



## VADILAL ENTERPRISES LIMITED

### CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS FROM MEMBERS

[Pursuant to section 73 (2)(a) and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014 ]

#### 1. GENERAL INFORMATION :

##### a. Name, address, website and other contact details of the company :

Name :	VADILAL ENTERPRISES LIMITED
Registered Address:	A/801, 8th Floor, Time Square Building, Nr. Lal Bungalow Cross Roads, C.G. Road, Navrangpura, Ahmedabad - 380 009
Correspondence Address :	Vadilal House, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad – 380 009.
CIN:	L51100GJ1985PLC007995
Web-site :	<a href="http://www.vadilalgroup.com">www.vadilalgroup.com</a>
Contact details :	079-26564019 – 153 exten.
Fax No. :	079 30153102
Email ID :	vijayshah@vadilalgroup.com

##### b. Date of incorporation of the company : 30th July, 1985.

##### c. Business carried on by the company and its subsidiaries with the details of branches or units, if any:

The Company is engaged in the business of marketing and distribution of Ice-cream and Processed Food products and other permitted activities provided in the Company's Memorandum and Articles of Association.

##### i) Registered Office :

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

##### ii) Factories (Manufacturing Units):

The Company does not have any factory or manufacturing unit.

##### iii) Subsidiary Company:

The Company does not have any subsidiary company.

##### d. Brief particulars of the management of the Company :

The Company is managed under superintendence, direction and control of the Board of Directors.



**e. Names, addresses, DIN and occupations of the directors;**

Name of the Directors	Address	Occupation	DIN
Shri Rajesh R. Gandhi (Chairman)	"KARM", 17-A/2, Santosha Park, Behind Hira Rupa Hall, Ambli-Bopal Road, Bopal, Ahmedabad - 380 058.	Industrialist	00009879
Shri Devanshu L. Gandhi (Director)	1577/33/F, Patel Block, Nr. Old Gujarat High Court Railway Crossing, P.O. Navjivan, Ahmedabad - 380014.	Industrialist	00010146
Shri Jayantilal M. Shah (Director)	13, Milan Park, Near President Hotel, Off Cg Road, Navrangpura, Ahmedabad, 380009,	Business	00023673
Smt. Niranjanaaben A. Kapadia (Director)	26, Sudarshan Colony, Satellite Road, Satellite, Ahmedabad, 380054,	House wife	00667547

**f. Management's perception of risk factors :**

The deposits accepted by the company are unsecured and rank pari passu with other unsecured liabilities of the company.

The Company will take insurance of deposit and interest thereon for the full amount of deposit and interest if the amount does not exceeding rupees twenty thousand, and in the case of deposit and interest in excess of rupees twenty thousand, the deposit insurance shall cover for payment upto Rupees twenty thousand in respect of each depositor as per the requirement of the Companies Act, 2013 and Rule made thereunder.

**g. Details of default, including the amount involved, duration of default and present status, in repayment:**

The Company has not made any default in repayment of deposits including interest thereon.

**2. PARTICULARS OF THE DEPOSIT SCHEME :**

- a. **Date of passing of board resolution** : 14<sup>th</sup> August, 2014.
- b. **Date of passing of resolution in the general meeting authorizing the invitation of such deposits :** 25<sup>th</sup> September, 2014.
- c. **Type of deposits :** Unsecured
- d. **Amount which the company can raise by way of deposits as per the Act and the rules made thereunder, and the aggregate of deposits actually held on the last day of the immediately preceding financial year and on the date of issue of the Circular or advertisement and amount of deposit proposed to be raised and amount of deposit repayable within the next twelve months :**



- Deposits shall be accepted from the Members only upto 25% of aggregate of Paid Up share Capital and Free Reserves of the Company.
- The aggregate of deposits actually held on the last date of immediately preceding Financial Year i.e. 31st March, 2014 as per Companies Act, 1956 & Rules made thereunder.

