



## VADILAL INDUSTRIES 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 INDUSTRIES LIMITED  
Address : Vadilal House, Shrimali Society,  
Nr. Navrangpura Railway Crossing,  
Navrangpura, Ahmedabad – 380 009.  
CIN : L91110GJ1982PLC005169  
Web-site : [www.vadilalgroup.com](http://www.vadilalgroup.com)  
Contact details : 079-26564019 – 153 exten.  
Fax No. : 079 30153102  
Email ID : vijayshah@vadilalgroup.com

##### b. Date of incorporation of the company : 28<sup>th</sup> April, 1982.

##### 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 manufacturing and selling of Ice-cream and Processed Food products and other permitted activities provided in the Company's Memorandum and Articles of Association. The Company is also doing FFMC (Full Fledged Money Changers) activities to purchase/sell foreign currency and travelers' cheques, as licensed by Reserve Bank of India.

##### i) Registered Office :

Vadilal House, Shrimali Society,  
Nr. Navrangpura Railway Crossing,  
Navrangpura,  
Ahmedabad - 380 009

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

- a) Parsakhera Industrial Area, Bareilly (U.P.) (Ice-cream division)
- b) Village Pundhra, Taluka Mansa, Dist. Gandhinagar (Gujarat)  
(Ice-cream division)
- c) Dharampur, Dist. Valsad (Gujarat) (Processed Foods division)

##### iii) Subsidiary Company:

Name : Vadilal Industries (USA) Inc.  
Address : 44 Woodbrook Drive,  
Edison, NJ 08820,  
USA.

Business : Marketing and Selling of Processed Foods products in USA market.



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

The Company is managed by the Managing Directors subject to the 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 and Managing Director)	"KARM", 17-A/2, Santosha Park, Behind Hira Rupa Hall, Ambli-Bopal Road, Bopal, Ahmedabad - 380 058.	Industrialist	00009879
Shri Devanshu L. Gandhi (Managing Director)	1577/33/F, Patel Block, Nr. Old Gujarat High Court Railway Crossing, P.O. Navjivan, Ahmedabad - 380014.	Industrialist	00010146
Shri Kshitish M. Shah	Ashutosh, 3, Patel Society, Gulbai Tekra, Ellisbridge, Ahmedabad - 380 006.	Business	00563191
Shri Rohit J. Patel	7, Anand Park, Naranpura, Ahmedabad - 380 013	Trainer	00012367
Shri Rajesh K. Pandya	9, Karnavati Society, Bhairavnath Road, Kankaria, Ahmedabad - 380 028.	Service	02711000

**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	464.32
b.	From Public	1284.20
	<b>TOTAL</b>	<b><u>1748.52</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 Half-Yearly	10.34 %
		10.25 %		10.47 %
	24 months	10.25 %	Quarterly Half Yearly Yearly	10.34 %
		10.25 %		10.47 %
		10.25 %		10.75 %
	36 months	11.00 %	Quarterly Half Yearly Yearly	11.10 %
		11.00 %		11.26 %
		11.00 %		11.57 %

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

Deposit Amount	Period	Interest (p.a.)	Maturity Value of Deposit of Rs. 5,000/- **	Annualized Yield * (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.



- ii. Repayment of Deposit and Interest payment will be made by a crossed "A/C Payee" cheque payable at Ahmedabad.
- iii. 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 requirement for running the business 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. 1748.52 lakhs  
 b. Date of acceptance : On various dates  
 c. Total amount accepted : Rs. 1088.42 lakhs  
 d. Rate of interest : As per the scheme  
 e. Total number of depositors : 5241
- 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

**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.)
31st March, 2012	960.93	625.24	Re. 1.50/- (15%)
31st March, 2013	909.98	597.42	Re. 1.50/- (15%)
31st March, 2014	397.66	142.55	Re. 1.00/- (10%)

- 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 Lacs)

Equity 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	718.78	718.78	718.78	Fixed Assets- Tangible Assets	22362.14	20616.85	19518.00
Reserves and Surplus	10771.96	10791.67	10370.72	Intangible Assets	335.50	0.00	0.00
Deferred Govt. Grant	19.19	22.38	25.58	Capital work-in-progress	418.09	1496.78	828.33
Long term borrowings	8199.65	7560.96	8272.86	Intangible Assets under	0.00	134.07	0.00



				Development			
Deferred Tax liabilities (Net)	1419.59	1290.61	1094.41	<b>Total Fixed Assets</b>	<b>23115.73</b>	<b>22247.70</b>	<b>20346.33</b>
Long term provisions	98.06	53.97	34.19	Non-current assets	146.22	156.61	156.61
Short term borrowings	6064.59	7369.70	5119.32	Long term loans and advances	1750.47	1866.00	1179.12
Trade payables	5884.81	3945.31	4487.99	Other non-current assets	67.62	70.68	60.04
Other current liabilities	4314.24	3431.24	2617.18	Current Investments	1.15	1.07	1.48
Short term provisions	287.52	248.73	268.97	Inventories	9967.89	8672.54	6705.18
				Trade receivables	1651.31	1537.42	3340.85
				Cash and Bank Balance	298.05	112.72	185.94
				Short term loans and advances	563.37	507.20	707.36
				Other current assets	216.58	261.41	327.09
<b>Total</b>	<b>37778.39</b>	<b>35433.35</b>	<b>33010.00</b>	<b>Total</b>	<b>37778.39</b>	<b>35433.35</b>	<b>33010.00</b>

