

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

Ramchandra R. Gandhi

Directors

Virendra R. Gandhi

Rajesh R. Gandhi

Devanshu L. Gandhi

Laxmiprasad C. Amin

Jayantilal M. Shah

COMPANY SECRETARY

Ruchita Gurjar

AUDITORS

M/s. Kantilal Patel & Co.

Chartered Accountants, Ahmedabad

(A member firm of Polaris International, USA)

BANKER

Bank of India

REGISTERED OFFICE

A/801, 8th Floor, "Time Square" Building,

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

Navrangpura, Ahmedabad - 380 009.

Phone : 079-26407201-09

Fax : 079-30153102

REGISTRAR & SHARE TRANSFER AGENT

(For physical & demat)

MCS Limited,

101, Shatdal Complex, 1st Floor,

Opp. Bata Show Room, Ashram Road,

Ahmedabad - 380 009.

Phone: 079-26582878, 26584027, 9327055153

Fax: 079-26581296

SHARE DEPARTMENT

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

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

Navrangpura, Ahmedabad - 380 009.

Phone : 079-30153194

Fax : 079-30153191

27th ANNUAL GENERAL MEETING

Day - Saturday

Date - 29th September, 2012

Time - 10.30 a.m.

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

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E-mail for Investor Grievances : shareslogs@vadilalgroup.comWeb : www.vadilalgroup.com • www.vadilalmarkets.com**Notes :**

- Important Communication to Members :** The Ministry of Corporate Affairs has, pursuant to its Green Initiative in the Corporate Governance, allowed paperless compliances by Companies. It has issued circulars allowing the Companies to service notice/documents including Annual Report by email to its members. Many of the Shareholders have registered their emails pursuant to the said initiative. We thank those shareholders for the same. Those Shareholders, who have not registered their email addresses so far, may, as a support to thos initiative, register their email addresses, in respect of electronic holdings, with the Depository through their respective Depository Participant. Members who hold shares in physical mode are requested to register their email address with MCS Limited, Share Transfer Agent of the Company.
- Share Department of the Company** has been shifted from Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009 to B/404, 4th Floor, "Time Square" Building, C.G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad - 380 009.
- Members are requested to send their all correspondence relating to Shares including transfer, transmission, change of address, issue of duplicate share certificates etc. to MCS Limited, Registrar & Share Transfer Agent of the Company at 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009 (Phone: 079 - 26582878, 26584027, 9327055153) (Fax: 079 - 26581296) or at the Share Department of the Company situated at B/404, 4th Floor, "Time Square" Building, C.G. Road, Nr. Lal Bungalow Char Rasta, Navrangpura, Ahmedabad - 380 009.



SHAREHOLDER INFORMATION

1. **Name of Company :**
Vadilal Enterprises Limited
2. **Company CIN No. :**
L51100GJ1985PLC007995 (Old Registration No. 04-7995)
3. **Fixed Deposit Department :**
Fixed Deposit Department of the Company is operated at the following address :
Vadilal House, Shrimali Society,
Near Navrangpura Railway Crossing,
Navrangpura, Ahmedabad - 380 009.
(Phone: 079-26564019 to 24, 30153347) (Fax: 079-26564027)
4. **Book-Closure :**
Book-Closure from 14th September, 2012 to 29th September, 2012 (both days inclusive) for the purpose of payment of Dividend of Re. 1.20/- per share (@ 12%) for the year ended on 31st March, 2012, as recommended by the Board and if declared at the Meeting and to determine the members eligible for the said dividend.
5. **Stock Exchange where the Shares are listed :**
BOMBAY STOCK EXCHANGE LTD.
(Security Code No. 519152)
Department of Corporate Services,
1st Floor, Rotunda Building,
Dalal Street, Fort, B. S. Marg
Mumbai - 400 001.
(Pho ne: 91-22-2272 1234 / 1233)
(Fax : 91-22-2272 2082 / 3132)
The Annual Listing Fees upto the Financial Year –2012-2013 have been duly paid to the above Stock Exchange, including Ahmedabad Stock Exchange Limited.
6. **Delisting of shares from Ahmedabad Stock Exchange Limited :**
The Equity Shares of the Company were also listed at the Ahmedabad Stock Exchange Limited. However, considering the negligible volume of trading at Ahmedabad Stock Exchange Limited, the Board of Directors has, at its meeting held on 30th May, 2012 approved to voluntarily delist total 862668 Equity Shares of Rs. 10/- each of the Company from the Ahmedabad Stock Exchange Limited. On applicaion of the company the Ahmedabad Stock Exchange Limited has, vide its letter dated 31st July, 2012 approved the delisting of the aforesaid equity shares from the exchange and the said shares has been removed from the list of the exchange w.e.f 31st July, 2012. However, the equity shares of the Company shall continue to be listed at Bombay Stock Exchange Limited, which is having nation wide terminal.
7. **Security Code :**

