



## SHAREHOLDER INFORMATION

1. Name of Company :  
Vadilal Enterprises Limited
2. Company CIN No. :  
L51100GJ1985PLC007995 (Old Registration No. 04-7995)
3. Fixed Deposit Department & Forex Advisory Services :  
Fixed Deposit Department and Forex Advisory Services of the Company are operated at the following address :  
Vadilal House, Shrimali Society,  
Near Navrangpura Railway Crossing,  
Navrangpura, Ahmedabad - 380 009.  
(Phone: 079-26564018 to 23, 66146146, 26564025, 26421193) (Fax: 079-26564027)
4. Book-Closure :  
Book-Closure from 13th September, 2010 to 27th September, 2010 (both days inclusive) for the purpose of payment of Dividend of Re. 1.20 per share (@ 12%) as recommended by the Board and if declared at the Meeting and to determine the members eligible for the said dividend.
5. Stock Exchanges where the Shares are listed :  
BOMBAY STOCK EXCHANGE LTD. AHMEDABAD STOCK EXCHANGE LTD.  
(Security Code No. 519152) (Security Code No. 64510)  
Department of Corporate Services, Kamdhenu Complex, Nr. Polytechnic,  
1st Floor, Rotunda Building, Panjrapole, Ambawadi,  
Dalal Street, Fort, B. S. Marg, Ahmedabad - 380 015.  
Mumbai - 400 001. (Phone: 079-26307971-77)  
(Phone: 91-22-2272 1234 / 1233) (Fax: 079-26308877)  
(Fax : 91-22-2272 2082 / 3132)  
The Annual Listing Fees upto the Financial Year - 2010-2011 have been duly paid to the above Stock Exchanges.
6. Security Code :  
Bombay Stock Exchange Ltd - 519152  
Ahmedabad Stock Exchange Ltd - 64510  
ISIN Number - INE693D01018
7. Dematerialisation of Shares :  
The Company, consequent to introduction of Depository System (DS), entered into an agreement with NSDL and CDSL and has established an electronic connectivity with both the Depositories. Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL and CDSL.  
In view of numerous advantages offered by DS, the members are requested to avail the facility of dematerialisation of the Company's shares on the Depository as aforesaid. If you wish to maintain your shareholding in the electronic form by joining DS, you will have to open an account with a Depository Participant (DP), who are agents of NSDL and CDSL and lodge your share certificates with your DP for Dematerialisation. The DP will then ensure that the physical share certificates are canceled and after verification by the Company, an equivalent number of shares will be credited to your account with the DP in the electronic form. You are also permitted under the DS to reconvert your electronic shareholding into the physical form of share certificates by a process of Rematerialisation. It may be noted that the DP would charge the investors for its services, which may vary from one DP to another.  
It is reiterated that requests for Dematerialisation and Rematerialisation are to be made only to the DP with whom you have opened an account and not directly to the Company.
8. Registrar & Share Transfer Agent :  
The Company has entrusted the work of Dematerialisation/Rematerialisation of shares to an outside Registrar, viz. MCS Ltd, Ahmedabad. As per SEBI Circular No. D&CC/FITIC/CIR-15/ 2002, dated 27-12-2002, the Company has assigned all the work related to Share Registry in terms of both physical and electronic to MCS Ltd, Ahmedabad. Hence, all Shareholders are requested to send/deliver the documents/correspondence including complaints relating to the Company's share transfer/demat/remat activity to MCS Ltd. at 101, Shatdal Complex, 1<sup>st</sup> Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. (Phone : 079-26582878, 26584027) (fax : 079-26581296)
9. Share Transfer System :  
Presently, share transfers which are received in physical form are processed and the share certificates are returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. Share Transfer Committee of the Board meets at regular



intervals to approve transfers, issue of duplicate certificates, consolidation and splitting of shares etc.

As required under Clause 47(c) of Listing Agreement with Stock Exchanges, a certificate is obtained every six months from a Practicing Company Secretary, with regard to, inter alia, effecting transfer, transmission and consolidation within one month of their lodgment. The certificates are forwarded to BSE and ASE, where the equity shares are listed.

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

10. Distribution of Shareholding as on 31<sup>st</sup> March, 2010 :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Total Shares
Up to 500	1805	92.85	270579	31.37
501 to 1000	71	3.65	54244	6.29
1001 to 2000	24	1.23	36853	4.27
2001 to 3000	10	0.51	24775	2.87
3001 to 4000	8	0.41	28060	3.25
4001 to 5000	5	0.26	22544	2.61
5001 to 10000	11	0.57	76154	8.83
10001 to 50000	9	0.46	219428	25.44
50001 & above	1	0.06	130031	15.07
Total	1944	100.00	862668	100.00

11. Categories of Shareholders as on 31<sup>st</sup> March, 2010 :

Sr. No.	Category of Shareholders	No. of Equity Shares held	% of Total Shares
1	Directors, Relatives, HUF & Group Companies	419436	48.62
2	NRIs/OCBs	2001	0.23
3	Bodies Corporate	59689	6.92
4	HUF	5684	0.66
5	Public	375858	43.57
	Total	862668	100.00

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

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

13. Consolidation of Folios :

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

14. Nomination facility :

The Companies (Amendment) Act, 1999 has provided for a facility of nomination in the Shares of a Company. Your Company has already offered the facility of nomination to the members. Individual Shareholders can avail of the facility of nomination and may submit to the Company the prescribed Form 2B at the Share Dept. of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name.

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

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

In case of any assistance, please contact at the Share Dept. of the Company at Vadilal House, Shramali Society, Near Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009. Telephone Nos. 079-26564018 to 23, 66146146 and Fax No. 079 - 26564027.



## NOTICE

NOTICE is hereby given that the 25<sup>th</sup> ANNUAL GENERAL MEETING of the members of VADILAL ENTERPRISES LIMITED will be held on Monday, the 27th September, 2010, at 11.00 a.m., at GICEA, Gajjar Hall, Nimman 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 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
- 2) To declare dividend on Equity Shares for the year ended on 31st March, 2010.
- 3) To appoint a Director in place of Mr. Virendra R. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Devanshu L. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (Registration No. 104744W) as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration, apart from reimbursement of out-of-pocket expenses and applicable taxes.

By Order of the Board  
For VADILAL ENTERPRISES LIMITED

RAMCHANDRA R. GANDHI  
Chairman & Managing Director

### Registered Office:

A/801, 8th Floor, "Time Square",  
C. G. Road, Nr. Lal Bungalow  
Char Rasta, Navrangpura,  
Ahmedabad - 380 009.  
Dated : 10th August, 2010

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
  
THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE SHARE DEPARTMENT OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled to vote.
4. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 has not

been attached herewith as no Special Business is to be transacted at the meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2010 to 27th September, 2010 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended 31st March, 2010 as recommended by the Board and if declared at the meeting.
6. Dividend of Re. 1.20 per share (@ 12%) on Equity Shares for the year ended on 31st March, 2010 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 11th September, 2010, or
  - # in respect of shares held in electronic form, to those "Beneficial Owners" whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 12th September, 2010.
7. Reserve Bank of India has initiated National Electronic Clearing Service (NECS) for credit of dividend directly to the bank account of Members. Members holding shares in dematerialised form are requested to register their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) with their Depository Participant. Members holding shares in physical form are requested to provide their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) along with their folio number to the Company's Registrar and Transfer Agents, MCS Ltd
8. Members are requested to send their all correspondence relating to Shares including transfer, transmission, change of address etc. to MCS Limited, Registrar & Share Transfer Agent of the Company at 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009 (Phone: 079 - 26582878, 26584027) (Fax: 079 - 26581296) or at the Share Department of the Company situated at Vadilal House, Shrimali Society, Near Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009.
9. Under the provisions of the Companies Act, 1956 as amended by Companies (Amendment) Act, 1999 w.e.f. 31<sup>st</sup> October, 1998, members holding shares in physical form may file Nomination Forms in respect of their shareholdings. Such members willing to avail of this facility may submit to the Company at the Share Department the prescribed Form 2B or write to or contact at Share Department of the Company for assistance.
10. Pursuant to Section 205A of the Companies Act, 1956, the Company has already transferred unclaimed dividend declared upto the Financial Year ended 31st March, 1994 to the General Revenue Account of the Central Government as per Rule 4A of the Companies Unpaid Dividend (Transfer



to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders, who have so far not claimed or collected their dividend up to the aforesaid financial year may claim their dividend by an application in Form II of the aforesaid Rules to the Registrar of Companies, Gujarat at ROC Bhavan, Opp. Rupal Park, Behind Ankur Bus Stand, Naranpura, Ahmedabad - 380013.

