

16th Annual Report 2000-2001

Litchi Orange Pineapple Raspberry Mango
 Dolly Ice Mithai Funtastic OneUp
 Heart Throb Chocobar
 BigT QT King Cone
 Mini Sandwich Moulded Magic Bomber Best Chocobar BarGain
 Sajani Sajani Candy
 Orange Mango Cassatta Pista Kesar Chowpati Kewra Kesar Pista
 Kewra Roll Cut Kulfi
 Aug. 15 Sundae Cup Fun 2000
Vadilal
 PURE VEGETARIAN
 Ice Creams, Frozen Desserts, Ice Candies.

VADILAL ENTERPRISES LIMITED

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 IA International, Inc.)

BANKER

Bank of India

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)

16TH ANNUAL GENERAL MEETING

Day - Saturday

Date - 15th September, 2001

Time - 10.30 a.m.

Venue - Sheth Shri Amrutlal Hargovandas
Memorial Hall, Gujarat Chamber of
Commerce & Industry (GCCI),
Ashram Road, Ahmedabad - 380 009.

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

Web : www.vadilalmarkets.com

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.
- 4) Members who hold Shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

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SHAREHOLDER INFORMATION

1) Name of 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 on 31st March, 2001

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, 2001.

5) Book-Closure for payment of Dividend

Book-Closure from 10th September, 2001 to 15th September, 2001 (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 10th September, 2001, will not be eligible for dividend.

6) Stock Exchanges where the Shares are listed

AHMEDABAD STOCK EXCHANGE
(Security Code No. 64510)
Kamdhenu 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 for the year 2001-02 have been duly paid to the above Stock Exchanges.

7) Security Code

Ahmedabad Stock Exchange - 64510
Bombay Stock Exchange - 19152
The ISIN number allotted to the Company is INE693D01018

8) Dematerialisation of Shares

The Company, consequent to introduction of Depository System (DS), entered into an agreement with CDSL and has established an electronic connectivity with CDSL. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through CDSL. NSDL has so far not entered into an agreement with the Company and the Company is awaiting for the establishment of electronic connectivity with NSDL.

In view of the numerous advantages offered by DS, members are requested to avail the facility of dematerialisation of the Company's shares on the Depository as aforesaid.

The DS envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, long settlement cycles, mutilation of share certificates, etc. Simultaneously, DS offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.

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 CDSL and lodge your share certificates with your DP for Dematerialisation. The DP will then ensure that the physical share certificates are cancelled and after verification by the Company, an equivalent number of shares will be credited to your account with the DP in the electronic form. You are also permitted under the DS to reconvert your electronic shareholding into the physical form of share certificates by a process of Rematerialisation. It may be noted that the DP would charge the investors for its services, which may vary from one DP to another.

It is reiterated that requests for Dematerialisation and Rematerialisation are to be made only to the DP with whom you have opened an account and not directly to the Company.

9) Registrar & Share Transfer Agent

The Company has appointed MCS Ltd., Ahmedabad as Depository Registrar for demat segment, i.e. for establishment of electronic connectivity with NSDL and CDSL. For physical segment, the Company has in-house Share Department which provides all shareholder related services.

10) Share Transfer system

Presently, the share transfers which are received in physical form are processed and the share certificates 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.

11) Distribution of Shareholding as on 31st July, 2001

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| Upto 500 | 2029 | 94.11 | 417761 | 48.01 |
| 501 to 1000 | 76 | 3.53 | 56728 | 6.52 |
| 1001 to 2000 | 23 | 1.07 | 33534 | 3.85 |
| 2001 to 3000 | 5 | 0.23 | 11481 | 1.32 |
| 3001 to 4000 | 7 | 0.32 | 25841 | 2.97 |
| 4001 to 5000 | 2 | 0.09 | 8810 | 1.01 |
| 5001 to 10000 | 3 | 0.14 | 19569 | 2.25 |
| 10001 & above | 11 | 0.51 | 296424 | 34.07 |
| Total | 2156 | 100.00 | 870148 | 100.00 |

12) Categories of Shareholders as on 30th June, 2001.

| SR. NO. | CATEGORY OF SHAREHOLDER | NO. OF EQUITY SHARES HELD | % TO TOTAL PAID-UP CAPITAL |
|---------|--------------------------|---------------------------|----------------------------|
| 1. | DIRECTORS | 1,24,467 | 14.30 |
| 2. | DIRECTORS' RELATIVES | 50,047 | 5.75 |
| 3. | GROUP COMPANIES | 2,28,974 | 26.31 |
| | TOTAL PROMOTER'S HOLDING | 4,03,488 | 46.36 |
| 4. | NRIs | 800 | 0.09 |
| 5. | OTHER COMPANIES | 7,980 | 0.92 |
| 6. | PUBLIC | 4,57,880 | 52.63 |
| | TOTAL | 8,70,148 | 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 - 7438531, 7437597)

14) 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.

15) 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 attached with this Report at the Share Department of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name.

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.

