70	266.61	111.26	5537.08
Additions	0.00	1.79	97.21	823.87	2.91	15.21	20.22	961.21
On account of Revaluation	0.00	0.00	1922.03	0.00	0.00	0.00	0.00	1922.03
Disposals	0.00	0.00	0.00	30.35	0.00	0.01	4.15	34.51
At 31st March, 2012	0.00	5.37	2630.52	5228.17	112.61	281.81	127.33	8385.81
iii Net Block								
At 31st March, 2012	4378.67	1323.50	4281.63	9406.27	39.75	112.81	88.95	19631.58
At 31st March, 2011	164.66	152.61	2573.52	6549.27	30.65	92.71	101.95	9665.37
Capital Work In Progress								
At 31st March, 2011		1908.37						
Additions		828.33						
Disposals		1908.37						
At 31st March, 2012		828.33						

Notes

- I Land & Building includes ₹ 29.94 lacs (P.Y. ₹ 29.94 lacs) & ₹ 151.61 lacs (P.Y. ₹ 151.61 lacs) respectively in process of being transferred in the name of the company.
- II a Building includes House Building of ₹ 12.90 lacs (Gross) (P.Y. ₹ 12.90 lacs) acquired against loan which is yet to be transferred in the name of the company.
b The Value of Building acquired against loan includes cost of documentation charges.
- III Borrowing cost capitalised during the year ₹ 107.11 lacs (P.Y. ₹ 135.93 lacs and shown in additions to fixed Assets ₹ 107.11 (P.Y. ₹ 100.86 Lacs) and in additions to Capital work in progress ₹ Nil (P.Y. ₹ 35.07 Lacs)
- IV Capital Work in progress includes -
₹ 828.33 Lacs (P.Y. ₹ 1832.03 Lacs) on account of Construction materials at site
₹ Nil (P.Y. ₹ 76.34 Lacs) on account of expenses incurred during construction period as under :

	31.03.2012 ₹ in Lacs	31.03.2011 ₹ in Lacs
Opening Balance	76.34	81.06
Add :		
Expenses Incurred towards acquisition of Fixed assets	59.39	95.81
Interest Capitalised	107.11	135.93
Less :		
Capitalised during the year	242.84	236.46
Closing Balance (Included in capital work in progress)	0.00	76.34
	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)

NOTE – 11

NON-CURRENT INVESTMENTS (LONG TERM)

Trade Investments (valued at cost unless stated otherwise)

Unquoted equity instruments

Others

72500 (P.Y. 72500) equity shares of ₹ 10 each fully paid up
In Vadilal Forex and Consultancy Services Ltd
(Formerly known as Vadilal Happinezz Parlour Ltd)
(At cost less provision for other than temporary diminution
₹ 6.53 Lacs (P.Y. ₹ 6.53 Lacs)

Non trade Investments (valued at cost unless stated otherwise)

