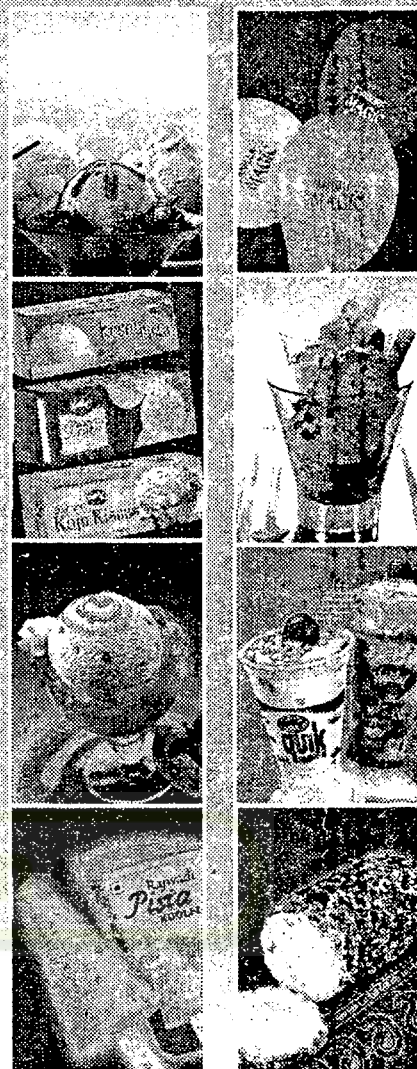


## VADILAL ENTERPRISES LTD.



*The Ice Cream Experts*



23<sup>rd</sup> ANNUAL REPORT 2007-2008



**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 Gor

**AUDITORS**

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

**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.

**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: 079-26564019 to 24)  
(Fax : 079-26564027)

**FOREX ADVISORY SERVICES**

Vadilal House, Shrimali Society,  
Nr. Navrangpura Rly. Crossing,  
Navrangpura, Ahmedabad – 380 009.  
(Phone: 079-26564019 to 24)  
(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, remat, 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.

**23<sup>rd</sup> ANNUAL GENERAL MEETING**

Day - Friday

Date - 26th September, 2008

Time - 10.30 a.m.

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

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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)



## 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: 079-26564019 to 24) (Fax: 079-26564027)

### 4. Book-Closure

Book-Closure from 15th September, 2008 to 26th September, 2008 (both days inclusive) for the purpose of 23rd Annual General Meeting of the Company.

### 5. Stock Exchanges 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.  
(Phone: 91-22-2272 1234 / 1233)  
(Fax: 91-22-2272 2082 / 3132)

#### AHMEDABAD STOCK EXCHANGE LTD.

(Security Code No. 64510)  
Kamdhenu Complex, Nr. Polytechnic,  
Panjrapole, Ambawadi,  
Ahmedabad - 380 015.  
(Phone: 079-26307971-77)  
(Fax: 079-26308877)

The Annual Listing Fees upto the Financial Year 2008-2009 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/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) (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 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.

**10. Distribution of Shareholding as on 31st March, 2008 :**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Total Shares
Up to 500	1794	93.34	302235	34.73
501 to 1000	63	3.28	49364	5.67
1001 to 2000	25	1.30	38342	4.41
2001 to 3000	5	0.26	12299	1.41
3001 to 4000	9	0.47	32235	3.70
4001 to 5000	7	0.36	32144	3.69
5001 to 10000	8	0.42	57519	6.61
10001 to 50000	10	0.52	219810	25.27
50001 to 100000	0	0.00	0	0.00
100001 & above	1	0.05	126200	14.51
<b>Total</b>	<b>1922</b>	<b>100.00</b>	<b>870148</b>	<b>100.00</b>

**11. Categories of Shareholders as on 31st March, 2008 :**

Sr. No.	Category of Shareholders	No. of Equity Shares held	% of Total Shares
1	Directors, Relatives, HUF & Group Companies	436982	50.22
2	Foreign Institutional Investors(FIIs)	2100	0.24
3	NRIs/OCBs	613	0.07
4	Bodies Corporate	40077	4.60
5	Foreign Mutual Funds	6	0.00
6	HUF	5361	0.62
7	Public	385009	44.25
<b>Total</b>		<b>870148</b>	<b>100.00</b>

**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, Shrimali Society, Near Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009. Telephone Nos. 079-26564019 to 24 and Fax No. 079 - 26564027.