NOTICE

NOTICE is hereby given that the 16th ANNUAL GENERAL MEETING of the members of VADILAL ENTERPRISES LIMITED will be held on Saturday, the 15th September, 2001, at 10.30 a.m., at Sheth Shri Amrutlal Hargovandas Memorial Hall, Gujarat Chamber of Commerce and Industry (GCCl), 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, 2001 and the Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares for the year ended on 31st March, 2001.
3. To appoint a Director in place of Shri Kashibhai B. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ramanlal V. Mehta, 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.

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 16, 2001

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 is not annexed hereto as there is no any Special Business to be transacted.

- (c) The Register of Members and Share Transfer Books of the Company will remain closed from 10th September, 2001 to 15th September, 2001 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2001 as recommended by the Board and if declared at the meeting.

- (d) Dividend @ 8 % on Equity Shares for the year ended on 31st March, 2001 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 on or before 8th September, 2001, 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 8th September, 2001.

- (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 also 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 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 as attached in 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

VADILAL ENTERPRISES LIMITED

(4)

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 :-

| Financial Year ended | Due for transfer on |
|----------------------|---------------------|
| 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 | 15-11-2006 |
| 31-3-2000 | 17-11-2007 |

Members who have not encashed their dividend warrants for the aforesaid financial years are requested to approach the Company at its Share Department 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 who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- (j) Members are requested to intimate the change in their registered address, if any, to the Company at its Share Department. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.
- (k) 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.

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DIRECTORS' REPORT

To,

The members,

VADILAL ENTERPRISES LIMITED

Your Directors have pleasure in presenting herewith the 16th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2001.

FINANCIAL RESULTS

(Rs. in Lacs)

| | Year ended 31-3-2001 | Year ended 31-3-2000 |
|---|-------------------------|-------------------------|
| (a) Profit for the year before | | |
| Financial Expenses and Depreciation | 326.80 | 327.03 |
| (b) Financial Expenses | 146.78 | 150.23 |
| Depreciation | 168.62 | 150.40 |
| | <u>315.40</u> | <u>300.63</u> |
| (c) Profit before tax | 11.40 | 26.40 |
| (d) Prior period adjustment (Net) | (0.13) | 0.03 |
| (e) Provision for tax (Including income tax written off Rs. 0.36 Lacs) | 1.36 | 3.50 |
| (f) Profit after tax | 9.91 | 22.93 |
| (g) Balance of Profit brought forward from previous year | 39.28 | 24.77 |
| Amount available for appropriation. | <u>49.19</u> | <u>47.70</u> |

APPROPRIATIONS

| | | |
|-------------------------------|--------------|--------------|
| (a) Proposed Dividend | 6.90 | 6.90 |
| (b) Tax on proposed Dividend | 0.70 | 1.52 |
| (c) Balance Profit carried to | | |
| Balance Sheet | 41.59 | 39.28 |
| | <u>49.19</u> | <u>47.70</u> |

TURNOVER & PROFITS

In spite of stiff competition in the market particularly in ice-cream business during the year under review, the sales turnover of your Company has been increased by 3.98 %. Your Company has achieved sales turnover of Rs. 7427.76 lacs as compared to sales turnover of Rs. 7143.75 lacs achieved during the previous year ended on 31st March, 2000.

Your Company has earned Gross Profit of Rs. 326.80 lacs as compared to Rs. 327.03 lacs earned during the previous year ended on 31st March, 2000. Your Company has earned Net Profit of Rs. 9.91 lacs (after provision for taxation) during the year under review as compared to Rs. 22.93 lacs earned during the previous

year ended on 31st March, 2000.

DIVIDEND

The Directors have recommended a dividend of Re. 0.80 per Share (i.e. @ 8 %) on 8,70,148 Equity Shares of Rs. 10/- each of the Company for the financial year ended on 31st March, 2001. This will absorb Rs. 6.90 lacs as against the previous year's dividend outgo of Rs. 6.90 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 15th September, 2001. The Corporate Dividend tax payable on the above dividend will be Rs. 0.70 lacs (@ 10.20% including surcharge) as against Rs. 1.52 lacs (@ 22% including surcharge) during the previous year.

OPERATIONS - MARKETING FOCUS

During the year under review, your Company has maintained its track record of growth in the sale of ice-cream and frozen desserts. Introduction of several new "Happinezz Parlour", exclusive outlets for the ice-cream products of the Company have helped to enhance the visibility of the Company's brand in the market. Apart from this, there were several successful promotional campaigns during the year through which your Company has introduced new products and remained in the consumer focus. During the year, particular attention was paid to introduction of several premium varieties of ice-creams. Further, your Company has tied-up with many well known institutions/hotels for supply of ice-cream. This is an important segments of business and the Company expects to make major inroads in this area.

Your Company has one of the largest cold chain networks in the country comprising about 12 C & F Agents, nearly 250 Distributors and 15000 retailers, to ensure widespread availability of products in all territories. The chain of C & F network has been enhanced to create more stock-points to facilitate market growth. The packing of major products has undergone a face-lift making them attractive and eye-catching. A large number of imported/indigenous deep freezers have also been placed in the market thereby enhancing the retail network. The Company has been launching attractive consumer schemes with regularity to ensure brand loyalty and boost sales.

Your Company is the market leader in Gujarat and Rajasthan and the presence of the Company in other states is also quite significant.

VADILAL ENTERPRISES LIMITED**(6)**