Government and Trust Securities

Unquoted

7 Year National Saving Certificates
(Lodged with Govt. Authorities)

0.72 0.72

0.28 0.28



	As At 31.03.2012 (₹ in Lacs)		As At 31.03.2011 (₹ in Lacs)	
Other Investments				
Equity Instruments				
Unquoted				
74100 (P.Y. 74100) equity shares of ₹ 10 each fully paid up				
In Majestic Farm House Ltd.			1.87	1.87
280 (P.Y. Nil) equity shares of ₹ 10 each fully paid up			0.03	0.00
In Padm Complex Pvt. Ltd.				
280 (P.Y. Nil) equity shares of ₹ 10 each fully paid up			0.03	0.00
In Volute Construction Pvt Ltd.				
4195 (P.Y. 4195) equity shares of ₹ 25 each fully paid				
In Textile Traders Coop Bank Ltd			1.05	1.05
3540 (P.Y. 3540) equity shares of ₹ 25 each fully paid				
In Siddhi Coop Bank Ltd			0.89	0.89
			<u>4.87</u>	<u>4.81</u>
Aggregate amount of unquoted investments			4.87	4.81
	Non – Current		Current	
	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 12				
LOANS AND ADVANCES				
Unsecured, Considered good unless otherwise stated				
Capital Advances	67.82	705.93	0.00	0.00
Advances recoverable in cash or in kind or for value to be received (Refer Note 27.2)				
Considered Good	0.00	0.00	520.99	375.14
Considered Doubtful	0.00	0.00	9.50	9.50
Less : Provided for :	0.00	0.00	9.50	9.50
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>	<u>520.99</u>	<u>375.14</u>
Other Loans and Advances				
Loans to employees	0.81	3.76	9.52	9.27
Prepaid Expenses	0.42	0.66	12.75	58.63
Deposits with Government Authorities	55.37	201.96	158.18	0.00
Advance Income Tax less Provisions	57.43	50.00	—	—
MAT Tax entitlement	303.43	137.20	—	—
Other Trade / Security Deposits (Refer Note 27.2)	437.49	420.96	—	—
Loans in Current Account	—	—	200.98	195.48
	<u>854.95</u>	<u>814.54</u>	<u>381.43</u>	<u>263.38</u>
	<u>922.77</u>	<u>1520.47</u>	<u>902.42</u>	<u>638.52</u>
NOTE – 13				
Other Assets				
Unsecured, Considered good unless otherwise stated				
Non Current bank balances (Refer Note No. 17)	31.12	25.88	0.00	0.00
Unamortised Borrowing cost	28.92	39.20	10.28	10.86
Interest Receivable	0.00	0.00	172.43	195.66
Export Benefits Receivable	0.00	0.00	144.38	93.47
	<u>60.04</u>	<u>65.08</u>	<u>327.09</u>	<u>299.99</u>



	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 14		
CURRENT INVESTMENTS (Valued at lower of cost and fair value)		
Quoted Equity Instruments		
400 (P.Y. 400) equity shares of ₹ 10 each fully paid-up In Aminex Chemicals Ltd.	0.04	0.04
15 (P.Y. 15) equity shares of ₹ 10 each fully paid-up In Century Enka Ltd.	0.06	0.06
60 (P.Y. 60) equity shares of ₹ 10 each fully paid-up In Essar Steel Ltd.	0.01	0.01
200 (P.Y. 200) equity shares of ₹ 10 each fully paid-up In Golden Agro Tech Industries Ltd.	0.02	0.02
100 (P.Y. 100) equity shares of ₹ 10 each fully paid-up In Great Eastern Shipping Co.Ltd.	0.04	0.04
25 (P.Y. 25) equity shares of ₹ 10 each fully paid-up in Great Offshore Ltd.	0.01	0.01
25000 (P.Y. 25000) equity shares of ₹ 1 each fully paid-up In Interface Financial Services Ltd.	2.00	2.00
120 (P.Y. 120) equity shares of ₹ 2 each fully paid-up In Matrix Laboratories Ltd.	0.64	0.64
49000 (P.Y. 49000) equity shares of ₹ 1 each fully paid-up In Radhe Developers Ltd.	0.49	0.49
2500 (P.Y. 2500) equity shares of ₹ 10 each fully paid-up In Saket Projects Ltd.	0.25	0.25
900000 (P.Y. 900000) equity shares of ₹ 1 each fully paid-up In Sanara Media Ltd.	1.24	1.24
	<u>4.80</u>	<u>4.80</u>
Less : Diminution in value of Investments	3.32	3.04
Total (II)	<u>1.48</u>	<u>1.76</u>
Aggregate amount of quoted investments (Market value ₹ 1.71 Lacs (P.Y. ₹ 2.04 Lacs))	4.81	4.80
Aggregate provision for diminution in value of Investments	3.32	3.04
NOTE – 15		
INVENTORIES		
Stores & Spares	336.66	241.87
Raw Materials (Includes Goods in Transit ₹ 2.52 Lacs P.Y. ₹ 23.02 Lacs))	1992.19	1598.06
Packing Materials (Includes Goods in Transit ₹ 0.21 Lacs P.Y. ₹ 4.95 Lacs))	935.40	806.87
Finished Goods (Includes Goods in Transit ₹ 125.21 Lacs P.Y. ₹ 117.16 Lacs))	3514.42	2984.05
	<u>6778.67</u>	<u>5630.85</u>
NOTE – 16		
TRADE RECEIVABLES		
Unsecured, Considered good unless otherwise stated Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	16.10	61.51
Considered Doubtful	0.37	0.37
Less : Provided for	0.37	0.37
	<u>0.00</u>	<u>0.00</u>
	16.10	61.51
Other receivables		
Considered Good	3234.01	2286.90
	<u>3250.11</u>	<u>2348.41</u>