However, pursuant to Section 205A of the Act as amended by the Companies (Amendment) Act, 1999 (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), 31st March, 1998, 31<sup>st</sup> March, 1999, 31st March, 2000, 31<sup>st</sup> March, 2001 and 31<sup>st</sup> March, 2002 to the Investor Education and Protection Fund established by the Government under Section 205C(1) of the Act.

However, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of 7 years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members, who have not yet encashed their dividend warrant(s) for the Financial Year ended 31st March, 2003 and onwards, are requested to make their claims to the Company accordingly, without any delay.

11. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
12. Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company at its Share Department or to MCS Limited at the address mentioned above in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.
13. Relevant documents referred to in the accompanying Notice are open for inspection for the members, at the Share Department of the Company, during of five hours on all working days except Saturdays between 2.00 p.m. to 4.00 p.m. upto the date of the Annual General Meeting.



## DIRECTORS' REPORT

To  
The members,  
VADILAL ENTERPRISES LIMITED  
Ahmedabad.

Your Directors have pleasure in presenting herewith the 25<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS

(Rs. in Lacs)

Sr. Particulars No.	Year ended 31-3-2010	Year ended 31-3-2009
(a) Profit for the year before Depreciation and Financial Expenses	495.08	481.86
(b) Less: Depreciation Financial Expenses (Net)	368.56 (0.03)	410.88 19.49
(c) Profit before tax and Exceptional items	126.55	51.49
(d) Provision for Tax		
— Current Tax	120.00	74.25
— Deferred Tax [Net (Credit)/Charge]	(64.95)	(55.77)
— Fringe Benefit Tax	0.00	31.00
— Short/(Excess) Provision of Income Tax/Fringe Benefit Tax of earlier years written off (written back)	5.09	(7.76)
(e) Net Profit after Tax	66.41	9.77
(f) Balance brought forward	63.96	64.37
Amount available for Appropriation	130.37	74.14
<b>APPROPRIATION:</b>		
— Proposed Dividend	10.35	8.70
— Dividend Tax thereon	1.72	1.48
— Transfer to General Reserve	50.00	0.00
— Balance Profit carried to Balance Sheet	68.30	63.96
	130.37	74.14

### TURNOVER & PROFITS

In spite of stiff competition in the market particularly in Ice-Cream business during the year under review, your Company has achieved sales turnover of Rs. 19861.59 lacs as compared to sales turnover of Rs. 15664.22 lacs achieved during the previous year ended on 31<sup>st</sup> March, 2009.

Your Company has earned the Gross Profit of Rs. 495.08 lacs as compared to Rs. 481.86 lacs earned during the previous year ended on 31<sup>st</sup> March, 2009. Your Company has earned the Net Profit after Tax of Rs. 66.41 lacs during the year under review as compared to Net Profit after Tax of Rs. 9.77 lacs earned during the previous year ended on 31<sup>st</sup> March, 2009.

### FORFEITURE OF EQUITY SHARES

The Board of Directors has, at its meeting held on 19<sup>th</sup> January, 2010 forfeited total 7480 Equity Shares of Rs.10/- each of the Company, in respect of which the Share Allotment Money have remained unpaid in spite of several reminders by the Company. The paid-up Share Capital of the Company has thus been reduced from Rs. 87,01,480/- divided into 8,70,148 Equity Shares to Rs. 86,26,680/- divided into 8,62,668 Equity Shares of Rs. 10/- each.

### DIVIDEND

The Directors have recommended dividend of Re. 1.20 per share (@12%) on 8,62,668 Equity Shares of Rs.10/- each of the Company (after forfeiture of 7480 Equity Shares of Rs. 10/- each) for the financial year ended on 31<sup>st</sup> March, 2010 as compared to 10% declared in the previous financial year ended on 31<sup>st</sup> March, 2009. This will absorb Rs. 10.35 lacs. The corporate dividend tax payable by the Company on the said dividend will be Rs. 1.72 lacs. If approved, the dividend will be paid without deduction of tax at source to the shareholders.

### OPERATIONS - MARKETING FOCUS

#### Ice-cream Division

Industry Structure & Development, Business Overview & Sustainable Growth Opportunities.

India being the largest milk producer in the world with estimated production of about more than 100 million tons of ice-cream per year. Considering Indian economy's quantum growth in recent years, ice-cream market is also zooming at new horizons. Total Indian market size including organized and unorganized is estimated approximately Rs.3000 Cr., out of which organized sector contributes more than half. 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 parlours' concept is getting tremendous response. Another motivating factor for the industry is overall development of tier II, tier III towns & cities where average household per capita income is as encouraging as urban consumers.

Today's consumer is more materialistic, having more money to spend and there is vast portfolio of ice-cream flavours available in market offer a consumer plethora of options at hand to choose. Moreover the innovative modern ice-cream retail outlets alluring them to rush there and consume ice-cream.

The industry structure and ongoing transformation offers opportunities for organized players to invest and grow. Vadilal Ice-cream division showing a sustainable growth year to year, which has been triggered by increasing demand for newer varieties & change in consumer preferences which has been catered by novel products & providing value added products to the consumers. There is considerable increase in demand for impulses & novelties and a completely new segment of catering & institutional customers from where a large chunk of revenues would be generated. Exclusively designed Ice cream parlours we called it HAPPINEZZ PARLOUR which is also a key focus area for major ice-cream industry players.

#### Future Strategy

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

For availability of ice-cream, we have the largest fleet of Refrigerated Vehicles in India, backed by the strong Distribution Network comprising of C&F Agents, distributors and retail dealers. Distribution network is



continuously being improved by appointing new C&F Agents, Distributors and Dealers. Delivering growth through proper investment and infrastructure is our commitment to the stakeholders. Vadilal clearly dominated the market of Gujarat, Rajasthan, Uttar Pradesh, Uttaranchal and Haryana. Also the regional competitors often feel our presence in Delhi, West Bengal, Orissa, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Chandigarh, Punjab, Himachal Pradesh, and Jammu.

Vadilal believe to serve consumers with innovative & value added products consistently.

The overall vision of the company 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 we have planned to release new brand specific TV commercials, which are already telecasted in all major national channels & children's channels. We are among the front-runners and maximum spender on Paper advertisement all over India. This spending actually surpasses the annual advertising budget of some of the regional players.

#### Processed Food Division - Domestic

The year 2009-10 was one more successful year for the Company's Processed Food Division - Domestic Market. The division has initiated its operation in new territories like Uttar Pradesh & Haryana. In the same year, Processed Food Division has introduced new products like Frozen Lilva Kachori & Patra.

In the next year, the division is also keen to establish itself well in territories like Delhi, Orissa and Bihar.

#### Forex Division - Forex Advisory and Exposure Management Service LME Base Metal and Bullion Advisory Service

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

#### FINANCE

During the year under review, part of total Rupee Term Loan availed by the Company from Bank of India, Ahmedabad Corporate Banking Branch has been converted into Foreign Currency Loan repayable in US Dollars. During the year under review, the Company has

fully repaid the Term Loans availed from IDBI Bank Ltd. In terms of the provisions of Investor Education and Protection Fund Rules, 2001 (IEPF), the Company has transferred the unclaimed dividend amount of Rs.32,343/- declared for the financial year ended on 31st March, 2002 (remain unclaimed for 7 years) to the Investor Education and Protection Fund established by the Government of India under Section 205C(1) of the Companies Act, 1956.

#### FIXED DEPOSITS

The Company has no overdue deposits outstanding other than those unclaimed of Rs. 1.75 lacs as on 31<sup>st</sup> March, 2010. As on date of this report, the deposits aggregating Rs. 0.55 lacs thereof have been claimed and either paid or renewed. The Company has accepted fixed deposits of Rs. 49.52 lacs from the Public and the Shareholders during the year - 2009-2010, after complying with the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended. After repaying the maturities during the year, the total fixed deposits as on 31<sup>st</sup> March, 2010 stood at Rs. 79.72 lacs.

#### RESPONSIBILITY STATEMENT

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

1. that in the preparation of Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
2. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2010 and of the profit or loss of the Company for that year;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that they have prepared the Annual Accounts on a going concern basis.

#### ADDITIONAL DISCLOSURES

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

#### DEPOSITORY SYSTEM

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



dematerialisation of the Company's shares on NSDL and CDSL as aforesaid.

The ISIN number allotted to the Company is INE693D01018.