### NOTICE

NOTICE is hereby given that the 23rd ANNUAL GENERAL MEETING of the members of VADILAL ENTERPRISES LIMITED will be held on Friday, the 26th September, 2008, at 10.30 a.m., at Sheth Shri Amrutlal Hargovandas Memorial Hall, Gujarat Chamber of Commerce & 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, 2008 and the Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Virendra R. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jayantilal M. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Kantilal Patel & Co., Chartered Accountants, Ahmedabad 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.
5. To appoint Mr. Ashish C. Doshi, Company Secretary in Whole-time Practice, pursuant to Section 383A of the Companies Act, 1956 and the Rules made therein to obtain certificate regarding compliance by the Company of all provisions of the said Act during the Financial Year 2008-2009 and to authorise the Board of Directors to fix his remuneration.

By Order of the Board  
For VADILAL ENTERPRISES LIMITED

**RAMCHANDRA R. GANDHI**  
Chairman & Managing Director

#### Registered Office:

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

Dated: 27th June, 2008.

#### 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 in respect of Item No. 5 mentioned in the above Notice is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 2008 to 26th September, 2008 (both days inclusive) for the purpose of 23rd Annual General Meeting of the Company.
6. 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.
7. 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 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, 31st March, 1998, 31st March, 1999 and 31st March, 2000 to the Investor Education and Protection Fund established by the Government of India 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, 2001 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 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.
11. All documents referred to in the accompanying Notice are open for inspection for the members, at the Share Department of the Company, during office hours on all working days between 2.00 p.m. to 4.00 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 the Item No. 5 mentioned in the accompanying Notice and should be taken as forming part of the Notice.

#### ITEM NO. 5

Pursuant to the provisions of Section 383A of the Companies Act, 1956 read with the Companies

(Compliance Certificate) Rule, 2001, every Company, having paid-up share capital between Rs. 10 Lacs and Rs. 2 Crores, is required to file with the Registrar of Companies (ROC), a Certificate from a Company Secretary in Whole-time Practice, certifying that the Company has complied with all provisions of the Companies Act, 1956 and a copy of such certificate is required to be attached with the Directors' Report of the Company.

Your Company having paid-up share capital of Rs. 86.42 lacs has appointed Mr. Ashish C. Doshi, a Company Secretary in Whole-time Practice to obtain from him a Certificate regarding compliance, by the Company, of all provisions of the Act during the Financial Year ended on 31st March, 2008. The said Certificate has been attached with the Directors' Report for the year ended on 31st March, 2008.

The Company proposes to appoint Mr. Ashish C. Doshi to obtain from him a Certificate for the next Financial Year 2008-2009 regarding compliance by the Company of all provisions of the Act, during the said Financial Year 2008-2009.

Your Directors, therefore, recommend the resolution for your approval for appointment of Mr. Ashish C. Doshi for the above purpose as per Item No. 5 of the Notice.

None of the Directors of the Company is in any way, concerned or interested in this resolution.

By Order of the Board  
For VADILAL ENTERPRISES LIMITED

RAMCHANDRA R. GANDHI  
Chairman & 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: 27th June, 2008.

**DIRECTORS' REPORT**

To,  
The members,  
**VADILAL ENTERPRISES LIMITED,**  
AHMEDABAD

Your Directors have pleasure in presenting herewith the 23rd Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2008.

**FINANCIAL RESULTS**

(Rs. in Lacs)

Sr. No.	Particulars	Year ended 31-3-2008	Year ended 31-3-2007
(a)	Profit for the year before Depreciation and Financial Expenses	546.08	438.94
(b)	Less: Depreciation 396.16 Financial Expenses 43.33	439.49	369.66 13.84
(c)	Profit before tax and Exceptional items	106.59	55.44
(d)	Prior period adjustments	57.02	0.00
(e)	Profit before tax	49.57	55.44
(f)	Provision for Tax		
	- Current	68.50	71.25
	- Deferred Tax [Net (Credit)/Charge]	(51.73)	(52.57)
	- Fringe Benefit Tax	15.00	13.00
	- Short / (Excess) Provision of Income Tax / Fringe Benefit Tax of earlier years written off (written back)	1.75	(5.54)
(g)	Net Profit after Tax	16.05	29.30
(h)	Balance brought forward	48.32	31.16
	Amount available for Appropriation	64.37	60.46
	<b>APPROPRIATION:</b>		
	- Proposed Dividend	0.00	8.64
	- Dividend Tax thereon	0.00	1.47
	- Transferred to General Reserves	0.00	2.03
	- Balance Profit carried to Balance Sheet	64.37	48.32
		64.37	60.46

**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. 13,604.72 lacs as compared to sales turnover of Rs. 11,888.88 lacs achieved during the previous year ended on 31st March, 2007.