		(Rs. in Lacs)
a.	From Shareholders	37.13
b.	From Public	125.96
	<b>TOTAL</b>	<b><u>163.09</u></b>

- The deposits accepted upto 31st March, 2014 and interest thereon will be repaid to the depositors on the date of maturity.

**e. Terms of raising of deposits :**

- The Company will accept Unsecured Fixed Deposit from its Shareholders only, on the following terms and conditions :

**MONTHLY INCOME - SCHEME A**

Deposit Amount	Period	Interest (p.a.)
Minimum amount of Rs.25,000/- and in multiples of Rs.1,000/-	12 months	10.25%
	24 months	10.25%
	36 months	11.00%

**REGULAR INCOME - SCHEME B (INTEREST COMPOUNDED MONTHLY)**

Deposit Amount	Period	Interest (p.a.)	Interest Option	Annualized Yield* p.a.
Minimum amount of Rs.10,000/- and in multiples of Rs.1,000/-	12 months	10.25 %	Quarterly	10.34 %
		10.25 %	Half-Yearly	10.47 %
	24 months	10.25 %	Quarterly	10.34 %
		10.25 %	Half Yearly	10.47 %
		10.25 %	Yearly	10.75 %
	36 months	11.00 %	Quarterly	11.10 %
		11.00 %	Half Yearly	11.26 %
		11.00 %	Yearly	11.57 %

**GROWTH SCHEME - CUMULATIVE - SCHEME C (INTEREST COMPOUNDED MONTHLY)**

Deposit Amount	Period	(p.a.)	Maturity Value	(p.a.)
Minimum amount of Rs.5,000/- and in multiples of Rs.1,000/-	12 months	10.25%	Rs. 5,537/-	10.75%
	24 months	10.25%	Rs. 6,132/-	11.32%
	36 months	11.00%	Rs. 6,944/-	12.96%

\* Yield is based on simple interest calculation.

\*\* If tax is deductible at source, then maturity value will change.

- Repayment of Deposit and Interest payment will be made by a crossed "A/C Payee" cheque payable at Ahmedabad.
- No deposit shall be repaid before the expiry of six months from the date of deposit. On deposit withdrawn after a period of six months but before the date of maturity, the rate of interest payable shall be reduced by 1% from the rate which the



Company would have ordinarily paid, had the deposit been accepted for the period for which such deposit has run.

- iv. Income Tax will be deducted at source on payment of interest in accordance with the provisions of the Income-tax Act, 1961, as are in force from time to time.
- v. Acceptance/Renewals/Repayments of Fixed Deposit(s) and payment of interest will be subject to the Rules and Regulations framed from time to time by the Company.
- vi. Acceptance of Deposits is subject to Ahmedabad jurisdiction.
- vii. The Company reserves the right to alter or amend or modify or vary any or all the terms and conditions regarding the deposit scheme.

**f. Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid:**

This Scheme is applicable on the date on which the shareholders of the Company will approve the same. The Circular issued under this scheme is valid until expiry of the six months from the date of closure of Financial Year in which it is issued or until the date on which the financial statement is laid before the company in annual general meeting or, where the annual general meeting for any year has not been held, the latest day on which that meeting should have been held in accordance with the provisions of the Act, whichever is earlier.

**g. Reasons or objects of raising the deposits:**

To meet the financial emergency and to meet the business requirements of the Company.

**h. Credit rating obtained; Name of the Credit Rating Agencies, Rating obtained, Meaning of the rating obtained, Date on which rating was obtained.**

N.A.

**i. Extent of deposit insurance, ; Name of the Insurance Company, terms of the insurance coverage, duration of coverage, extent of coverage, procedure for claim in case of default etc.**

The Company will take insurance of deposit and interest thereon for the full amount of deposit and interest if the amount does not exceeding rupees twenty thousand, and in the case of deposit and interest in excess of rupees twenty thousand, the deposit insurance shall cover for payment upto Rupees twenty thousand in respect of each depositor as per the requirement of the Companies Act, 2013 and Rule made thereunder.