#### INSURANCE

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

#### LISTING AGREEMENT WITH STOCK EXCHANGES

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

The Company confirms that it has paid Annual Listing Fees due to the above Stock Exchanges upto the Financial Year - 2010-2011.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

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

There is no any Foreign Exchange Earnings during the year under review. However, there was Foreign Exchange outgo of Rs. 3.53 lacs during the year under review.

#### DIRECTORS

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

As the members are aware, Mr. Ramchandra R. Gandhi, Chairman of the Company, has been re-appointed as a Managing Director of the Company for a further period of 5 years with effect from 1<sup>st</sup> October, 2009 with payment of remuneration, perquisites, allowances and commission, duly approved by the members at the previous Annual General Meeting held on 29<sup>th</sup> September, 2009.

#### PARTICULARS OF EMPLOYEES

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not applicable to the Company, since none of the employees of the Company, including Managing Director, was in receipt of total remuneration of Rs. 24,00,000/- p.a. or Rs. 2,00,000/- p.m. during the year under review.

#### AUDITORS

M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad, hold office as Statutory Auditors of the Company until the conclusion of this Annual General Meeting and the Board recommends their re-appointment till the conclusion of the next Annual General Meeting. The

Company has received a certificate from Auditors under Section 224(1) of the Companies Act, 1956 to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Act. Members are requested to consider their re-appointment as Statutory Auditors of the Company for the current year at a remuneration to be decided by the Board of Directors.

#### AUDITORS' REPORT

The following clarification has been made by the Directors in respect of observations made by the Auditors in their CARO Report for the year ended on 31<sup>st</sup> March, 2010 :

1. There was a slight short fall in maintaining liquid assets during the financial year under review due to inadvertance.
2. Advance Income Tax which remains outstanding for a period of more than 6 months from the date it became payable has been subsequently paid by the Company.

#### TRADE RELATIONS

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

#### ACKNOWLEDGMENTS

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

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

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

By Order of the Board of Directors

RAMCHANDRA R. GANDHI  
Chairman & Managing Director

Date : 10th August, 2010  
Place : Ahmedabad



## AUDITORS' REPORT

To,  
The Members of  
Vadilal Enterprises Limited  
Ahmedabad.

1. We have audited the attached balance sheet of Vadilal Enterprises Limited as at March 31, 2010, the profit & loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies [Auditor's Report] Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure here to a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report comply with the mandatory accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
  - (v) On the basis of the written representations received from directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
    - (b) in the case of the profit & loss account, of the 'profit' of the company for the year ended on that date;and
    - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

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

Mayank S. Shah  
Partner

Place : Ahmedabad  
Date : May 18, 2010

Membership No.: 44922

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF VADILAL ENTERPRISES LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2010.

- (i) In respect of its fixed assets :
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation only in respect of building, vehicles and deep freeze machines capitalized onwards 1997-98. In respect of deep freeze machines capitalized prior to 1997-98 and other assets, individual details as to cost and accumulated depreciation, remains to be reconciled with ledger balances appearing in the financial statements
  - (b) In respect of majority of fixed assets were verified during the year, except acrylic boards and other assets viz. furniture & office equipments. Material discrepancies noticed on Physical verification of said fixed assets carried out during the year have been properly dealt with in the books of account. Acrylic boards and other assets viz. furniture & office equipments are not verified during the year hence the question of reconciliation between physical verification and book records does not arise.
  - (c) The company has not disposed off substantial part of fixed assets during the year.
- (ii) In respect of its Inventories :
  - (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year except stock of stores and spares which have not been physically verified during the year.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management needs to be strengthened, so as to cover physical verification of stores and spares at least once in a year.
  - (c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on such physical verification of inventory as compared to the book records. In absence of physical verification of stock of stores and spares, the discrepancy if any, could not be ascertained.
- (iii) In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 :

The company has not granted nor taken any loans, secured or unsecured to /from companies, firms or other parties covered in the register maintained under section 301 of the Act. And hence, paragraph 4 (iii) (a), (b), (c), (d), (e), (f) and (g) are not considered applicable to the company.
- (iv) In respect of main trading item viz. ice-cream, mango pulp, mango ras, frozen vegetables the purchases are made at agreed terms and conditions. In our opinion and according to the explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) In respect of transactions covered under Section 301 of the Companies Act, 1956:
  - (a) In our opinion and according to the information



and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section.

(b) The transactions for purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5 Lakhs or more in respect of each party, according to the information and explanations given to us, purchase of specialized items such as ice-cream, mango pulp, mango ras alternative sources are limited and others are made with reference to prevailing market prices at the relevant time for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.

(vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58 A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public except there has been a slight short fall in maintaining liquid assets

We are informed that no order has been passed by the company law board or national company law tribunal or Reserve Bank of India or any Court or any other tribunal.

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

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

(ix) In respect of statutory dues:

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

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

(b) According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid statutory dues were outstanding as at 31st March, 2010 for the period of more than six months from the date they become payable, except advance income tax of Rs.30.61 lacs which remains outstanding for a period of more than six months from the date it became payable. However, same has been paid subsequently there against.

(c) The disputed statutory dues aggregating to Rs.9.03 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No	Description	Amount of Rupees	Forum where dispute is pending
(i)	Income Tax A.Y.2007-08	9.03 lacs	CIT Appeals

(x) The company has no accumulated losses as at March 31, 2010. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mayank S. Shah  
Partner

Place : Ahmedabad  
Date : May 18, 2010

Membership No.: 44922



BALANCE SHEET AS AT 31ST MARCH, 2010

			AS AT 31.03.2010 (Rs. in Lacs)	AS AT 31.03.2009 (Rs. in Lacs)
<b>SCHEDULE (Rs. in Lacs)</b>				
<b>I SOURCES OF FUNDS :</b>				
<b>1) SHAREHOLDERS' FUNDS:</b>				
Share Capital	1	86.26		86.56
Reserves & Surplus	2	285.22		230.39
			371.48	316.95
<b>2) LOAN FUNDS:</b>				
Secured Loans	3	368.35		547.88
Unsecured Loans	4	1,455.81		1,405.71
			1,824.16	1,953.59
<b>3) DEFERRED TAX LIABILITY (NET)</b>	<b>5</b>		<b>0.00</b>	<b>17.94</b>
<b>TOTAL -&gt;</b>			<b>2,195.64</b>	<b>2,288.48</b>
<b>I APPLICATIONS OF FUNDS :</b>				
<b>1) FIXED ASSETS :</b>				
Gross Block	6	3,623.40		4,039.07
Less : Depreciation		2,301.95		2,300.20
Net Block			1,321.45	1,738.87
<b>2) INVESTMENTS :</b>	<b>7</b>		<b>4.48</b>	<b>70.02</b>
<b>3) DEFERRED TAX ASSET (NET)</b>	<b>5</b>		<b>47.05</b>	<b>0.00</b>
<b>4) (i) CURRENT ASSETS, LOANS &amp; ADVANCES:</b>				
(a) Inventories	8	155.36		132.37
(b) Sundry Debtors	9	1,379.73		1,142.93
(c) Cash & Bank Balances	10	55.72		89.16
(d) Loans & Advances	11	3,650.63		2,639.17
Sub Total (i)		5,241.44		4,003.63
<b>Less:</b>				
<b>(ii) CURRENT LIABILITIES &amp; PROVISIONS :</b>				
(a) Current Liabilities	12	4,254.90		3,419.97
(b) Provisions	13	163.88		104.29
Sub Total (ii)		4,418.78		3,524.26
Net Current Assets : (i-ii)			822.66	479.37
<b>5) MISCELLANEOUS EXPENDITURE</b>	<b>14</b>		<b>0.00</b>	<b>0.22</b>
(To the extent not written off)				
<b>TOTAL -&gt;</b>			<b>2,195.64</b>	<b>2,288.48</b>
Significant Accounting Policies	20			
Notes to the Accounts	21			