	As At 31.03.2012 (₹ in Lacs)	As At 31.03.2011 (₹ in Lacs)
NOTE – 17		
CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with Banks		
On Current Accounts	51.96	47.42
Deposits with original maturity of less than three months	15.19	33.70
On Unpaid Dividend a/c	14.58	11.76
Cheques, Drafts on hand	3.49	15.63
Cash Balance on hand	21.95	19.33
	<u>107.17</u>	<u>127.84</u>
Other Bank Balances		
Deposits with original maturity for more than three months (Includes Security deposit with bank ₹ 18.64 Lacs P.Y. ₹ 16.18 Lacs)	19.32	18.05
Margin Money deposit (against bank guarantee and LC)	120.18	9.53
	<u>139.50</u>	<u>27.58</u>
	<u>246.67</u>	<u>155.42</u>
Less : Amount disclosed under non – current assets (Refer Note no. 13)	31.12	25.88
	<u>215.55</u>	<u>129.54</u>
	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2011 (₹ in Lacs)
NOTE – 18		
REVENUE FROM OPERATIONS		
Sale of Products (Refer Note below)		
Finished Goods	28362.68	23468.93
Sale of Services	5.89	5.19
Other Operating Revenues		
Export Licences / DEPB	166.46	132.69
Miscellaneous Sales	89.80	77.88
Others	197.54	223.07
	<u>28822.37</u>	<u>23907.76</u>
Details of Products sold		
Finished Goods		
Ice Cream & Frozen Desserts	23881.81	19850.94
Fruit Pulp, Frozen Fruits & Vegetables and Ready to eat / Serve	4480.87	3617.99
	<u>28362.68</u>	<u>23468.93</u>
Note - The Company is engaged in the manufacturing and trading of selected Processed food products. Due to complexities, it is not possible to segregate the information regarding Sales, consumption and inventories of such items into Finished goods and traded goods.		
NOTE – 19		
OTHER INCOME		
Interest Income	216.78	242.48
Dividend Income		
On Long Term Investments	0.24	0.25
Net gain on foreign currency translation and transaction	0.00	7.63
Profit on Sale of Fixed Assets	12.14	0.00
Excess Provision written back	11.08	24.06
Miscellaneous Income	49.91	69.43
	<u>290.15</u>	<u>343.85</u>



	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2011 (₹ in Lacs)
NOTE – 20		
COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	2404.93	1820.66
Add : Purchases	16600.65	14158.73
	19005.58	15979.39
Less : Inventory at the end of the year	2927.59	2404.93
Cost of Materials consumed	16077.99	13574.46
Details of Materials consumed -		
Milk and Milk Products	4783.45	4020.86
Dry Fruits, Fresh Fruits & Vegetables	2528.19	2286.33
Packing Materials	3565.97	2765.86
Others	5200.38	4501.41
	16077.99	13574.46
Details of Inventory -		
Milk and Milk Products	1339.39	1029.08
Dry Fruits, Fresh Fruits & Vegetables	137.91	165.58
Packing Materials	935.40	806.87
Others	514.89	403.40
	2927.59	2404.93
NOTE – 21		
PURCHASE OF TRADED GOODS		
Ready to eat / serve	86.69	52.99
Fruit Pulp, Frozen Fruits & Vegetables	494.40	48.73
Others	15.34	39.19
	596.43	140.91
NOTE – 22		
CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE		
Opening Stock :		
Finished Goods	2984.05	3604.75
	2984.05	3604.75
Closing Stock :		
Finished Goods	3514.42	2984.05
	3514.42	2984.05
Net Changes in Inventories	-530.37	620.70
Details of Inventory -		
Finished Goods		
Ice Cream & Frozen Desserts	1740.09	946.03
Fruit Pulp, Frozen Fruits & Vegetables	1774.33	2038.02
	3514.42	2984.05
NOTE – 23		
EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Allowances & Bonus, etc	1205.62	1031.93
Contribution to Provident & other funds	82.33	45.54
Staff Welfare Expenses	104.76	85.63
	1392.71	1163.10



