

CERTIFIED TRUE COPY

**15th
ANNUAL REPORT
1999-2000**

FOR VADILAL ENTERPRISES LTD.

DATE: 10 FEB 2001

100% Natural Ice Cream



VADILAL ENTERPRISES LIMITED www.vadilalgroup.com

BOARD OF DIRECTORS

SHANTILAL M. MODI

Chairman

RAMCHANDRA R. GANDHI

Managing Director

VIRENDRA R. GANDHI

RAJESH R. GANDHI

DEVANSHU L. GANDHI

KASHIBHAI B. PATEL

LAXMIPRASAD C. AMIN

RAMANLAL V. MEHTA

COMPANY SECRETARY

Nikhil Patel

AUDITORS

M/S. KANTILAL PATEL & CO.,
Chartered Accountants, Ahmedabad
(A member of ICAI International, Inc.)

BANKERS

Bank of India
Textile Traders Co.Op. Bank Ltd.

REGISTERED OFFICE

Aditya Bldg., 5th Floor,
Opp. Sardar Patel Seva Samaj Hall,
Off. C.G. Road,
Nr. Mithakhali Six Roads,
Ahmedabad - 380 006.

SHARE DEPARTMENT

Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad-380 009.
(Phone : 079-6564019 to 24)
(Fax : 079-6564027)

15TH ANNUAL GENERAL MEETING

Day - Saturday
Date - 30th September, 2000
Time - 3.00 p.m.
Venue - Ahmedabad Textile Mills' Asso. (ATMA) Hall,
Opp. La-Gajjar Chambers, Ashram Road,
Ahmedabad - 380 009.

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E-mail : vadilal@ad1.vsnl.net.in

Web : www.vadilalgroup.com

Notes :

- 1) Members are requested to send their all correspondence relating to Shares including transfer, transmission, change of address, lost certificate, dividend, nomination etc. at the Share Department of the Company situated at Vadilal House, Shrimali Society, Near Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009.
- 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.

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ADDITIONAL INFORMATION FOR THE SHAREHOLDERS

1) Name of the Company

Vadilal Enterprises Limited

2) Company Regn. No.

04-7995

3) Share Department & Fixed Deposit Department

The Share Department and Fixed Deposit Department of the Company are operated at the following address. Members are requested to send their all correspondence relating to Shares including transfer, transmission, change of address, lost certificate, dividend, nomination etc. at the Share Department at the following address and addressed to :-

Company Secretary,
Vadilal Enterprises Limited,
Vadilal House, Shrimali Society,
Near Navrangpura Railway Crossing,
Navrangpura, Ahmedabad - 380 009.
(Phone : 079 - 6564019 to 24)
(Fax : 079 - 6564027)
(Email : vadilal@ad1.vsnl.net.in)

4) Proposed Dividend for the year ended 31st March, 2000

Dividend of Re. 0.80 per Share (i.e. @ 8 %) has been recommended by the Board of Directors on 8,70,148 Equity Shares of Rs.10/- each of the Company for the year ended on 31st March, 2000.

5) Book-Closure for payment of Dividend

Book-Closure for 6 days i.e. from 25th September, 2000 to 30th September, 2000 (both days inclusive) for the purpose of determining the members eligible for dividend, if declared at the meeting. Those Shareholders, who submit transfers to the Company on or after 25th September, 2000, will not be eligible for dividend.

6) Stock Exchanges where the Shares are listed

AHMEDABAD STOCK EXCHANGE

(Security Code No. 64510)
Kamdheru Complex,
Opp. Sahajanand College,
Panjarapole, Ambawadi,
Ahmedabad - 380 015.
(Phone : 6307971 - 77)
(Fax : 079 - 6308877)

BOMBAY STOCK EXCHANGE

(Security Code No. 19152)
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Fort, Mumbai - 400 001.
(Phone : 2655581, 2655860-61)
(Fax : 91-22-2658121)

The Annual Listing Fees upto the financial year 2000-01 have been paid to the above Stock Exchanges.

7) 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 - 7438531, 7437597)

8) 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.

9) Nomination facility

The Companies (Amendment) Act, 1999 has provided for a facility of nomination in the Shares of the Company. Your Company is pleased to offer the facility of nomination to the members. Individual Shareholders can avail the said facility and may submit to the Company the prescribed Form 2B attached with this Report at the Share Department of the Company. It is advisable to avail of this facility especially by those 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, Shrimali Society, Near Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009. Telephone Nos. 6564019 to 24 and Fax No. 079-6564027.