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

For and on behalf of the Board

For KANTILAL PATEL & CO.  
Chartered Accountants

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

Mayank S. Shah  
Partner

Place: Ahmedabad  
Date : May 18, 2010

Place: Ahmedabad  
Date : May 18, 2010



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	YEAR ENDED 31.03.2010 (Rs. in Lacs)	YEAR ENDED 31.03.2009 (Rs. in Lacs)
<b>I INCOME :</b>			
Sales & Service Charges	15	19,861.59	15,664.22
Other Income	16	98.36	126.40
TOTAL ->		19,959.95	15,790.62
<b>II EXPENDITURE :</b>			
Cost of Goods Sold	17	15,885.37	12,725.52
Selling ,Distribution & Other Expenses	18	3,579.50	2,583.24
Financial Expenses (Net)	19	(0.03)	19.49
Depreciation		368.56	410.88
TOTAL ->		19833.40	15,739.13
III Profit Before Tax and Exceptional items		126.55	51.49
<b>IV. Provision For Tax</b>			
- Current		120.00	74.25
- Deferred Tax [Net (Credit)/ Charge]		(64.95)	(55.77)
- Fringe Benefit Tax		0.00	31.00
- Short/(Excess) Provision of Income Tax /Fringe Benefit Tax of earlier years written off (written back)		5.09	(7.76)
V. Net Profit After Tax		66.41	9.77
VI. Balance Brought Forward		63.96	64.37
VII. Amount available for Appropriation		130.37	74.14
<b>APPROPRIATIONS</b>			
Proposed Dividend		10.35	8.70
Dividend Tax thereon		1.72	1.48
Transfer to General Reserve		50.00	0.00
Balance Profit Carried to Balance Sheet		68.30	63.96
		130.37	74.14
Significant Accounting Policies	20		
Notes to the Accounts	21		
Basic and Diluted Earnings per Equity Share (Rupees) (Nominal value of Rs.10/- per Equity share) (Refer Sch.-21 Note No.7)		7.70	1.12

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

For and on behalf of the Board

For KANTILAL PATEL & CO.  
Chartered Accountants

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

Mayank S. Shah  
Partner

Place: Ahmedabad  
Date : May 18, 2010

Place: Ahmedabad  
Date : May 18, 2010



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Ended on 31.03.2010 (Rs. in Lacs)	Ended on 31.03.2009 (Rs. in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax after Exceptional items as Profit & Loss Accounts	126.55	51.49
Adjusted for :		
Depreciation	368.56	410.88
(Profit) / Loss on Sale of Fixed Assets	0.00	(1.93)
(Profit) / Loss on Sale of Long term Investments	(1.26)	0.00
Provisions for doubtful advance	8.77	0.61
Diminution in value of Long Term Investment	6.30	0.00
Fixed Assets written off	72.03	15.97
Dividend Income	(0.08)	(0.07)
Interest Income	(78.80)	(98.42)
Interest Expenses	78.77	117.91
	580.84	496.44
Operating profit before working capital changes		
Adjusted for :		
Trade and other receivables	(1,254.19)	(204.05)
Inventories	(22.99)	111.26
Trade payables	834.28	70.21
Deferred Expenses	0.22	0.61
	138.16	474.47
Cash Generated from operations		
Direct taxes paid / Adjustment	(151.56)	(143.64)
	(13.40)	330.83
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(135.58)	(450.22)
Sale / Discard of fixed assets	112.41	26.28
Sale of Investments	60.50	3.86
Purchase of Investments	(5.07)	(15.35)
Interest received	79.02	103.96
Dividend received	0.08	0.07
	111.36	(331.38)
Net Cash used in investing activities		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from borrowings	331.41	152.25
Repayment of borrowings	(380.86)	(59.48)
Proceeds from the issue of Share Capital	0.20	0.34
Interest paid	(77.18)	(116.27)
Dividend Paid	(10.04)	(0.26)
	(136.47)	(23.42)
Net cash used in financing activities		
Net increase / (Decrease) in cash equivalents (A+B+C)	(38.51)	(23.99)
Net Cash equivalents as at 01.4.2009 (Opening Balance)	89.16	97.80
	50.65	73.81
<u>Major Components of Cash and Cash Equivalents as at</u>	<u>31.03.2010</u>	<u>31.03.2009</u>
Cash on hand	4.01	5.64
Balance With Banks - On Current Accounts	46.64	68.17
	50.65	73.81

Notes : 1) The above cash flow has been prepared under Indirect Method set out in AS 3, issued by The Institute of Chartered Accountants of India.  
2) Previous years figures have been restated wherever necessary to make them comparable with current year figures.

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

For KANTILAL PATEL & CO.  
Chartered Accountants

Mayank S. Shah  
Partner

Place: Ahmedabad  
Date : May 18, 2010

For and on behalf of the Board

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

Place: Ahmedabad  
Date : May 18, 2010



## SCHEDULES TO BALANCE SHEET

	AS AT 31.03.2010 (Rs. in Lacs)	AS AT 31.03.2009 (Rs. in Lacs)
<b>SCHEDULE: 1 - SHARE CAPITAL:</b>		
<b>AUTHORISED :</b>		
20,00,000 (P.Y. 20,00,000) Equity Shares of Rs.10/- each	200.00	200.00
<b>ISSUED &amp; SUBSCRIBED :</b>		
8,70,148 (P.Y.8,70,148) Equity Shares of Rs.10/- each fully called up	87.01	87.01
<b>PAID UP :</b>		
8,62,668 (P.Y.8,70,148) Equity Shares of Rs.10/- each fully paid up	86.26	87.01
Less: Calls in Arrears	0.00	0.45
(Due from other than Directors)		
<b>TOTAL -&gt;</b>	<u>86.26</u>	<u>86.56</u>
<b>SCHEDULE: 2 - RESERVES &amp; SURPLUS:</b>		
<b>CAPITAL RESERVE :</b>		
Balance as per Last Balance sheet	0.00	0.00
Add : Addition during the year	0.37	0.00
	<u>0.37</u>	<u>0.00</u>
<b>SECURITIES PREMIUM ACCOUNT:</b>		
Balance as per Last Balance sheet	93.77	93.77
Less: Calls in Arrears	0.00	0.68
Less: Shares Forfeited	0.56	0.00
	<u>93.21</u>	<u>93.09</u>
<b>GENERAL RESERVE :</b>		
Balance as per Last Balance sheet	73.34	73.34
Add : Addition during the year	50.00	0.00
	<u>123.34</u>	<u>73.34</u>
<b>PROFIT &amp; LOSS ACCOUNT BALANCE</b>		
<b>TOTAL -&gt;</b>	<u>285.22</u>	<u>230.39</u>
<b>SCHEDULE: 3 - SECURED LOANS</b>		
<b>[A] TERM LOANS :</b>		
<b>(a) FROM BANKS :</b>		
(i) I. D. B. I. Bank Limited (Refer Note No. i & iii)	0.00	59.21
(ii) Bank of India (Refer Note No. i, ii & iii)	0.00	290.03
Interest Accrued & Due (Rs.166/-, P.Y. NIL)	0.00	0.00
(iii) Car Loan (Refer Note No. iv)		
(a) H.D.F.C Bank Limited	15.70	30.57
(b) Kotak Mahindra Prime Limited	6.19	8.44
(c) Axis Bank Limited	7.09	8.82
<b>[A]</b>	<u>28.98</u>	<u>397.07</u>
(Secured Loans of Rs. 9.08/- Lacs repayable within one year) (P. Y. Rs. 158.06/- Lacs)		
Note :		
[(i) Secured on 1st pari-passu charge basis by hypothecation on movable assets of the company such as Deep Freeze Machine, Refrigerator Vehicles, FOW, Push Carts, Tricycles, etc. and also secured on 2nd pari-passu charge basis by hypothecation on current assets of the Company namely; stocks such as Ice-cream, Mango Pulp, Mango Juice, Frozen Fruits and Vegetables, etc.]		
[(ii) Secured by Equitable Mortgage by simple deposit of Title Deeds in respect of immovable property of the Company i.e. First Floor of Vadilal House situated at Shrimali Society, Navrangpura, Ahmedabad]		
[(iii) Guaranteed by some of the Directors and a Company.]		
[(iv) Secured against hypothecation of specific vehicles of the Company]		
<b>[B] Cash Credits :-</b>		
(i) Bank of India	338.21	150.81
(Secured on 2nd charge by hypothecation on movable assets of the company such as Deep Freeze Machine, Refrigerator Vehicles, FOW, Push Carts, Tricycles, etc. and also secured by 1st charge by hypothecation on current assets of the Company namely; stocks such as Ice-cream, Mango Pulp, Mango Juice, Frozen Fruits and Vegetables, etc.)		
(Secured by Equitable Mortgage by simple deposit of Title Deeds in respect of immovable property of the Company i.e. First Floor of Vadilal House situated at Shrimali Society, Navrangpura, Ahmedabad.)		
(Guaranteed by some of the Directors and a Company.)		
Interest Accrued & Due	1.16	0.00
<b>[B]</b>	<u>339.37</u>	<u>150.81</u>
<b>TOTAL [A+B]</b>	<u>368.35</u>	<u>547.88</u>