	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2011 (₹ in Lacs)
NOTE – 24		
OTHER EXPENSES		
Job Charges	1403.40	1059.63
Power & Fuel	2303.15	1879.50
Stores & Spares Consumption	61.65	60.21
Repairs		
Building	59.58	49.97
Machinery	198.50	184.35
Excise Duty Others	37.93	45.81
Rent	522.24	480.80
Rates & Taxes	21.04	13.57
Insurance	49.29	44.09
Payment to Auditors (Refer details below)	23.58	23.45
Freight, Forwarding and other distribution expenses	1392.66	1161.78
Bad Debts	0.00	0.24
Loss on sale of Long Term Investments	0.00	2.63
Diminution in Value of Short Term Investments	0.28	0.43
Net Loss on foreign currency translation and transaction	61.13	0.00
Impairment Loss on Fixed Assets	0.00	17.36
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing & Stationery, etc)	1229.10	978.28
	<u>7363.53</u>	<u>6002.10</u>
Payment to Auditors		
As Auditor		
Audit Fees	10.75	10.15
Tax Audit Fees	4.25	4.20
Limited Review	1.60	1.54
In Other Capacity		
Taxation matters	1.71	1.76
Other services (certification fees)	4.60	5.08
Reimbursement of expenses	0.67	0.72
	<u>23.58</u>	<u>23.45</u>
NOTE – 25		
FINANCE COST		
Interest Expenses	1759.32	1078.84
Other Borrowing Cost	114.61	75.78
Amortisation of ancilliary borrowing costs	10.20	11.07
Net Loss on foreign currency transaction and translation	105.52	37.84
	<u>1989.65</u>	<u>1203.53</u>

26) Additional Information to the Financial Statements

26.1) Subsidiary company considered in the consolidated financial statements are :

Name	Country of Incorporation	Proportion of ownership interest
Vadilal Industries Inc.*	USA	100.00 %

Vadilal Industries (USA) Inc has incurred loss after tax of ₹ 24.61 lacs in Current Year (Previous Year ₹ 35.02 Lacs).

Vadilal Industries Ltd has given interest free loan of ₹ 45.07 Lacs during the year to Vadilal Industries (USA) Inc. Statement of Financial Information of Vadilal Industries (USA) Inc. a wholly owned Subsidiary Company as on 31st March, 2012 as per

General Circular No. 2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs.



Sr No	Particulars	Amt (In ₹)	Amt (In USD)
1	Capital*	1,173,750	25,000
2	Reserve**	(8,193,018)	(160,145)
3	Total Assets**	23,517,638	459,688
4	Total Liabilities**	23,517,638	459,688
5	Details of Investments (Except in case of investment in the subsidiary)	Nil	Nil
6	Turnover***	32,295,284	673,520
7	Profit Before Tax***	(2,384,122)	(49,721)
8	Provision for Income Tax***	76,912	1,604
9	Profit After Taxation***	(2,461,034)	(51,325)
10	Proposed Dividend	Nil	Nil
11	Country	New Jersey(USA) San Francisco (USA)	

* Rate of Exchange (Initial) 1 USD = ₹ 46.95

** Rate of Exchange 1 USD = ₹ 51.16 (Closing Rate)

***Rate of Exchange 1 USD = ₹ 47.95 (Average Rate)

26.2) Enterprises considered in the consolidated financial statements are :