Bombay Stock Exchange Ltd.	-	519152
ISIN Number	-	INE693D01018
8. **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.
9. **Registrar & Share Transfer Agent :**
The Company has entrusted the work of Dematerialisation/Rematerialisation of shares to an outside Registrar, viz. MCS Ltd., Ahmedabad. As per SEBI Circular No. D&CC/FITTC/CIR-15/ 2002, dated 27-12-2002, the Company has assigned all the work related to Share Registry in terms of both physical and electronic to MCS Ltd., Ahmedabad. Hence, all Shareholders are requested to send/deliver the documents/correspondence including complaints relating to the Company's share transfer/demat/remat activity to MCS Ltd. at 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. (Phone : 079-26582878, 26584027, 9327055153) (fax : 079-26581296)
10. **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 31st December, 2002, a Secretarial Audit is conducted on a quarterly basis by Practicing Company Secretary for the purpose of reconciliation of the total Admitted Equity Share Capital with the Depositories and in the physical form with the total issued public paid-up Equity Capital of the Company. Certificates issued in this regard are forwarded to ASE and BSE, where the Equity Shares are listed.

11. Distribution of Shareholding as on 31st March, 2012 :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of total Shares
Up to 500	1623	93.17	216572	25.11
501 to 1000	66	3.79	52701	6.11
1001 to 2000	15	0.86	24344	2.82
2001 to 3000	8	0.46	19272	2.23
3001 to 4000	4	0.23	13790	1.60
4001 to 5000	2	0.12	9261	1.07
5001 to 10000	11	0.63	70546	8.18
10001 to 50000	10	0.57	214867	24.91
50001 & above	3	0.17	241315	27.97
Total	1742	100.00	862668	100.00

12. Categories of Shareholders as on 31st March, 2012 :

Category of Shareholders	No. of Equity Shares held	% of total shares
<u>A : Promoters and Promoters' Group :</u>		
1 Directors	262691	30.45
2 Directors' relatives	59357	6.88
3 HUFs	25284	2.93
4 Group Companies	105407	12.22
5 NRI	429	0.05
Total (A) :	453168	52.53
<u>B : Public :</u>		
1 Bodies Corporate	48095	5.58
2 NRI	10233	1.19
3 HUF	16883	1.96
4 Residential Individual	334289	38.75
Total (B) :	409500	47.47
Total (A) + (B)	862668	100.00

13. 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)

14. Nomination facility :

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

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

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

In case of any assistance, please contact at the Share Dept. of the Company at B/404, 4th Floor, "Time Square" Building, C.G. Road, Nr. Lal Bunglow Char Rasta, Navrangpura, Ahmedabad – 380 009. Telephone Nos. 079-30153194 and Fax No. 30153191.



NOTICE

NOTICE is hereby given that the **27th ANNUAL GENERAL MEETING** of the members of **VADILAL ENTERPRISES LIMITED** will be held on Saturday, the 29th September, 2012, at 10.30 a.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006, to transact the following business :

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date and reports of the Directors and Auditors thereon.
- 2) To declare dividend on Equity Shares for the year ended on 31st March, 2012.
- 3) To appoint a Director in place of Mr. Rajesh 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**

RAJESH R. GANDHI
Director

Registered Office:

A/801, 8th Floor,
"Time Square" Building,
C. G. Road, Nr. Lal Bungalow
Char Rasta, Navrangpura,
Ahmedabad - 380 009
Dated: 13th August, 2012.

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED **AT THE SHARE DEPARTMENT** OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled to vote.
4. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is not required to be attached as no Special Business is to be transacted at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2012 to 29th September, 2012 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended 31st March, 2012, as recommended by the Board and if declared at the meeting.
6. Dividend of ₹1.20/- per share (@ 12.00%) on Equity Shares for the year ended on 31st March, 2012 as recommended by the Board, if declared at the meeting, will be paid without deduction of tax at source:

to those members, whose names appear on the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company/Share Transfer Agent on or before 13th September, 2012, or



in respect of shares held in electronic form, to those "Beneficial Owners" whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 13th September, 2012.

7. Under the provisions of the Companies Act, 1956 as amended by Companies (Amendment) Act, 1999 w.r.e.f. 31st October, 1998, members holding shares in physical form may file Nomination Forms in respect of their shareholdings. Such members willing to avail of this facility may submit to the Company **at the Share Department** the prescribed Form 2B or write to or contact **at Share Department** of the Company for assistance.

8. Pursuant to Section 205A of the Companies Act, 1956, the Company has already transferred unclaimed dividend declared upto the Financial Year ended 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, 31st March, 1999, 31st March, 2000, 31st March, 2001, 31st March, 2002 and 31st March, 2003 to the Investor Education and Protection Fund established by the Government under Section 205C(1) of the Act.