(Rs. in Lacs)	AS AT 31.03.2010 (Rs. in Lacs)	AS AT 31.03.2009 (Rs. in Lacs)								
<b>SCHEDULE: 4 - UNSECURED LOANS:</b>										
Security Deposits from Dealers/Distributors. (Interest Free)	1,376.72	1,327.64								
Fixed Deposits from Public	77.42	76.45								
Add :-Interest Accrued & due	1.67	1.62								
(Repayable within one year Rs. 47.45/- Lacs P.Y Rs. 47.75/-Lacs)	79.09	78.07								
<b>TOTAL</b>	<b>1,455.81</b>	<b>1,405.71</b>								
<b>SCHEDULE: 5 - DEFERRED TAX LIABILITY/(ASSET) (NET) :</b>										
(Refer Sch.-20 Note No.L)										
Deferred Tax Liability										
Difference between book and Income Tax Depreciation	0.00	37.44								
Deferred revenue Exp.	0.00	0.06								
	0.00	37.50								
Deferred Tax Assets										
Difference between book and Income Tax Depreciation	27.72	0.00								
Expenditure disallowable under Section 43B	19.33	19.56								
	47.05	19.56								
<b>TOTAL</b>	<b>(47.05)</b>	<b>17.94</b>								
<b>SCHEDULE : 6 - FIXED ASSETS (Refer Schedule 20 Note No. D) :</b>										
	<b>(Rs. in Lacs)</b>									
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.09	Addi- tion	Deduc- tion	As on 31.03.10	Up to 01.04.09	For the year	Deduc- tion	Upto 31.03.10	As on 31.03.10	As on 31.03.09
Building	37.52	18.40	0.00	55.92	8.72	6.81	0.00	15.53	40.39	28.80
Plant & Machinery	3,725.93	114.13	542.66	3,297.40	2,124.85	346.90	359.08	2,112.67	1,184.73	1,601.08
Office Equipments	21.52	2.90	0.00	24.42	11.49	1.68	0.00	13.17	11.25	10.03
Furniture & Fixtures	18.91	0.15	0.00	19.06	14.25	1.21	0.00	15.46	3.60	4.66
Vehicles	235.19	0.00	8.59	226.60	140.89	11.96	7.73	145.12	81.48	94.30
<b>Total.....</b>	<b>4,039.07</b>	<b>135.58</b>	<b>551.25</b>	<b>3,623.40</b>	<b>2,300.20</b>	<b>368.56</b>	<b>366.81</b>	<b>2,301.95</b>	<b>1,321.45</b>	<b>1,738.87</b>
Previous Year	3,826.56	450.22	237.71	4,039.07	2,102.68	410.88	213.36	2,300.20	1,738.87	
<b>NOTE :</b>										
[1] Gross Block of Vehicles as on 31/03/10 includes assets taken on Hire Purchase at cost of Rs. 49.40/- Lacs (P.Y Rs.98.31/- lacs), accumulated depreciation thereon is Rs. 10.21/- Lacs (P.Y 30.47/- Lacs )and net carrying amount is Rs. 39.19/- Lacs (P.Y.Rs.67.84/- lacs).										
[2] Vehicles includes Vehicles amounting to Rs.35.39/-Lacs (P.Y.Rs.35.39 /-lacs) which are held in the Name of Directors of the company.										
[3] Gross Block of Rs. 3623.40/- lacs (P.Y. 4039.07/- lacs) and Depreciation upto 31-03-10 of Rs. 2301.95/- lacs (P.Y. 2300.20/-lacs) include amount of Rs. 520.82/- lacs (P.Y. 421.66/- lacs) which represents Fixed Assets fully depreciated and Net Block value of respective fixed assets is Rs NIL.										
(Rs. in Lacs)	AS AT 31.03.2010 (Rs. in Lacs)	AS AT 31.03.2009 (Rs. in Lacs)								
<b>SCHEDULE: 7 - INVESTMENTS :</b>										
(Refer Sch.-20 Note No. E)										
Long Term Investments:-										
(A) Quoted :										
In Equity shares of Rs.10/- each fully paid up :										
2000 (P.Y.2000) Gujarat Narmada Knitwear Ltd	0.20	0.20								
400 (P.Y.400) Aminex Chemicals Ltd	0.04	0.04								
NIL (P.Y.535000) Vadilal Chemicals Ltd	0.00	81.60								
	0.24	81.84								
Less :-Diminution in Value of Investments	0.24	22.97								
	0.00	58.87								
(B) Unquoted :										
⊙ In Equity shares of Rs.10/- each fully paid up :-										
NIL (P.Y.700000) Kalpit Realty & Services Ltd	0.00	0.37								
70000 (P.Y.70000) Vadilal Happinezz Parlour Limited	7.00	7.00								
115200 (P.Y.115200) Majestic Farm House Ltd	11.52	11.52								



	(Rs. in Lacs)	AS AT 31.03.2010 (Rs. in Lacs)	AS AT 31.03.2009 (Rs. in Lacs)
(ii) In Equity shares of Rs.25/- each fully paid up :-			
2450 (P.Y. 2450) Textile Traders Co-op. Bank Ltd	0.61		0.61
40 (P.Y.40) Siddhi Co-op Bank Ltd	0.01		0.01
	<u>19.14</u>		<u>19.51</u>
Less :-Diminution in Value of Investments	14.66		8.36
		4.48	<u>11.15</u>
TO TAL		<u>4.48</u>	<u>70.02</u>
Aggregate Value of -			
a. Quoted Investments			
Book Value		0.24	81.84
Market Value		Not available	64.22
b. Unquoted Investments			
Book Value		19.14	19.51
SCHEDULE: 8 - INVENTORIES:			
(Refer Sch.-20 Note No. F)			
Machinery Parts		61.62	67.58
Finished Goods		93.74	64.79
TO TAL		<u>155.36</u>	<u>132.37</u>
SCHEDULE: 9 - SUNDRY DEBTORS:			
(Refer Sch.-21 Note No. 2)			
Debts outstanding for a period exceeding Six months [a]		280.05	240.63
Other debts [b]		1,099.68	902.30
Total [a+b]		<u>1,379.73</u>	<u>1,142.93</u>
Of the above debts			
a) Fully Secured		510.83	391.18
b) Unsecured Considered Good		868.90	751.75
TO TAL		<u>1,379.73</u>	<u>1,142.93</u>
SCHEDULE: 10 - CASH & BANK BALANCES :			
Cash on hand		4.01	5.64
Bank Balances:			
A) With Scheduled Banks:			
(i) In Current Accounts		46.64	68.17
(ii) In Fixed Deposit Accounts [Fixed Deposits of Rs. 1.02/- Lacs (P.Y.Rs.6.25/- Lacs) are pledged with Scheduled Banks]		5.07	10.35
B) With Non-Scheduled Banks :			
(i) In Fixed Deposit Accounts Siddhi Co - Operative Bank Limited [Max. Balance during the year Rs. 5.00/- Lacs P.Y.Rs.5.00/-Lacs] (Fixed deposit of Rs.NIL (P.Y. 5.00/- Lacs) pledged with Non-Scheduled Bank)		0.00	5.00
TO TAL		<u>55.72</u>	<u>89.16</u>
SCHEDULE: 11 - LOANS & ADVANCES :			
Advances recoverable in Cash or in kind or for value to be received.		203.55	181.58
Staff Loan		16.42	8.10
Deposits with Government Authority		9.70	9.75
Other Trade/Security Deposits		823.70	806.66
Advance Payment of Tax Less Provisions (Current Tax)		14.09	11.03
Loan to others		10.12	10.12
Loan in Current Account		2606.12	1636.33
		<u>3,683.70</u>	<u>2,663.57</u>
Less: Provision for irrecoverable Advances		33.07	24.40
TO TAL		<u>3,650.63</u>	<u>2,639.17</u>