Name	Country of Incorporation	Proportion of ownership interest
Vadilal Cold Storage	India	98.00 %

26.3) CONTINGENT LIABILITIES NOT PROVIDED FOR :

		(₹ in Lacs)	
		C. Year	P. Year
I)	Guarantees given by the company against Term Loans given to companies in which Directors are interested. Outstanding against this as at 31.03.2012	924.00	895.00
II)	i) For Excise -	620.72	441.23
	a) Related to a matter decided in favor of the company, against which the Excise department has preferred an appeal. Gross ₹ 18.03 lacs (P.Y. ₹ 18.03lacs) Net of Tax	12.18	12.04
	b) Related to a matter which is disputed by the company against which appeal is preferred. Gross ₹ 2.32 lacs (P.Y. ₹ 1.16 lacs) Net of Tax	1.57	0.77
	ii) For Income Tax -		
	a) which is disputed by the company and against which company has preferred appeal, based on the demand notices raised by Income Tax Dept. and received by the company.	8.44	6.94
	b) Against which Income Tax department has preferred appeal	166.65	166.65
	c) In respect of erstwhile Vadilal Financial Services Limited (VFSL) Income Tax Demand (including interest) for which the company has preferred appeal.	1.93	3.16
	iii) For Sales Tax -		
	Disputed by the company and against which company has preferred an appeal. Gross ₹ 83.11 lacs (P.Y. ₹ 83.11 lacs) Net of Tax	56.14	55.50
	iv) For other Matters -		
	Gross ₹ 9.39 lacs (P.Y. ₹ 1.66 lacs) Net of Tax	6.34	1.11
	v) In respect of other labor suits pending before various courts, liability is unascertainable.	—	—
	vi) Differential amount of custom/excise duty in respect of machinery purchased under EPCG scheme.	426.33	707.42
III)	Other Money for which the Company is contingently liable		
	i) Liability in respect of Bills Discounted with Third Parties	2561.88	1106.93
	ii) Liabilities in respect of Foreign Bills Purchased with Banks	101.54	—



- Note : a) Future cash outflows in respect of A (II) (i) to (v) above depends on ultimate settlement / conclusions with the relevant authorities.
- b) Future cash outflows in respect of A (II) (vi) above depends if company is unable to fulfill export obligations of ₹ 2581.94 Lacs (P.Y. ₹ 5986.67 Lacs) within next eight to twelve years. The fulfillment of export obligation is considered on the basis of license claimed at the time of export.
- c) Future cash outflows in respect of A (III) above depends if Vendors are unable to fulfill the liability.

26.4) PARTICULARS OF DERIVATIVE INSTRUMENTS :

- a) Derivative contracts entered into by the company and outstanding as on 31st March, 2012.
- i) All derivative and financial instruments acquired by the company are for hedging.
- ii) Foreign currency exposure that are hedged by derivative instruments as on 31st March, 2012 -

PARTICULARS	C.Year	P.Year
Number of Buy Contract	1	0
Aggregate Amount	US \$ 2111932.41	US \$ 0.00
	₹ 1033.37 Lacs	₹ 0.00 Lacs

- iii) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2012 - US \$ 2768494 equal to ₹ 1416.36 Lacs (Previous year US \$ 2818588 equal to ₹ 1292.59 Lacs) Euro 30323 equal to ₹ 20.72 Lacs (Previous year Euro 51130 equal to ₹ 30.22 Lacs) GBP 8167 equal to 6.68 Lacs (Previous Year GBP 0 equal to 0.00 Lacs)

- 26.5) The company has written down the inventories to net realisable value during the year by ₹ 31.73 Lacs (Previous year ₹ 38.91 Lacs).