VADILAL ENTERPRISES LIMITED

(1)

NOTICE

NOTICE is hereby given that the 15th ANNUAL GENERAL MEETING of the members of VADILAL ENTERPRISES LIMITED will be held on Saturday, the 30th September, 2000, at 3.00 p.m., at Ahmedabad Textile Mills' Association (ATMA) Hall, Opp. La-Gajjar Chambers, Ashram Road, Ahmedabad - 380 009, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000 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, 2000.
3. To appoint a Director in place of Shri Rajesh R. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Laxmiprasad C. Amin, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution :-**

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modification thereto or any re-enactment thereof for the time being in force), the Articles of Association of the Company, be and are hereby altered in the manner and to the extent set out below :-

Insert the following heading and Article as Article 13(c) after the existing Article 13(b) -

DEMATERIALISATION

For the purpose of this Article :-

1. DEFINITIONS

- a) "Beneficial Owner" shall mean beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.
- b) "Security" means such security as may be specified by SEBI from time to time.
- c) "Member" means the duly registered holder from time to time of the Shares of the Company and includes the Subscribers of the Memorandum of the Company and the Beneficial Owner(s) as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996 and whose name is entered as a Beneficial Owner in the records of the Depository.

- d) "Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.
- e) "Depository" shall mean a Depository as defined in Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.
- f) "SEBI" means Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
- g) "Bye-Laws" means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.
- h) "Participant" means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.
- i) "Registered Owner" means a depository whose name is entered as such in the Register of Member of the Company.
- j) "Record" includes the records maintained in the form or books or stored in computer or in such other form as may be determined by regulation made by SEBI in relation to the Depositories Act.
- k) "Regulations" means the regulations made by SEBI.

2. DEMATERIALISATION OF SECURITIES

Notwithstanding anything to the contrary or inconsistent contained in the Act or these Articles, the Company shall be entitled to Dematerialise its existing securities, Rematerialise its securities, held in the Depositories and/or offer its fresh securities in a dematerialised form pursuant to the Depositories Act and the Rules framed thereunder, if any.

3. COMPANY TO RECOGNISE INTEREST IN DEMATERIALISED SECURITIES UNDER DEPOSITORIES ACT

Either the Company or the investor may exercise an option to issue, deal or hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

4. OPTION FOR INVESTORS

Every person acquiring /subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security and on receipt of information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security.

5. SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM.

All securities of the Company held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, 1956 shall apply to Depository in respect of the securities held by it on behalf of the beneficial owners.

6. RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS

- a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

7. BENEFICIAL OWNER DEEMED AS ABSOLUTE OWNER.

Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust of equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

8. DEPOSITORY TO FURNISH INFORMATION

Every Depository shall furnish to the Company information about the transfer of securities in the

name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

9. CANCELLATION OF CERTIFICATES UPON SURRENDER BY A PERSON

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

10. OPTION TO OPT OUT IN RESPECT OF ANY SECURITY

If a beneficial owner seeks to opt out of a Depository in respect of any security, beneficial owner shall inform the Depository accordingly.

The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issued the certificate of securities to the beneficial owner or the transferee as the case may be.

11. SERVICE OF DOCUMENTS

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

12. PROVISIONS OF ARTICLES TO APPLY TO SECURITIES HELD IN DEPOSITORY.

Except as specially provided in these Articles, the provisions relating to Joint holders of Securities, Calls, Lien on Securities, Forfeiture, Transfer and Transmission of Securities shall be applicable to Securities held in Depository so far as they apply to securities held in physical form, subject to the provisions of the Depositories Act.

13. ALLOTMENT OF SECURITIES DEALT WITHIN A DEPOSITORY

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

14. DISTINCTIVE NUMBER OF SECURITIES HELD IN A DEPOSITORY.

The Securities in the Capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the securities of the Company which are

dematerialised or may be dematerialised in future or issued in future in dematerialised form, except in the manner herein before mentioned. No securities shall be sub-divided except in the manner as mentioned in the Articles. Every forfeited or surrendered securities held in material form shall continue to bear the number by which the same was originally distinguished.

15. REGISTER AND INDEX OF BENEFICIAL OWNERS

The Company shall cause to be kept a Register and Index of Members and a Register and Index of Debentureholders in accordance with Section 151 and 152 of the Act respectively and the Depositories Act, with the details of Shares and Debentures held in material and dematerialised forms in media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be Register and Index of Members and Register and Index of Debentureholders, as the case may be for the purpose of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Members resident in that State or Country.

16. REGISTER OF TRANSFERS

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every Transfer or Transmission of any Securities held in material form.

17. OVERRIDING EFFECT OF THIS ARTICLE.

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Article of these presents.

By Order of the Board
For VADILAL ENTERPRISES LIMITED

RAMCHANDRA R. GANDHI
Managing Director

Registered Office :
5th Floor, Aditya Building,
Opp. Sardar Patel Seva Samaj Hall,
Off C.G. Road, Nr. Mithakhali Six Roads,
Ahmedabad - 380 006.