	AS AT 31.03.2010 (Rs. in Lacs)	AS AT 31.03.2009 (Rs. in Lacs)
Of the above Loans and Advances -		
a) Fully Secured	0.00	0.00
b) Unsecured Considered Good	3,650.63	2,639.17
c) Considered Irrecoverable	33.07	24.40
<b>TOTAL</b>	<u>3,683.70</u>	<u>2,663.57</u>
<b>SCHEDULE: 12 - CURRENT LIABILITIES</b>		
Sundry Creditors (Refer Sch.21 Note No. 3)	3,326.30	2,850.13
Other Liabilities	670.65	379.63
Advance received from customers	117.97	102.04
Temporary overdraft in current a/c with Banks	131.66	80.37
Unclaimed Dividend *	1.02	0.88
Unclaimed matured fixed deposits *	2.60	2.60
Interest Accrued But not Due on deposits*	4.70	4.32
<b>TOTAL</b>	<u>4,254.90</u>	<u>3,419.97</u>
* These figures do not include any amounts, due & outstanding, to be credited to investors education & protection fund.		
<b>SCHEDULE: 13 - PROVISIONS:</b>		
Employee Benefit (Refer Sch.-20 Note No. I )	55.09	55.22
Proposed Dividend	10.35	8.70
Provision for Dividend Tax	1.72	1.48
Provision for Income Tax Less Advance Tax (Current Tax)	96.72	27.89
Provision for Fringe Benefit Tax Less Advance Tax	0.00	11.00
<b>TOTAL</b>	<u>163.88</u>	<u>104.29</u>
<b>SCHEDULE: 14 - MISCELLANEOUS EXPENDITURE :</b> (Refer Sch.-20 Note No. M)		
Upfront Interest on restructuring of Loan	0.00	0.22
	<u>0.00</u>	<u>0.22</u>

### SCHEDULES TO PROFIT & LOSS ACCOUNT

	YEAR ENDED 31.03.2010 (Rs. in Lacs)	YEAR ENDED 31.03.2009 (Rs. in Lacs)
<b>SCHEDULE: 15 - SALES &amp; SERVICE CHARGES :</b> (Refer Sch.-20 Note No. C)		
Sales	20,863.01	16,533.48
Less: Sales Comm., Trade Discount, Scheme Discount, Damages etc.	<u>1,132.05</u>	<u>980.15</u>
	19,730.96	15,553.33
Service Charges Income	25.19	27.94
Forex Advisory Fees	105.44	82.95
<b>TOTAL</b>	<u>19,861.59</u>	<u>15,664.22</u>
<b>SCHEDULE: 16 - OTHER INCOME :</b>		
Dividend Income on Long Term Investments(Gross)	0.08	0.07
Promotional Charges Recovered	15.13	2.32
Excess Provision / Credit Balance Written back	7.87	84.94
Profit on Sale of Fixed Assets (Net)	0.00	1.93
Profit on Sale of Long Term Investments (Net)	1.26	0.00
Foreign exchange difference (Refer Sch.-20 Note No.H)	0.42	0.00
Miscellaneous Income	73.60	37.14
<b>TOTAL</b>	<u>98.36</u>	<u>126.40</u>
<b>SCHEDULE: 17 - COST OF GOODS SOLD :</b> (Refer Sch.- 21 Note No. 11)		
Opening Stock	64.79	194.68
Add: Purchases	15,980.96	12,821.92
	16,045.75	13,016.60
Less: Capitalised during the year	<u>66.64</u>	<u>226.29</u>





	YEAR ENDED 31.03.2010 (Rs. in Lacs)	YEAR ENDED 31.03.2009 (Rs. in Lacs)
Less: Closing Stock	15,979.11	12,790.31
	93.74	64.79
TOTAL	15,885.37	12,725.52
SCHEDULE: 18 - SELLING, DISTRIBUTION & OTHER EXPENSES:		
Advertisement, Sales Promotion & Publicity Expenses	920.36	700.08
Freight & Forwarding Charges	752.73	675.10
Employees Expenses (Refer Sch.- 18.1 )	732.99	585.72
Repairs & Maintenance : Machinery	172.03	65.08
: Building	0.56	7.77
: Others	19.00	5.49
	191.59	78.34
Rent	59.31	41.43
Rates & Taxes	23.75	34.09
Insurance	9.41	7.51
Royalty	288.12	14.06
Vehicle Repairs & Petrol Expenses	52.42	57.65
Travelling	96.39	92.86
Provision for doubtful Advances	8.77	0.61
Fixed Assets Written off (Net of Dealers Balances)	72.03	15.97
Diminution in value of Long Term Investment	6.30	0.00
Bad Debts/Loans/Advances/Other Current Assets irrecoverable written-off	49.46	17.37
Less : Provided in earlier years	-	1.55
	49.46	15.82
Miscellaneous Expenses (Refer Sch.-18.2 )	315.87	264.00
TOTAL	3579.50	2,583.24
EMPLOYEES EXPENSES : 18.1		
Salaries, Wages, Allowances & Bonus ,etc.	695.13	546.70
Contribution to P.F.,F.P.F., etc.	30.53	33.77
Staff Welfare Expenses	7.33	5.25
TOTAL	732.99	585.72
MISCELLANEOUS EXPENSES : 18.2		
Sales Tax	0.41	1.86
C & F Commission	108.87	92.11
Directors' Travelling Expenses	2.82	0.88
Directors' sitting fees	0.44	0.40
Auditor's Remuneration - Audit Fees	3.95	3.20
- Tax Audit Fees	1.58	1.28
- Certificate Fees	2.08	0.68
- Taxation Matters	1.26	2.43
- Out of Pocket expenses	0.35	0.37
Other Expenses (Including Legal & Professional Charges, Conveyance,Electricity,Printing & Stationery,Telephone, Telereate Fees Expenses,etc.)	194.11	160.79
TOTAL	315.87	264.00
SCHEDULE: 19 - FINANCIAL EXPENSES (NET) :		
On Fixed Loans	34.98	59.67
On Bank Overdraft	20.02	28.61
On Fixed deposits	8.37	7.95
Brokerage & other financial Charges	15.40	21.68
TOTAL	78.77	117.91
Less : Interest Income	78.80	98.42
(Tax Deducted at Source Rs. 7.76/- Lacs P.Y. Rs. 20.85/- Lacs)		
TOTAL	(0.03)	19.49



SCHEDULE : 20 - SIGNIFICANT ACCOUNTING POLICIES

(A) ACCOUNTING CONVENTION :

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

(B) USE OF ESTIMATES:

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

(C) REVENUE RECOGNITION:

SALES ACCOUNTING:

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

(D) FIXED ASSETS AND DEPRECIATION & IMPAIRMENT:

- (i) Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss. Other attributable cost incurred for bringing the fixed assets to its intended use are added to the cost of Fixed Assets. Adjustments arising from exchange rate variations relating to transaction in foreign currencies attributable to Fixed Assets are capitalised.
- (ii) Depreciation on fixed assets is provided on "Straight Line Method" at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, (as amended) except in case of;
  - (a) On electrical installation (Acrylic Glow Sign Board & Translite) addition made upto 31.03.09, Push Carts, Tricycles, Insulated Iron / Plastic Boxes and Freezer on wheels in respect of which depreciation is charged at 20% based on the estimated useful life of five years.
  - (b) On Plastic Crates and on specific assets of Happeezz Parlour on which depreciation is charged at 33.33% based on the estimated useful life of three years.
  - (c) In respect of Deep Freeze Machines for addition from the year 2001-02, depreciation is charged at 10% based on estimated useful life of Ten years.
  - (d) Cost of electrical installation more than five years old and their corresponding depreciation are adjusted from gross block of fixed assets and depreciation fund respectively.
- (iii) IMPAIRMENT OF ASSETS:  
The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of fixed assets exceeds its recoverable amount. The recoverable amount is measured as the higher of the net selling price & the value in use determined by the present value of estimated future cash flows.

(E) INVESTMENTS:

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

(F) INVENTORIES:

Inventories are valued as under:

<u>INVENTORY</u>	<u>VALUATION METHOD</u>
(i) Finished Goods. (Trading)	At Cost or Net realisable value whichever is lower. Cost is determined on 'FIFO' and 'Special identification' basis, whichever applicable. Due provision for obsolescence and wear & tear is made.
(ii) Machinery Parts	At Lower of cost or Net realisable Value. Cost is determined on "Weighted Average" basis. Due Provision for obsolescence and wear & tear is made.

(G) EMPLOYEES BENEFITS :

(a) Short Term Employee Benefits

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

(b) Post-Employment Benefits:

(i) Defined Contribution Plans :

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

(ii) Defined Benefit Plans:

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

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

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

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

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

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

(c) Long term employee benefits:

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

(H) FOREIGN CURRENCY TRANSACTIONS:

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

(ii) Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract. The difference in translation of current assets and current liabilities is recognized in the Profit & Loss Account.

(I) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognised when the company has present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. These are reviewed at each year end and adjusted to reflect the best current estimate.

Contingent Liabilities are disclosed by way of notes to Accounts

Contingent Assets are neither recognised nor disclosed in the financial statements

(J) CONTINGENCIES AND EVENTS OCCURRING AFTER BALANCE SHEET DATE:

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

(K) BORROWING COST:

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

(L) TAXES ON INCOME :

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

(M) MISCELLANEOUS EXPENDITURE :

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



SCHEDULE : 21 - NOTES TO THE ACCOUNTS .