27) Disclosure under Accounting Standards

27.1) SEGMENT INFORMATION :

A PRIMARY SEGMENT - BUSINESS SEGMENT :

[₹ in Lacs]

SR. PARTICULARS NO.	ICE CREAM	PROCESSED FOODS	OTHERS	ELIMI-NATION	TOTAL
a) SEGMENT REVENUE					
External Sales	23603.55 (19,886.07)	4657.59 (3,761.40)	203.44 (228.27)		28464.58 (23875.74)
Inter segment		153.41 (131.76)		-153.41 (-131.76)	0.00 (0.00)
Other segment Income	56.62 (60.92)	16.45 (34.57)	0.05 (2.08)		73.12 (97.57)
Total segment revenue	23660.17 (19946.99)	4827.45 (3927.73)	203.49 (230.35)	-153.41 (-131.76)	28537.70 (23973.31)
b) SEGMENT RESULTS	3113.42 (2,050.65)	-222.23 (-205.29)	4.22 (25.44)		2895.41 (1870.80)
Unallocated Expenditure net of unallocated income					197.50 (201.90)
Operating profit					2697.91 (1668.90)
Interest Expense (Net)					1772.87 (961.05)
Taxation for the year					
- Current /MAT Tax					23.07 (24.40)
- Deferred Tax					311.71 (233.51)
- Short/Excess provision of I.Tax of earlier years					10.70 (-19.66)
- Minority Interest					0.28 (0.80)
Net Profit/ (Loss)					579.28 (468.80)
c) SEGMENT ASSETS	23994.49 (15770.60)	7285.03 (5488.32)	182.73 (182.33)		31462.25 (21441.25)
Unallocated Assets					1421.46 (721.86)
Total Assets					32883.71 (22163.11)



[₹ in Lacs]

SR. PARTICULARS NO.	ICE CREAM	PROCESSED FOODS	OTHERS	ELIMI- NATION	TOTAL
d) SEGMENT LIABILITIES	4691.80	958.49	13.89		5664.18
	(2170.48)	(442.29)	(37.80)		(2650.57)
Unallocated liabilities					16262.27
					(15,283.33)
Total Liabilities					21926.45
					(17933.90)
e) Cost incurred during the period to acquire segment fixed assets	4310.98	1154.94	3.34		5469.26
	(7054.48)	(720.53)	(9.22)		(7784.23)
f) Depreciation/Amortisation	763.23	165.20	6.04		934.47
	(674.55)	(120.16)	(6.74)		(801.45)
g) Non cash expenses other than depreciation/amortisation	0.00	0.00	0.00		0.00
	(0.00)	(0.00)	(0.00)		(0.00)

Note : Figures in brackets relate to previous year.

B SECONDARY SEGMENT - GEOGRAPHICAL SEGMENT :

Segment revenue by geographical area based on geographical location of customers : [₹ in Lacs]

Sr No	Geographical Area	Current Year	Previous Year
1	India	25230.80	21408.89
2	Outside India	3233.78	2466.86
		28464.58	23875.75

C OTHER DISCLOSURES

a) Inter segment revenue

Inter segment transfers have been recognized at cost price.

b) Business Segment

Ice Cream : Ice Cream & Frozen Dessert

Processed Food : Mango Pulp, Frozen Fruit, Pulp, vegetable & Ready to eat/serve food

Others : Forex management, Money changing and Cold Storage

c) The company's operating facilities are located in India.

27.2) RELATED PARTY DISCLOSURES :

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

1) Key Management Personnel :

i) Virendra R Gandhi

ii) Rajesh R Gandhi

iii) Devanshu L Gandhi

3) Enterprises owned or significantly influenced by key management personnel or their relatives :

i) Vadilal Enterprises Ltd.

ii) Vadilal International Pvt. Ltd.

iii) Kalpit Reality & Services Ltd.

iv) Vadilal Happinezz Parlour Ltd.

v) Veronica Construction Pvt.Ltd.

vi) Padm Complex Pvt.Ltd.

vii) Majestic Farm House Ltd.

viii) Volute Construction Pvt. Ltd.