Your Company has earned Gross Profit of Rs. 546.08 lacs as compared to Rs. 438.94 lacs earned during the previous year ended on 31st March, 2007. Your Company has earned Net Profit of Rs. 16.05 lacs during the year under review as compared to Net Profit of Rs. 29.30 lacs earned during the previous year ended on 31st March, 2007.

**DIVIDEND**

Looking to the quantum of profit earned by the Company during the year under review and the funds requirement of the Company, the Directors regret their inability to recommend any dividend on Equity Shares of the Company for the year ended on 31st March, 2008.

**OPERATIONS - MARKETING FOCUS****Ice-cream Division**

The ice-cream industry has slowly picked up after opening of the sector in 1997. Per capita consumption of ice-cream in India is one of the lowest at around 180 ml per annum and the ice-cream penetration at national level was just 15%, thus had a huge scope.

The ice-cream market in India is estimated to be about US\$ 200 million per annum. The industry structure and ongoing transformation offers opportunities for organized players to invest and grow.

The Company is 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 addition to the consumers. There is a considerable increase in demand for impulses & novelties.

There is a completely new segment of market developing, which consist of catering & institutional customers from where a large chunk of revenue is generated. Also with service industry, growing at the rate of 13%, has created demand for ice-cream parlor concept, which is again a focus area for ice-cream industry.

The future strategy of the Company is to give innovative\* & value added products to the consumers, as far as the price factor is concerned. The Company primarily focuses on increasing the ice-cream consumption by offering novel impulses. The Company is committed in eliminating the barriers for availability of ice-cream with focused distribution & franchising new Happezz parlors all over India.

The overall vision of the company to increase the consumption of ice-cream on a national level is fully supported by appropriate promotion and market communication. The basic focus of the Company has been in brand building coupled with quality products & services. The Company is among the frontiers and maximum spender on News paper advertisement all over India. This spending actually surpasses the annual advertising budget of some of the regional players.

For availability of ice-cream, the Company has got the largest fleet of Refrigerated Vehicles in India, backed by the strong Distribution Network of C&F Agents, distributors and retail dealers. Distribution network is continuously being improved by appointing new C&F Agents, Distributors and Dealers, together with making proper investment in respective territories for providing infrastructure. The Company clearly dominated the market in Gujarat, Rajasthan, Uttar Pradesh, Uttaranchal, Haryana and Delhi. Also the regional competitors often feel the presence of Vadilal in West Bengal, Orissa, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Tamilnadu, Chandigarh, Punjab, Himachal Pradesh, and Jammu.

**Processed Food Division**

The major processed food products on offer to domestic market are canned fruit pulps, frozen fruits and vegetables ready-to-eat and ready-to-serve. There is a tremendous growth potential in India for processed foods due to sizable consuming population, expanding list of metro cities, increased awareness and need to adopt usage of convenience foods.

Government of India has recognised the importance of Processed Food sector and decided to give boost to this industry through various policy measures. The excise duty on certain ready-to-eat packaged foods is reduced to 8% from 16%. The sector has also been accorded priority sector status for the purpose of lending by Banks. This will result in increased credit flow to this industry segment.

Many of the processed food products are made available in the local markets. The Company has already achieved significant volumes in frozen peas and corn. Apart from this, large quantities of mango pulp and mango ras (a pulp based proprietary product) are also being sold in the domestic market.

**Forex Division**

Forex Division of the Company is providing Forex Advisory services in Forex, Bullion and Metal (London Metal Exchange). The Division provides value added service to Exporters and Importers since April 1996. In its 12th year of service, the Division is the first in India (amongst same kind of service provider) to receive ISO 9001:2000 certification, which shows the creditability of the service provided to member subscribers. The member subscribers are spread across the country and few even amongst global, taking timely and effective service. There are three segments of service provided, viz., FOREX Advisory and complete Risk Management, Advisory service in relation to LME Metal and Precious Metal, viz., Bullion (Gold and Silver). The Division has its own website, www.vadilalmarkets.com which has since been described by many as complete FOREX KIOSKS. The Division is providing complete FOREX guidance reading with RBI guidelines, FEMA regulations and FEDAI rules. Also organizing workshops / seminars in relation to FOREX topics.

**FINANCE**

The Company is enjoying the working capital facilities aggregating to Rs. 405 lacs and term loan of Rs. 400 lacs from Bank of India, Ahmedabad Corporate Banking Branch. Subsequently working capital facilities has been reduced by Rs. 50 lacs to Rs. 355 Lacs during the year under review. The Company has also availed term loans from IDBI Bank Ltd.