1. CONTINGENT LIABILITIES NOT PROVIDED FOR :

	As on 31-03-2010 (Rs In Lacs)	As on 31-03-2009 (Rs In Lacs)
(a) Estimated amount of Contracts remaining to be executed on Capital account and not provided For (net of advances).	260.85	39.84
(b) Claims against the Company not acknowledged as debt / against which appeal has been filed.		
(i) Sales Tax*	9.52	9.52
(ii) Others	20.77	18.80
(iii) Income Tax*	15.51	28.50
(c) Outstanding amount of bills accepted by the company	1639.88	850.43
(d) Guarantees given by the company against Term Loans given to company in which Directors are interested	800.00	800.00
Outstanding against this as at 31.03.2010	685.72	800.00

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

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

2. Certain balances of debtors, creditors, loans and advances and deposits from dealers/distributors are subject to confirmation. Any adjustments, if required, would be made at the time of reconciliation/settlement of the Accounts
3. Based on the information available with the company, there are no suppliers who are registered under the Micro, Small & Medium Enterprises Development Act, 2006 as at 31st March 2010. Hence, the informations required under the Micro, Small & Medium Enterprises Development Act, 2006 is not disclosed. This is relied upon by Auditors.

4. REMUNERATION TO CHAIRMAN & MANAGING DIRECTOR:

Salaries, Wages, Allowances, Bonus etc. includes Rs.12.97/- Lacs towards managerial remuneration as under :-

	Year ended 31-03-2010 (Rs. In Lacs)	Year ended 31-03-2009 (Rs. In Lacs)
(a) Salary.	7.80	6.00
(b) Contribution to P.F. & other Funds.	0.94	0.78
(c) Perquisites (HRA, Allow. etc.)	4.23	3.18
	<u>12.97</u>	<u>9.96</u>

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

5. (a) The Company has taken various residential, office and godown premises under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 36 months under leave and license or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits under certain agreements

(b) Lease payments are recognised as expense in the Profit & Loss Statement on a Straight Line basis over the lease term under "Rent" in Schedule 18 "Selling, Distribution & Other Expenses".

(c) The future minimum estimated operating lease payments under non cancellable operating lease : (Rs. In Lacs)

Particulars	Not Later Than one Year	Later than one year and not later than five Years
Total of minimum Lease payments	50.72 (33.80)	202.88 (135.20)

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

7. EARNINGS PER SHARE:

a) The amount used as the numerator in calculating basic and diluted earnings per share is the net profit for the year disclosed in the profit & loss account.

b) The weighted average number of equity shares used as the denominator in calculating both basic & diluted earnings per share is 8,62,668 (P.Y. 8,70,148).

8. RELATED PARTY DISCLOSURES:

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

1) Key Management Personnel

a) Shri Ramchandra R. Gandhi

2) Relative of Key Management Personnel

a) Shri Rajesh R. Gandhi

b) Shri Virendra R. Gandhi

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

a) Shri Devanshu L. Gandhi

4) Enterprises owned or significantly influenced by group of individuals or their relatives who have significant influence over the company.

a) Vadilal Industries Ltd

b) Vadilal Soda Fountain.

c) Vadilal International Pvt Ltd

d) Vadilal Happiness Parlour Ltd

**b) Transaction with Related Parties :**

**(Rs. in Lacs)**

Sr. No.	Particulars of Transaction & Name of related party which transactions, more than 10 %	Enterprises owned or significantly influenced by key management personnel or their relatives
1	Sales : i) Vadilal Soda Fountain	99.15 (75.62)
	ii) Vadilal Happiness Parlour Ltd	0.00 (61.42)
2	Purchase : i) Vadilal Industries Ltd	15,848.46 (12,708.89)
	ii) Other	0.00 (2.74)
3	Rent paid : i) V.R. Gandhi & Others	3.33 (3.33)
	ii) Vadilal Industries Ltd	0.90 (0.90)
4	Trade Discount Given : i) Vadilal Soda Fountain	4.96 (3.78)
	ii) Vadilal Happiness Parlour Ltd	0.00 (18.42)
5	Interest Income : i) Vadilal International Pvt. Ltd	7.74 (7.89)
6	Royalty Paid : i) Vadilal International Pvt. Ltd	288.12 (14.06)
7	Purchase of Fixed Assets Vadilal Happiness Parlour Ltd	18.40 (0.00)
8	Balance outstanding at year end :	
	a) Receivable :	
	i) Vadilal International Pvt. Ltd *	796.39 (789.43)
	ii) Others	96.35 (69.07)
	b) Payable :	
	i) Vadilal Industries Ltd	2,861.36 (2,598.68)
	ii) Vadilal International Pvt. Ltd	266.28 (9.32)
	iii) Others	0.83 (0.83)



Sr. No.	Particulars of Transaction & Name of related party which transactions, more than 10 %	Enterprises owned or significantly influenced by key management personnel or their relatives
	c) Against corporate guarantee taken :	
	i) Vadilal Industries Ltd	332.38 (528.81)
	d) Against corporate guarantee given :	
	i) Vadilal Industries Ltd	685.72 (800.00)

Note : a) Payment to key management personnel in form of Managing Director's remuneration is shown in Note No. 4.  
b)\* Amount includes Rs. 796.39/- Lacs (P.Y. Rs.789.43/- Lacs) towards Deposit.  
c) Sitting fees paid to relatives of Key management personnel and to the other Director's is disclosed elsewhere in accounts  
d) Figures in bracket relates to previous year.

9. (i) Defined Contribution Plans:

Amount of Rs.26.01/- Lacs (P.Y. Rs.26.26/- Lacs) is recognised as expenses and included in "Employee's Expenses" (schedule 18.1) in the Profit and Loss Account.

ii) Defined Benefit Plans:

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

Particulars	Gratuity Plan		Leave Encashment	
	31.03.10	31.03.09	31.03.10	31.03.09
Opening defined benefit obligation as at 01.04.2009	42.42	37.72	20.82	18.05
Service Cost	4.68	4.61	3.54	4.23
Interest Cost	3.48	2.87	1.71	1.37
Actuarial Losses /(Gains)	(3.28)	0.74	(3.09)	(0.90)
Losses /(Gains) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Benefits Paid	(0.95)	(3.52)	(0.97)	(1.93)
Closing defined benefit obligation as at 31.03.2010	46.35	42.42	22.01	20.82

(b) Changes in the fair value of plan assets representing reconciliation of the opening and closing balance thereof areas follows: (Rs. In Lacs)

Particulars	Gratuity Plan		Leave Encashment	
	31.03.10	31.03.09	31.03.10	31.03.09
Opening fair value of plan assets as at 01.04.2009	22.74	21.08	-	-
Expected return	2.31	1.97	-	-
Actuarial gains and (Losses)	(0.20)	(0.20)	-	-
Assets distributed on settlements	-	-	-	-
Contributions by employer	4.63	3.41	-	-
Benefits Paid	(0.95)	(3.52)	-	-
Closing balance of fair value of plan Assets as at 31.03.2010	28.53	22.74	-	-

(c) The amounts recognised in Balance Sheet are as follows: (Rs. In Lacs)

Particulars	Gratuity Plan		Leave Encashment	
	31.03.10	31.03.09	31.03.10	31.03.09
Amount to be recognised in Balance Sheet				
A) Present value of Defined Benefit Obligations				
- Funded	28.53	22.74	-	-
- Unfunded	17.82	19.68	22.01	20.82
<b>Total</b>	<b>46.35</b>	<b>42.42</b>	<b>22.01</b>	<b>20.82</b>
Less: Fair value of Plan Assets	28.53	22.74		
- Unrecognised Past Service Costs	-	-	-	-
Amount to be recognised as liability	17.82	19.68	22.01	20.82
B) Amount Reflected in the Balance Sheet				
Liabilities	17.82	19.68	22.01	20.82
Assets	-	-	-	-
Net Liability/(Asset)	17.82	19.68	22.01	20.82

(d) The amounts recognised in Profit and Loss account are as follows: (Rs. In Lacs)

Particulars	Gratuity Plan		Leave Encashment	
	31.03.10	31.03.09	31.03.10	31.03.09
1. Current Service Cost	4.68	4.61	3.54	4.23
2. Interest Cost	3.48	2.87	1.71	1.37
3. Expected return on plan assets	(2.31)	(1.97)	—	—
4. Net Actuarial Losses (Gains) recognised in year	(3.08)	0.94	(3.09)	(0.90)
5. Past service cost	—	—	—	—
6. Losses (Gains) on curtailments and settlement	—	—	—	—
Total included in 'Employee's expense' [Ref. Sch. 18.1]	2.77	6.45	2.15	4.69
Actual return on plan assets	2.11	1.77	—	—