**j. Short particulars of the charge created or to be created for securing such deposits, if any:**

N.A.

**k. Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons:**

The Directors, Promoters and other Key Managerial Personnel of the Company does not have any financial or other material interest in the aforesaid deposits and the same terms and conditions of deposits including rate of interest will be applicable to the deposits accepted from the Directors, Promoters and Key Managerial Personnel of the Company.



### 3. DETAILS OF ANY OUTSTANDING DEPOSITS :

- a. Amount Outstanding : Rs. 163.09 lakhs  
 b. Date of acceptance : On various dates  
 c. Total amount accepted : Rs. 90.16 lakhs  
 d. Rate of interest : As per the scheme  
 e. Total number of depositors : 435  
 f. Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved:

The Company has not defaulted in repayment of deposits and payment of interest thereon.

- g. Any waiver by the depositors, of interest accrued on deposits : No such waiver

### 4. FINANCIAL POSITION OF THE COMPANY :

- a & b. **Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement and Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid) :**

Financial Year ended	Profit/(Loss) before Tax (Rs. in Lacs)	Profit/(Loss) after Tax (Rs. in Lacs)	DIVIDEND per Equity Share (Rs. in lacs)
31st March, 2012	135.71	95.64	Re. 1.20/- (12%)
31st March, 2013	7.50	7.20	Re. 1.20/- (12%)
31st March, 2014	(87.26)	(60.55)	Re. 0.80/- (8%)

- c. **A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement:**

(Rs. in lakhs)

Equities and Liabilities	As at			Assets	As at		
	31-3-2014	31-3-2013	31-3-2012		31-3-2014	31-3-2013	31-3-2012
Share Capital	86.26	86.26	86.26	Fixed Assets - Tangible Assets	3017.97	2481.14	1836.77
Reserves and Surplus	366.16	434.81	439.72	Capital WIP	309.62	290.71	0.00
Long term provisions	14.37			Intangible Assets under Development	-	46.20	0.00
Long term borrowings	352.58	379.39	260.59	Non-current Investments	4.48	4.48	4.48
Short term borrowings	436.17	460.32	377.36	Deferred Tax Asset (Net)		124.97	105.14
Trade payables	5703.42	6383.77	6929.69	Long term loans and advances		2532.68	872.07
Other Current liabilities	4264.07	3668.64	2780.68	Other non-current assets		2.96	0.30
Short term provisions	79.97	15.00	75.91	Inventories		155.74	544.27
				Trade receivables		2709.48	2588.79



				Cash and Bank balances		395.69	75.40
				Short term loans and advances		2491.62	4767.02
				Other current assets		192.43	155.97
<b>Total</b>	<b>10483.63</b>	<b>11428.19</b>	<b>10950.21</b>	<b>Total</b>		<b>11428.19</b>	<b>10950.21</b>

d. **Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement :**

(Rs. in lakhs)

		<b>For the year ended on 31.03.2014</b>	<b>For the year ended on 31.03.2013</b>	<b>For the year ended on 31.03.2012</b>
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	<b>Profit before tax and Exceptional Items from continuing operations</b>	<b>(87.26)</b>	<b>7.50</b>	<b>135.71</b>
	<b>Non-cash adjustments to reconcile profit before tax to net cash flows :</b>			
	Depreciation and amortisation expense	540.13	459.90	369.82
	Loss / (Profit) on sale of Assets	2.15	0.23	(4.64)
	Bad debts written off	37.68	49.35	1.76
	Provision for Doubtful Advances	64.43	37.85	25.89
	Fixed Assets written off	23.17	0.00	8.00
	Loss due to fire	0.14	0.00	0.00
	Excess Provision written back	(99.94)	(69.05)	(72.70)
	Dividend Income	(0.08)	(0.08)	(0.08)
	Interest expenses	148.57	119.01	101.20
	Interest Income	(171.28)	(210.80)	(158.79)
	<b>Operating Profit before working capital changes</b>	<b>457.71</b>	<b>393.91</b>	<b>406.17</b>
	<b>Movements in working capital :</b>			
	Increase / (decrease) in trade payables	(581.15)	(495.62)	2,793.03
	Increase / (decrease) in long term provisions	14.37	0.00	0.00
	Increase / (decrease) in short term provisions	23.62	1.38	9.19
	Increase / (decrease) in other current liabilities	507.49	900.17	591.30
	Decrease / (increase) in trade receivable	(159.25)	(199.81)	(954.63)
	Decrease / (increase) in inventories	27.04	(26.83)	(168.19)
	Decrease / (increase) in long term loans and advances	(6.57)	(1,660.61)	(26.37)
	Decrease / (increase) in short term loans and advances	475.99	2,269.91	(1,953.25)
	<b>Cash Generated from / (used in) Operations</b>	<b>759.25</b>	<b>1,182.50</b>	<b>697.25</b>
	Direct taxes paid (net of refunds)	(19.33)	(66.35)	(76.17)
	<b>Net Cash from / (used in) Operating Activities</b>	<b>739.92</b>	<b>1,116.15</b>	<b>621.08</b>
<b>B</b>	<b>CASH FLOWS FROM INVESTING</b>			