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

Members, who have not yet encashed their dividend warrant(s) from the Financial Year ended 31st March, 2007 and onwards, are requested to make their claims to the Company accordingly, without any delay.

9. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
10. Members are requested to bring their copy of Annual Report to the meeting, as copies of Annual Report will not be distributed at the meeting.
11. Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its **Share Department**, at least TEN days before the date of the meeting.
12. Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company **at its Share Department** or to MCS Limited at the address mentioned above in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.
13. All documents referred to in the accompanying Notice are open for inspection for the members, **at the Share Department** of the Company, on all working days except Saturdays between 2.00 p.m. to 4.00 p.m. upto the date of the Annual General Meeting.



DIRECTORS' REPORT

To,
The members,
VADILAL ENTERPRISES LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith the 27th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2012.

FINANCIAL RESULTS

(₹ in Lacs)

Sr. No.	Particulars	Year ended 31-03-2012	Year ended 31-03-2011
(a)	Earning before Interest, Tax, Depreciation and Amortization	582.50	532.67
(b)	Finance Cost	101.20	55.54
(c)	Depreciation & Amortization Expense	369.82	350.55
(d)	Profit before Exceptional item and Tax	111.48	126.58
(e)	Exceptional Items	(24.23)	0.00
(f)	Profit before Tax	135.71	126.58
(g)	Tax Expense		
	— Current Tax	61.40	85.50
	— Deferred Tax	(23.37)	(34.72)
	— Income Tax written off / (written back)	2.04	(7.12)
	Total Tax:	40.07	43.66
(h)	Profit for the year	95.64	82.92
(i)	Surplus in the statement of Profit & Loss:		
	Balance brought forward from the last year	74.19	68.30
	Add : Profit after tax for the year	95.64	82.92
	Less : Appropriation		
	— Proposed Equity Dividend (amount per share ₹1.20)	10.35	10.35
	— Tax on proposed Equity Dividend	1.68	1.68
	— Transfer to General Reserve	81.66	65.00
	Net Surplus in the statement of Profit and Loss:	76.14	74.19

TURNOVER & PROFITS

In spite of stiff competition in the market particularly in Ice-Cream business during the year under review, your Company has earned revenue from operations (Net) of ₹ 29377.31 lacs as compared to revenue from operations (Net) of ₹24512.32 lacs earned during the previous year ended on 31st March, 2011.

Your Company has earned the earnings before interest, tax, depreciation and amortization of ₹582.50 lacs as compared to ₹ 532.67 lacs earned during the previous year ended on 31st March, 2011. Your Company has earned the profit of ₹ 95.64 lacs during the year under review as compared to profit of ₹82.92 lacs earned during the previous year ended on 31st March, 2011.

DIVIDEND:

The Directors have recommended dividend of ₹1.20/- per share (@12.00%) on 8,62,668 Equity Shares of ₹ 10/- each of the Company for the financial year ended on 31st March, 2012 as compared to 12.00% dividend declared in the previous financial year ended on 31st March, 2011. This will absorb ₹10.35 lacs. The corporate dividend tax payable by the Company on the said dividend will be ₹1.68 lacs.

If approved, the dividend will be paid without deduction of tax at source to those shareholders whose names appear in the Register of Members of the Company as on 13th September, 2012.

OPERATIONS - MARKETING FOCUS:

ICE-CREAM DIVISION:

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

India is the largest milk producer in the world with an estimated annual production of more than 100 million tons of ice-creams per year. Considering Indian economy's quantum growth in recent years, ice-cream market is also zooming at new



horizons. Total Indian Market size is estimated approx. ₹2500 crores, with the organized sector market estimated at ₹2000 crores. There is a huge untapped potential of specialized Ice-cream outlets at malls and other public flow areas-major city points where people used to visit very frequently. The franchisee based parlors' concept is also getting tremendous response.

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

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

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

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

The company has been dominating market because of its strong brand identity, good product quality, timely supply and extensive reach. A major success factor has been its ability to cater to different market segments through multiple product ranges.

AWARDS WON BY VADILAL YEAR BY YEAR:

Vadilal has won 22 awards over last 3 consecutive years at 'The Great Indian Ice Cream Contest' organised by the Indian Dairy Association. Like past 2 years, in 2010 also awards galore for Vadilal Ice-creams with 8 awards by esteemed IDA. Various categories for awards were: **The Best in Class (3)**: Chocolate Frozen Dessert, Standard Chocolate Ice Cream, Rose Coconut Shell (Innovation – Novelty) **Gold Medal (4)** : Standard Chocolate Ice Cream, Chocolate Frozen Dessert, Vanilla Frozen Dessert and Rose Coconut Shell (Innovation – Novelty), **Bronze Medal (1)** Natural Orange (Premium without Inclusion).