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

Particulars	Gratuity Plan		Leave Encashment	
	31.03.10	31.03.09	31.03.10	31.03.09
Government of India Securities	0 %	0 %	0 %	0%
High quality corporate bonds	0 %	0 %	0 %	0%
Equity shares of listed companies	0 %	0 %	0 %	0%
Property	0 %	0 %	0 %	0%
Insurance company	100%	100%	0 %	0%

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

Particulars	Gratuity Plan		Leave Encashment	
	31.03.10	31.03.09	31.03.10	31.03.09
Discount rate	8.20%	7.60%	8.20%	7.60%
Expected return on plan assets	9.00%	9.00%	0.00%	0.00%
Annual increase in salary costs	6.00%	6.00%	6.00%	6.00%

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

(g) Amount pertaining to defined benefit plans are as follows: (Rs. In Lacs)

Particulars	Gratuity Plan			Leave Encashment		
	31.03.10	31.03.09	31.03.08	31.03.10	31.03.09	31.03.08
Defined benefit obligation	46.35	42.42	37.72	22.01	20.82	18.05
Plan Assets'	28.53	22.74	—	—	—	—
Surplus / (deficit)	(17.82)	(19.68)	(16.64)	(22.01)	(20.82)	(18.05)
Experience adjustments on plan Liabilities	—	—	—	—	—	—
Experience adjustments on plan Assets	—	—	—	—	—	—

(h) The company expects to fund Rs.6.00/- Lacs (P.Y. Rs.6.00/- Lacs) towards gratuity plan and Rs.15.00/- Lacs (P.Y. Rs.15.00/- Lacs) towards Provident Fund plan during the year 2009-10.

Notes:

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

10. REMITTANCE OF FOREIGN CURRENCIES FOR DIVIDENDS :

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

Year to which dividend relates

	2008-09	2007-08
Number of non-resident shareholders	5	—
Number of shares held by them on which dividend is due	601	—
Amount remitted to bank accounts in India of non-resident shareholders	601	—

11. On technical evaluation considering the usage, life and place of display of Glow sign board, the company has from current year decided to treat such Glow sign Boards as advertisement expenses, which hitherto was capitalised. Current year amount charged off as expense under 'Advertisement, Sales Promotion & Publicity Expenses' on account of Glow sign boards purchased during the year amounts to Rs. 128.69 lacs.



12. PURCHASES, TURNOVER & STOCK

Particulars (Unit)	Qty In	Opening Stock		Purchases		Turn Over		Closing Stock	
		(Qty)	(Value)	(Qty)	(Value)	(Qty)	(Value)	(Qty)	(Value)
		(Rs.in Lacs)		(Rs.in Lacs)		(Rs.in Lacs)		(Rs.in Lacs)	
Ice cream/Frozen Dessert	K.L.	6	2.80	31,942	15,198.53	31,936	18,863.84	12	4.61
		(6)	(3.19)	(26,893)	(12,195.45)	(26,893)	(14,913.87)	(6)	(2.80)
Deep Freeze Machines	Nos.	529	60.63	579	108.15	0	0.00	538	88.04
		(1,301)	(191.49)	(584)	(102.19)	0	0.00	(503)	(60.63)
Others			1.36		674.28		867.12		1.09
			0.00		(524.28)		(639.46)		(1.36)
			64.79		15,980.96		19,730.96		93.74
			(194.68)		(12,821.92)		(15,553.33)		(64.79)

- Notes : 1. Ice Cream and Frozen Dessert Turnover in value is after deduction of damages at dealers places of Rs.31.06/- Lacs (P.Y.Rs.33.72/- Lacs) for which quantity adjustments are not made as it is not readily ascertainable.
2. 418 Nos. (P.Y. 1382 Nos) of Deep Freeze Machine amounting to Rs.66.64/- Lacs (P.Y.Rs.226.29/- Lacs) have been capitalised during the year.
3. 152 Nos. (P.Y. NIL) of Deep freeze machines amounting to Rs. 7.68/- Lacs (P.Y. NIL) have been written off during the year.

	2009-2010 (Rs. In Lacs)	2008-2009 (Rs. In Lacs)
13. (a) Value of Imports on C.I.F value	NIL	NIL
(b) Expenditure in Foreign Currency	3.53	NIL
(c) Earnings in Foreign Currency	NIL	NIL

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

15. Information pursuant to Part IV to the Companies Act, 1956.

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

I REGISTRATION DETAIL :

Registration No : 7995 State Code 04  
Balance Sheet Date : 31.03.2010

I CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

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

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities : 219.564 Total Assets 219.564  
Sources of Funds  
Paid - up Capital : 8,626 Reserve & Surplus 28,522  
Secured Loans : 36,835 Unsecured Loans 145,581  
Application of Funds  
Net Fixed Assets : 132,145 Investments 448  
Deferred Taxation (Net) : 4,705 Net Current Assets 82,266  
Misc. Expenditure : NIL Accumulated Losses NIL

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover : 1,995,995 Total Expenditure 1,983,340  
Profit/Loss before Tax : 12,655 Profit after Tax 6,641  
Earnings per Share(Rs.) : 7.70 Dividend Rate 1.2 %  
Annualised.

V GENERIC NAME OF PRINCIPAL PRODUCTS OF THE COMPANY

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

For and on behalf of the Board  
For KANTILAL PATEL & CO. Chartered Accountants  
Ramchandra R. Gandhi - Chairman & Managing Director  
Jayantilal M. Shah - Director  
Ruchita Gurjar - Company Secretary

Mayank S. Shah  
Partner

Place: Ahmedabad  
Date : May 18, 2010

Place: Ahmedabad  
Date : May 18, 2010





BOARD OF DIRECTORS

Chairman & Managing Director  
Ramchandra R. Gandhi

Directors

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

COMPANY SECRETARY

Ruchita Gurjar

AUDITORS

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

BANKER

Bank of India

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

SHARE DEPARTMENT

Vadilal House, Shrimali Society,  
Nr. Navrangpura Rly. Crossing,  
Navrangpura, Ahmedabad - 380 009.  
(Phone: 079-26564018 to 23, 66146146)  
(Fax : 079-26564027)

FOREX ADVISORY SERVICES

Vadilal House, Shrimali Society,  
Nr. Navrangpura Rly. Crossing,  
Navrangpura, Ahmedabad - 380 009.  
(Phone: 079-26564025, 26421193)  
(Fax : 079-26564026)

Notes :

1. The Company has appointed MCS Limited, having its office at 101, Shatdal Complex, 1<sup>st</sup> Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009 (Phone: 079-26582878, 26584027) (Fax: 079-26581296), as its Registrar & Share Transfer Agent and assigned all the work related to share registry in terms of both physical and electronic to MCS Limited.

Members are requested to send their all correspondence relating to Shares including transfer, transmission, demat, renat, change of address, lost certificate, dividend, etc. to MCS Limited (mention as Unit: Vadilal Enterprises Ltd.) at the above mentioned address or to the Company at its Share Department.

2. Members are requested to bring their copy of Annual Report to the meeting, as copies of Annual Report will not be distributed at the meeting.
3. Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its Share Department, at least TEN days before the date of the meeting.
4. Members who hold Shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

25<sup>th</sup> ANNUAL GENERAL MEETING

Day - Monday

Date - 27th September, 2010

Time - 11.00 a.m.

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

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

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



FORM OF PROXY  
VADILAL ENTERPRISES LIMITED

Share Dept.: Vadilal House, Shrimali Society,  
Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009.

I/We \_\_\_\_\_ of \_\_\_\_\_

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

\_\_\_\_\_ of \_\_\_\_\_

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

as my/our Proxy to vote for me/us on my/our behalf at the 25th Annual General Meeting of the members of the Company to be held on Monday, the 27th September, 2010, at 11.00 a.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 and at any adjournment thereof.

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

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

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

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

Signature \_\_\_\_\_

Affix  
15 paise  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

\*Applicable for investors holding shares in electronic form.

IMPORTANT:

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



ATTENDANCE SLIP

VADILAL ENTERPRISES LIMITED

Share Dept.: Vadilal House, Shrimali Society,  
Nr. Navrangpura Railway Crossing,  
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 25th Annual General Meeting of the members of the Company on Monday, the 27th September, 2010, at 11.00 a.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad-380006.

\*Applicable for investors holding shares in electronic form.

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