<b>ACTIVITIES</b>				
	Loans given (Net)			
	Purchase of fixed assets	(1149.76)	(1,026.26)	(786.17)
	Proceeds from Sale of fixed assets	27.03	0.12	10.39
	Investments in Bank Deposits (having maturity of more than three months)	(18.77)	(41.85)	(40.08)
	Redemption / maturity of bank deposits (having maturity of more than three months)	41.08	40.08	6.08
	Interest received	195.95	174.34	75.62
	Dividend received	0.08	0.08	0.08
	<b>Net Cash flow from / (used in) Investing Activities</b>	<b>(904.39)</b>	<b>(853.49)</b>	<b>(734.08)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceeds from Long Term borrowings	210.94	256.11	149.11
	Repayment of Long Term Borrowings	(156.38)	(148.90)	(120.75)
	Repayment/Receipt of Short Term Borrowings	(24.15)	82.96	195.23
	Interest paid	(142.49)	(120.15)	(95.73)
	Dividends paid on equity shares	(9.86)	(9.82)	(9.95)
	Tax on equity dividend paid	(1.76)	(1.68)	(1.68)
	Net Cash used in Financing Activities	(123.70)	58.51	116.23
	Net Increase/(Decrease) in cash and Cash equivalents (A+B+C)	(288.17)	321.18	3.23
	Op. Balance of Cash and Cash Equivalents (Includes unrealized exchange)	355.73	34.55	31.32
	Cl. Balance of Cash and Cash Equivalents (Includes unrealized exchange difference)	67.56	355.73	34.55
	<b>Major Components of Cash and Cash Equivalents as at</b>	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	Cash and Cheques on hand	4.74	3.55	4.46
	Balance With Banks :			
	On Current Accounts	60.12	348.39	30.09
	On Unpaid Dividend Accounts *	2.70	2.21	0.00
	On Deposit Accounts	-	1.58	0.00
		<b>67.56</b>	<b>355.73</b>	<b>34.55</b>

- e. **Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.**

There is no change in accounting policies of the Company during the last three years.

#### 5. A DECLARATION BY THE DIRECTORS THAT-

- a. the company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest there on;
- b. the board of directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;



- c. the company has complied with the provisions of the Act and the rules made thereunder;
- d. the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
- e. the deposits accepted by the company before the commencement of the Act have been repaid or will be repaid along with interest on due dates and until they are repaid, they shall be treated as unsecured and ranking pari passu with other unsecured liabilities.
- f. In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- g. the deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement;
- h. the deposits accepted by the company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari passu with other unsecured liabilities of the company.

By Order of the Board of Directors  
For **VADILAL ENTERPRISES LIMITED**

Sd/-  
**RAJESH R. GANDHI**  
**CHAIRMAN**

Place: Ahmedabad  
Dated: 14<sup>th</sup> August, 2014.