FUTURE STRATEGY:

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

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

The company has a very strong distribution network of Retailers, Stock Keeping Units, Distributors, C&F Agents and Vehicles, for delivery of ice-creams. The company plans to focus more on the exclusive ice-cream boutiques "Happinezz Parlors". Here, the Company achieved good success with various formats of Shops, Open & Close Kiosks. Through the kiosk format the Company plans to increase Happinezz presence strongly in modern retail. Also, the Company plans to continue with the strategy of doubling the number of Happinezz parlors year on year.

The overall vision of the company is to increase the consumption of ice-cream at national level supported fully by appropriate promotion and market communication strategies. Here, the basic focus has been in brand building coupled with quality products & services. This year, the Company has launched mega brand Ice Trooper. Last years Vadilal made a strong foray into the premium and youth segment. This year, the company strengthened its presence among most important consumer segment: kids. In future, the Company wants to consolidate the same with more variants and flavors.

Processed Food Division – Domestic:

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

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

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

Transfer of Forex Advisory Division :

The Forex Advisory Division of the Company, comprising Forex Advisory and Exposure Management Services, LME Based Metal and Bullion Advisory Services, was transferred, on a going concern basis, by way of slump sale, alongwith all its



Assets, Liabilities, Employees and others, to Vadilal Forex and Consultancy Services Limited (formerly known as Vadilal Happinezz Parlour Limited), w.e.f. 1st April, 2012.

The proposal for the aforesaid transfer of the Forex Advisory Division of the Company, was approved by the shareholders of the Company, by passing an Ordinary Resolution under Section 293(1)(a) read with Section 192A of the Companies Act, 1956, on 14th October, 2011, by way of a Postal Ballot process pursuant to the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

For this purpose, a Deed of Assignment for transferring the aforesaid Forex Advisory Division of the Company has been duly executed between the Company and Vadilal Forex and Consultancy Services Limited, on 31st March, 2012.

FINANCE :

During the year under review, the Company has availed Short Term Loan of ₹ 3.00 Crores from Bank of India, Ahmedabad Mid Corporate Branch, for the purpose of purchase of Deep Freeze Machines, Freezer on Wheels etc. The Company is already availing Working Capital facilities and Term Loan from Bank of India.

In terms of the provisions of Investor Education and Protection Fund Rules, 2001 (IEPF), the Company has transferred the unclaimed interest on Fixed Deposit of ₹ 452/- for the financial year ended on 31st March, 2005 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 ₹8.29 lacs as on 31st March, 2012. Out of the said unclaimed deposits, as on date of this report, the deposits aggregating ₹ 0.09 lacs thereof have been claimed and either paid or renewed. The Company has accepted fixed deposits of ₹ 76.06 lacs from the Public and ₹ 3.25 lacs from the Shareholders during the year – 2011-2012, after complying with the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended. After repaying the maturities during the year, the total fixed deposits as on 31st March, 2012 stood at ₹ 117.21 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, 2012 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, 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 the facility of dematerialisation of the Company's shares on NSDL and CDSL as aforesaid.

The ISIN number allotted to the Company is INE693D01018.

INSURANCE :

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

LISTING AGREEMENT WITH STOCK EXCHANGES

Pursuant to the provisions of Listing Agreement with the Stock Exchanges, the Company declares that the Equity Shares of the Company are listed on the Bombay Stock Exchange Limited. The company's shares were also listed at the Ahmedabad Stock Exchange Ltd. till 30th July, 2012.

The Company confirms that it has paid Annual Listing Fees due to the above Stock Exchanges upto the Financial Year – 2012-2013.

DELISTING AT AHMEDBAD STOCK EXCHANGE LTD.

Considering the negligible volume of trading at Ahmedabad Stock Exchange Limited, the Board of Directors has, at its meeting held on 30th May, 2012 approved to voluntarily delist total 862668 Equity Shares of ₹ 10/- each of the Company



from the Ahmedabad Stock Exchange Limited. On application of the Company the Ahmedabad Stock Exchange Limited has, vide its letter dated 31st July, 2012 approved the delisting of the aforesaid equity shares from the exchange and the said shares has been removed from the list of the exchange w.e.f 31st July, 2012. However, the equity shares of the Company shall continue to be listed at Bombay Stock Exchange Limited, which is having nation wide terminal.

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 Foreign Exchange Earnings during the year under review. However, there was Foreign Exchange outgo of ₹ 2.86 lacs during the year under review.

DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Rajesh 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.

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 ₹ 60,00,000/- p.a. or ₹ 5,00,000/- p.m. during the year under review.

AUDITORS

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

TRADE RELATIONS

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

ACKNOWLEDGMENTS

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

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

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

By Order of the Board of Directors

RAJESH R. GANDHI
Director

DEVANSHU L. GANDHI
Director

Date : 13th August, 2012
Place : Ahmedabad