In terms of the provisions of Investor Education and Protection Fund Rules, 2001, the Company has transferred the unclaimed dividend amount of Rs. 9816/- declared for the financial year ended on 31st March, 2000, 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. 1.72 lacs as on 31st March, 2008. As on date of this report, the deposits aggregating Rs. 0.50 lacs thereof have been claimed and either paid or renewed. The Company has accepted fixed deposits of Rs. 46.97 lacs from the Public during the year 2007-2008, 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, 2008 stood at Rs. 66.04 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, 2008 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 Benefits, Foreign Currency Transactions, Related Party Transactions, Calculation of EPS etc.

#### COMPLIANCE CERTIFICATE

Pursuant to Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, the Compliance Certificate received by the Company from Mr. Ashish C. Doshi, a Company Secretary in Whole-time Practice, certifying that the Company has complied with all the provisions of the Companies Act, 1956 during the financial year ended on 31st March, 2008 (2007-2008) has been annexed hereto and forming part of the Directors' Report.

#### POSTAL BALLOT

The Company has passed three Special Resolutions under Section 17, 149(2A) and 372A of the Companies Act, 1956 through Postal Ballot pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the result of which, was announced on 10th July, 2007, at 2.00 p.m., at the Corporate Office & Share Dept. of the Company at Vadilal House, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009. The result of Postal Ballot was announced on the basis of the Scrutinizer's Report dated 10th July, 2007 given by Mr. Mahesh C. Gupta of M/s. M.C. Gupta & Co., Company Secretaries, Ahmedabad, who was appointed as the Scrutinizer for the said Postal Ballot process.

#### 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, 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 2008-2009.

#### 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 and Outgo 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. Jayantilal M. Shah, 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 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.

#### TRADE RELATIONS

The Board desires to place on record its appreciation of the support and co-operation that your Company received from Distributors, Dealers, Stockists, 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 : 27th June, 2008  
Place : Ahmedabad





CIN :L51100GJ1985PLC007995

**FORM**  
**[SEE RULE 3]**  
**COMPLIANCE CERTIFICATE**

To  
 The Members  
 Vadilal Enterprises Limited  
 Ahmedabad.

I have examined the registers, records, books, and papers of **Vadilal Enterprises Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on **31st March, 2008**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. the company has kept and maintained all registers as stated in the Annexure "A" to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded.
2. the company has duly filed forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. the company being a public limited company, restrictive provisions applicable to private limited company are not applicable and therefore comments are not required.
4. the Board of Directors duly met 5 (five) times on 21/04/2007, 30/06/2007, 28/07/2007, 29/10/2007 and 28/01/2008 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose. No circular resolutions were passed during the year under review.
5. the company closed its Register of Members and Share Transfer Books from 24/09/2007 to 29/09/2007 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
6. the Annual General Meeting for the financial year ended on 31/03/2007 was held on 29/09/2007 after giving due notice to the members of the company and the resolutions thereat were duly recorded in the Minutes Book maintained for the purpose.
7. no Extra Ordinary General Meeting was held during the financial year. However, the Company has passed three Special Resolutions under Section 17, 149(2A) and 372A of the Companies Act, 1956 through Postal Ballot pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and the Resolutions passed through postal ballot process were duly recorded in the Minutes Book maintained for the purpose.
8. the company has not advanced any loan to its directors and/or persons or firms or companies referred in section 295 of the Act.
9. the company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. the company has made necessary entries in the register maintained under section 301 of the Act.
11. there were no instances requiring approval under section 314 of the Act.
12. duly constituted committee of directors called Share Transfer Committee has approved the issue of duplicate share certificates.
13. the company has :
  - (i) delivered all the certificates on lodgement thereof for transfer, transmission or any other purpose in accordance with the provisions of the Act;
  - (ii) deposited the amount of dividend within 5 days from the date of declaration of the same, for the year ended as on 31/03/2007.
  - (iii) paid/posted the warrants for dividends to the members within 30 days from the date of declaration of the same, for the year ended as on 31/03/2007;
  - (iv) transferred the amount of Rs.9816/- on 27/12/2007 being unpaid/unclaimed dividend for the year 1999-2000, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund vide Challan No. A28743912 dated 27/12/2007 and has also filed Form No. 1 along with list in Form No. 1A duly certified by a Practising Company Secretary, with the office of the Registrar of Companies, Gujarat.
  - (v) duly complied with the requirements of section 217 of the Act.
14. the Board of Directors of the company is duly constituted. No appointment of any director has been made during the year under review.
15. the Company has not appointed any Managing Director during the year under review.
16. the Company has not appointed any sole selling agents during the year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.