Dated : August 25, 2000.

NOTES :

(a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE SHARE DEPARTMENT OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

(b) The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in

respect of Special Business mentioned in the above notice is annexed hereto.

(c) The Register of Member and Share Transfer Books of the Company will remain closed for 6 days i.e. from 25th September, 2000 to 30th September, 2000 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2000 as recommended by the Board and if declared at the meeting.

(d) Dividend @ 8 % on Equity Shares for the year ended on 31st March, 2000 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 as on 30th September, 2000.

(e) Members are requested to send to the Company at its Share Department his/her Bank Account details to ensure safe and prompt receipt of Dividend Warrants. This is in view of fraudulent encashment of such warrants.

(f) Members are requested to send their all correspondence relating to Shares including transfer, transmission, change of address etc. at the Share Department of the Company situated at Vadilal House, Shrimali Society, Near Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009.

(g) Under the provisions of the Companies Act, 1956 as amended by Companies (Amendment) Act, 1999 w.e.f. 31st October, 1998, members may file Nomination Forms in respect of their shareholdings. Any member willing to avail of this facility may submit to the Company at the Share Department the prescribed Form 2B as attached with this Report or write to or contact the Company Secretary for assistance.

(h) Pursuant to Section 205A of the Companies Act, 1956, the Company has already transferred unclaimed dividend declared for the 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 upto the aforesaid financial year may claim their dividend by an application in Form II of the aforesaid Rules to the Registrar of Companies, Gujarat at ROC Bhavan, Opp. Rupal Park, Behind Ankur Bus Stand, Naranpura, Ahmedabad - 380 013.

However, pursuant to Section 205A of the Act as amended by the Companies (Amendment) Act, 1999, which came into effect from 31-10-1998, the following Dividend which remain unclaimed for a period of 7 years from the date of transfer to Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund established by the Government under Section 205C(1) of the Act :-

| <u>Financial Year ended</u> | <u>Due for transfer on</u> |
|-----------------------------|----------------------------|
| 31-3-1995 | 17-11-2002 |
| 31-3-1996 | 15-11-2003 |
| 31-3-1997 (Interim) | 05-06-2004 |
| 31-3-1998 | 17-11-2005 |
| 31-3-1999 | 15-11-2206 |

Members who have not encashed their dividend warrants for the aforesaid financial years are requested to approach the Company for revalidation or duplicate dividend warrants. According to the provisions of the Act as amended, no claims shall lie against the said Fund or the Company for the amount of dividend so transferred to the Investor Education and Protection Fund nor shall any payment be made in respect of such claims.

- (i) Members are requested to intimate the change in their registered address, if any, to the Company at its Share Department.
- (j) All documents referred to in the accompanying Notice are open for inspection at the Share Department of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying notice and should be taken as forming part of the notice.

ITEM NO. 6

Consequent to the passing of Depositories Act, 1996 and the introduction of the Depository system, your Company may enter into in near future an agreement with either National Securities Depository Limited (NSDL) or with Central Depository Services Limited (CDSL) to facilitate holding and trading of the Company's Equity Shares in the electronic form. Accordingly, some of the provisions of the Companies Act, 1956 pertaining to issue, holding, transfer/ transmission and dealing in shares thereof have been amended to facilitate the Depository system. A new Article which is in line with the provisions of the Companies Act, 1956 is being inserted in the Articles of Association in view of the provisions of the Depositories Act, 1996 which may become applicable as a result of the introduction of the Depository system by the Company in near future. A new Article, which is proposed to be inserted, briefly stating the frame work of the system of Depository as per provisions of the Depositories Act, 1996, with a view to facilitate operation of the Depository system. The required amendments have been made so as to give effect to the legal and practical aspects of the Depository system and are self explanatory.

It has therefore become necessary to alter the Articles of Association of the Company by inserting new Article 13(c) after the existing Article 13(b) of the Articles of Association to give effect to the said provisions as proposed in the resolution set out in item No. 6.

Under Section 31 of the Companies Act, 1956, alteration of Articles of Association can be done only by passing a Special Resolution and accordingly, the resolution set out in item No. 6 has been proposed as a Special Resolution.

None of the Directors of the Company is concerned or interested in the resolution set out in item No. 6.

A copy of the Articles of Association together with all the proposed alterations is available for inspection at the Share Department of the Company between 11.00 a.m. to 1.00 p.m. on any working day except holidays upto the date of the meeting.

By Order of the Board
For VADILAL ENTERPRISES LIMITED

RAMCHANDRA R. GANDHI
Managing Director

Registered Office :

5th Floor, Aditya Building,
Opp. Sardar Patel Seva Samaj Hall,
Off C.G. Road, Nr. Mithakhali Six Roads,
Ahmedabad - 380 006.

Dated : August 25, 2000.