ix) Ambica Dairy Products

4) Relative of key Management Personnel :

i) Mamta R Gandhi

ii) Kalpit R Gandhi



Transaction with related parties :				[₹ in Lacs]
Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10 %	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
1	Sales :			
	i) Vadilal Enterprises Ltd.	—	24641.47	24641.47
		(—)	(20,514.36)	(20514.36)
	ii) Others	—	66.84	66.84
		(—)	(62.85)	(62.85)
2	Purchase :			
	Ambica Dairy Products	—	103.40	103.40
		(—)	(64.64)	(64.64)
3	Rent Income :			
	Vadilal Enterprises Ltd.	—	0.54	0.54
		(—)	(0.54)	(0.54)
4	Interest paid :			
	i) Vadilal Forex and Consultancy Services Ltd. (Earlier Known as Vadilal Happinezz Parlour Ltd.)	—	1.48	1.48
		(—)	(1.35)	(1.35)
	ii) Padm Complex Pvt.Ltd.	—	0.57	0.57
		(—)	(3.22)	(3.22)
	iii) Veronica Construction P. Ltd	—	40.46	40.46
		(—)	(11.62)	(11.62)
iv)	Kalpit Realty & Services Ltd	—	0.00	0.00
		(—)	(16.38)	(16.38)
5	Salary paid :			
	i) Mamta R.Gandhi	1.08	—	1.08
		(1.08)	(—)	(1.08)
	ii) Kalpit R. Gandhi	3.43	—	3.43
		(0.00)	(—)	(0.00)
6	Interest Income :			
	Vadilal International Pvt.Ltd.	—	3.75	3.75
		(—)	(3.75)	(3.75)
7	Royalty paid/payable :			
	Vadilal International Pvt.Ltd.	—	1.38	1.38
		(—)	(1.38)	(1.38)
8	Loans and Advances Given Majestic Farm House Ltd.	—	3.57	3.57
		(—)	(0.00)	(0.00)
9	Intercorporate Deposit Received Veronica Construction P. Ltd	—	1600.00	1600.00
		(—)	(260.00)	(260.00)
10	Intercorporate Deposit Re-paid Kalpit Realty & Services Ltd	—	0.00	0.00
		(—)	(171.16)	(171.16)
11	Balance outstanding at year end :			
	a) Investments :			
	i) Majestic Farmhouse Ltd	—	1.87	1.87
		(—)	(1.87)	(1.87)
	b) Receivable :			
	Trade Receivable			
	i) Vadilal Enterprises Ltd.	—	2987.97	2987.97
		(—)	(2164.04)	(2164.04)
	ii) Others	—	11.67	11.67
		(—)	(13.17)	(13.17)
	Loans and Advances Given			
	i) Vadilal International Pvt.Ltd.	—	375.25	375.25
		(—)	(375.25)	(375.25)
	ii) PADM Complex Pvt Ltd.	—	20.69	20.69
		(—)	(20.69)	(20.69)
	c) Payable :			
	ICD Taken			
	i) Padm Complex Pvt.Ltd.	—	0.33	0.33
		(—)	(29.23)	(29.23)



[₹ in Lacs]

Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10 %	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
ii)	Vadilal Forex and Consultancy Services Ltd. (Earlier Known as Vadilal Happiness Parlour Ltd.)	— (—)	15.38 (14.05)	15.38 (14.05)
iii)	Veronica Construction P. Ltd.	— (—)	2020.90 (380.44)	2020.90 (380.44)
Trade Payable				
i)	Vadilal International Pvt. Ltd.	— (—)	0.00 (1.25)	0.00 (1.25)
ii)	Ambica Dairy Products	— (—)	28.40 (21.74)	28.40 (21.74)
d)	Against corporate guarantee given : Vadilal Enterprises Ltd.	— (—)	924.00 (895.00)	924.00 (895.00)
e)	Against corporate guarantee taken :			
i)	Vadilal Enterprises Ltd.	— (—)	800.00 (800.00)	800.00 (800.00)
ii)	Padm Complex & Volute Construction	— (—)	9303.00 (9303.00)	9303.00 (9303.00)

Notes :

- Transaction of sales are shown net of VAT & CST and Outstanding of Trade Receivables are inclusive of VAT/CST.
- Figures in brackets relate to previous year.
- Vadilal Forex and Consultancy Services Ltd. Is earlier known as Vadilal Happiness Parlour Ltd.
- Outstanding balance shown net of Acceptance.