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

(Rs. in lakhs)

	For the year ended on 31.03.2014	For the year ended on 31.03.2013	For the year ended on 31.03.2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax and Exceptional Items from continuing operations</b>	<b>397.66</b>	<b>909.98</b>	<b>960.93</b>
<b>Non-cash adjustments to reconcile profit before tax to net cash flows :</b>			
Depreciation and amortisation expense	1362.12	1152.03	952.39
Withdrawn From Revaluation Reserve /	(81.37)	(53.53)	(20.73)
Deferred Government Grant			
Loss / (Profit) on sale of Assets	(20.86)	(6.16)	(12.14)
Loss / (Profit) on sales of Investments	0.00	(1.73)	0.00
Loss / (Profit) on Partnership Firms (Net)	17.30	(19.14)	(13.74)
Provision for bad debts	3.18	0.00	
Provision for Doubtful Advances	31.63	4.49	
Upfront Interest on restructuring of Loan	11.65	10.27	10.86
Diminution in value of Current Investments	(0.08)	0.41	0.28
Excess Provision written back	(46.11)	(48.82)	(11.08)
Dividend	(0.13)	(0.24)	(0.24)
Interest expenses	2524.13	2481.63	1989.32
Interest Income	(43.78)	(439.67)	(197.96)
<b>Operating Profit before working capital changes</b>	<b>4155.34</b>	<b>3989.52</b>	<b>3657.89</b>
<b>Movements in working capital :</b>			
Increase / (decrease) in trade payables	1939.49	(542.68)	2728.75



	Increase / (decrease) in long term provisions	44.09	19.79	22.27
	Increase / (decrease) in short term provisions	8.76	13.97	(8.37)
	Increase / (decrease) in other current liabilities	915.57	779.03	674.10
	Decrease / (increase) in trade receivable	(117.07)	1803.43	(953.25)
	Decrease / (increase) in inventories	(1295.35)	(1967.36)	(1116.32)
	Decrease / (increase) in long term loans and advances	213.49	(574.47)	737.34
	Decrease / (increase) in short term loans and advances	(87.79)	79.16	(260.54)
	Decrease / (increase) in other current assets	(27.55)	63.54	(50.90)
	<b>Cash Generated from / (used in) Operations</b>	<b>5748.98</b>	<b>3663.93</b>	<b>5430.97</b>
	Direct taxes paid (net of refunds)	(34.28)	(244.69)	(154.85)
	Cash flow before extraordinary items	5714.70	3419.24	5276.12
	Net Prior Year Expenses	0.00	0.00	0.00
	Net Cash from / (used in) Operating Activities	5714.70	3419.24	5276.12
<b>B</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Loans given (Net)	0.00	42.95	(27.63)
	Purchase of fixed assets	(2173.13)	(3002.37)	(3464.14)
	Sale of fixed assets	20.87	14.16	12.36
	Purchase of Current Investments	(124.73)	(49.59)	(0.22)
	Proceeds from Sale / maturity of Investments	0.00	48.27	0.00
	Investment in bank deposits (having original maturity of more than three months)	(99.22)	75.44	(148.23)
	Redemption / maturity of bank deposits (having original maturity of more than three months)	0	0	36.81
	Interest received	120.44	512.41	221.12
	Dividend received	0.13	0.24	0.24
	<b>Net Cash flow from / (used in) Investing Activities</b>	<b>(2255.64)</b>	<b>(2358.49)</b>	<b>(3369.69)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceeds from Long Term borrowings	2568.93	3513.48	1976.12
	Repayment of Long Term Borrowings	(1930.25)	(4300.06)	0.00
	Proceeds from Short Term borrowings	2494.94	8062.67	(1744.37)
	Repayment of Short Term Borrowings	(3800.05)	(5667.63)	0.00
	Interest paid	(2574.97)	(2525.70)	(2048.12)
	Dividends paid on equity shares	(104.66)	(105.83)	(105.00)
	Tax on equity dividend paid	(18.32)	(17.49)	(17.49)
	Net Cash used in Financing Activities	(3364.38)	(1040.56)	(1938.86)
	Net Increase/(Decrease) in cash and Cash equivalents (A+B+C)	94.68	20.19	(32.43)
	Op. Balance of Cash and Cash Equivalents (Includes unrealized exchange difference)	7.75	77.56	101.26



	Cl. Balance of Cash and Cash Equivalents (Includes unrealized exchange difference)	192.43	97.75	68.83
	Major Components of Cash and Cash Equivalents as at	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	Cash and Cheques on hand	44.28	23.10	21.27
	Balance With Banks			
	On Current Accounts	45.82	38.65	41.10
	On Unpaid Dividend Accounts *	19.72	16.56	0.00
	On Fixed / Margin Money Deposit Accounts	82.61	19.44	6.46
		<b><u>192.43</u></b>	<b><u>97.75</u></b>	<b><u>68.83</u></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 INDUSTRIES LIMITED**

Sd/-  
**RAJESH R. GANDHI**  
**CHAIRMAN AND MANAGING DIRECTOR**

Place : Ahmedabad.

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