27.3) Operating Lease:-

- The company has taken various residential, office and godown premises under operating lease or leave and licensee agreements. These are generally not non-cancellable and range between 11 months and 36 months under leave and licensee 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.
- Lease payments are recognised as expense in the Profit & Loss Statement on a straight line basis over the lease term under "Rent" in Note 24 "Other Expenses."

27.5) Earning Per Share (EPS) :

The following reflect the profit and share data used in the basic and diluted EPS computation

	(₹ in Lacs)	
	Current Year	Previous Year
Total Operation for the year		
Profit/(loss) after Tax	579.28	468.80
Net Profit/(loss) for calculating basic/diluted EPS	579.28	468.80
Weighted Avg. Number of Equity shares in calculating Basic/Diluted EPS	7187830	7187830

27.4) The figure of the subsidiary company and partnership firm are considered on the basis of its unaudited financial statements.

28) Previous year figures have been restated wherever necessary to make them comparable with current year's figures.

Signatures to Notes 1 to 28
For KANTILAL PATEL & CO.
Chartered Accountants
Firm Registration No.104744W

For and on behalf of the Board
Rajesh R. Gandhi : Managing Director
Devanshu L. Gandhi : Managing Director
Nikhil Patel : Company Secretary

Mayank S. Shah
Partner
Membership No.:44922
Place : Ahmedabad
Date : May 30, 2012

Place : Ahmedabad
Date : May 30, 2012



**Auditors' Report to The Board of Directors of VADILAL INDUSTRIES LIMITED
on the Consolidated Financial Statements.**

1. We have audited the attached consolidated balance sheet of **Vadilal Industries Limited**, ("the Company") and its partnership firm /Subsidiary as at **31st March 2012**, the consolidated Statement of Profit & Loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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. We did not audit the financial statements of partnership firm and subsidiary which in aggregate represent total assets (net) as at March 31, 2012 of Rs.534.66 lakhs and total revenues of Rs.539.78 lakhs and net cash infows amounting to Rs.12.25 lakhs for the year ended on that date. Above figures have been considered in Consolidated Financial Statements based solely on the unaudited separate financial statements certified by the Management.
4. As stated in note 27.5, as the audited financial statements of partnership firm and subsidiary company, are not available, we have relied upon the unaudited financial statements as provided by the management for the purpose of our examination of consolidated financial statements.
5. Subject to our remark in paragraph 4 above :
 - (i) We report that consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
 - (ii) Based on our audit and on consideration of unaudited separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of consolidated balance sheet, of the state of affairs of the company, its partnership firm and Subsidiary as at 31st March 2012 ;
 - (b) in the case of the consolidated Statement of Profit & Loss ,of the Profit for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the consolidated cash flows for the year ended on that date.

For KANTILAL PATEL & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No.104744W

Date : May 30, 2012
Place : Ahmedabad

Mayank S. Shah
Partner
Membership No.: 44922



FORM OF PROXY

VADILAL INDUSTRIES LIMITED

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

I/We _____ of _____

being a member/members of VADILAL INDUSTRIES LIMITED, hereby appoint _____

_____ of _____

or failing him/her _____ of _____

as my/our Proxy to vote for me/us on my/our behalf at the 28th Annual General Meeting of the members of the Company to be held on Saturday, the 29th September, 2012, at 2.30 p.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006 and at any adjournment thereof.

Ledger Folio No. _____

*DP ID No. : _____

*Client ID No. : _____

No. of Shares _____

Signed this _____ day of _____ 2012 Signature.....

Affix
15 Paise
Revenue
Stamp

* 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 as mentioned above 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.
- [3] A Proxy need not be a member.

Tear here



ATTENDANCE SLIP

VADILAL INDUSTRIES LIMITED

Share Department : B/404, 4th Floor, "Time Square" Building,
C.G. Road, Nr. Lal Bungalow 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 28th Annual General Meeting of the members of the Company on Saturday, the 29th September, 2012, at 2.30 p.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



This page has been intentionally left blank