



## NOTICE

**NOTICE** is hereby given that the 29<sup>th</sup> **ANNUAL GENERAL MEETING** of the members of **VADILAL ENTERPRISES LIMITED** will be held on Thursday, the 25<sup>th</sup> day of September, 2014, at 10.00 a.m., at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380006, to transact the following business :

### **ORDINARY BUSINESS :**

- 1) To receive, consider and adopt the audited Statement of Profit & Loss for the year ended March 31, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
- 2) To declare dividend on Equity Shares for the financial year ended on March 31, 2014.
- 3) To appoint a Director in place of Mr. Rajesh R. Gandhi (DIN: 00009879) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- 4) To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with rules under the Companies (Audit and Auditors) Rules, 2014, M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (Registration No. 104744W), the retiring Auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration, apart from re-imburement of out-of-pocket expenses and applicable taxes.”

### **SPECIAL BUSINESS :**

- 5) To appoint Mr. Jayantilal M. Shah (DIN: 00023673) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and revised Clause – 49 of the Listing Agreement, Mr. Jayantilal M. Shah (DIN: 00023673), Director of the Company whose period of office was liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”

- 6) To appoint Mrs. Niranjana A. Kapadia (DIN: 00667547) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Niranjana A. Kapadia (DIN: 00667547), Director of the Company whose period of office was liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 (being an Independent Director) is no longer liable to retire by rotation and who in accordance with the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”

- 7) To confirm the borrowing limit of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in confirmation and supersession of the earlier resolution passed at the 10<sup>th</sup> Annual General Meeting of the members of the Company held on 30<sup>th</sup> September, 1995 under Section 293(1)(d) of the Companies Act, 1956 (earlier Act), the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for the purpose) to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the

Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from loans repayable on demand or within 6 months from the date of the loan such as short-term, cash credit arrangement, discounting of bills and the issue of other short term loans of a seasonal character and other temporary loans obtained from company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 50.00 crores (Rupees Fifty crores)."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution."

- 8) To confirm creation of charge within the borrowing limit of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in confirmation and supersession of the earlier resolution passed at the 10<sup>th</sup> Annual General Meeting of the members of the Company held on 30<sup>th</sup> September, 1995 under Section 293(1)(a) of the Companies Act, 1956 (earlier Act), the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby granted to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for the purpose) to mortgage/ hypothecate and/or create charge/pledge etc., in addition to the mortgages/ hypothecations/ charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Banks/Financial Institutions/Other Lender(s), Agent(s) and Trustee(s) for securing the borrowings availed/to be availed by the Company and/or any of the Company's holding / subsidiary / affiliate / associate Company, by way of loan(s) (in foreign currency and/or rupee currency) and Securities (comprising fully/partly convertible Debentures and/or Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013 from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s)/Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the company in terms of the Loan Agreement(s)/ Other Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s) in respect of the said loans/ borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/Agent(s)/ Trustee(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and/or its duly constituted Committee be and are hereby authorized to finalise, settle and execute such documents/deeds/ writings/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion thinks necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

- 9) To alter Articles of Association by inserting new Article relating Inspection and copy of Register & Index of Members and Annual Return and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 14, 94 and all other applicable provisions of the Companies Act, 2013 and Rule 14 and 16 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force and as may enacted from time to time), Articles of Association of the Company be and is hereby altered by inserting new Article No. 149-A as under after the existing Article No. 149 of the Articles of Association of the Company :-

**149-A : Inspection and copy of Register & Index of Members and Annual Return**

*Notwithstanding anything contained in other Articles, the Register of Members and Index of Members as mentioned in Section 88 of the Companies Act, 2013 and copies of Annual Returns filed by the Company under Section 92 of the Companies Act, 2013 shall be open for inspection during business hours, at such reasonable time on every working day as the board may decide, by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of fee of Rs. 50/- for each inspection.*



*Any such member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register or entries therein or return on payment of fee of Rs. 10/- for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.*

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

- 10) To keep Register and Index of Members at other place and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 94 read with Section 88 and 92 and other applicable provisions of the Companies Act, 2013 and Rules made there under, the consent of the members of the Company be and is hereby accorded to keep, maintain and preserve Register of Members and Index of Members of the Company, at the Office of MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company, situated at 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009 instead of keeping and maintaining the same at Registered Office of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

- 11) To accept Fixed Deposit from the members and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 73 and all other applicable provisions of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 as may be amended from time to time and clarifications/guidelines issued by the Central Government, consent of the members be and is hereby accorded to the Board of Directors of the Company to invite and accept fixed deposits from the members within limits prescribed in the Act and overall borrowing limits of the Company, as approved by the members from time to time and the draft of the Circular for inviting / accepting Deposits from the Members and the terms and conditions contained therein and as given in the Explanatory Statement annexed hereto, be and the same is hereby approved.”

**“RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof be and is hereby authorised to amend the terms and conditions of the said scheme as and when required and to sign and execute deeds, applications, documents and writings that may be required on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution.”

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

**RAJESH R. GANDHI  
Chairman**

**Registered Office :**

A/801, 8th Floor, “Time Square” Building,  
C. G. Road, Nr. Lal Bungalow Char Rasta,  
Navrangpura, Ahmedabad - 380 009.

CIN : L51100GJ1985PLC007995

Email : sharelogs@vadilalgroup.com

Website : www.vadilalgroup.com

Phone : 079 30153184

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

**NOTES :**

- 1) **A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a 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 the proxy should, however, be deposited at the registered office/ Share Department of the Company not less than forty-eight hours before the commencement of the Meeting.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

- 2) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.



- 3) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 4) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 5) (a) The Company has notified closure of Register of Members and Share Transfer Books from 13<sup>th</sup> September, 2014 to 25<sup>th</sup> September, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.  
(b) Dividend of Re. 0.80/- per share (@ 8.00%) on Equity Shares for the year ended on 31st March, 2014 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/Share Transfer Agent on or before 12<sup>th</sup> September, 2014, 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 12<sup>th</sup> September, 2014.

**6) Voting through electronic means:**

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote through e-voting services provided by NSDL and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

**The process and manner of e-voting is being sent to all the members whose e-mail ids are registered with the Company/Depository Participant /Share Transfer Agent for communication purpose through electronic mode. For members who have not registered their e-mail ids as above, the process and manner of e-voting is provided in a separate sheet as enclosed alongwith this Annual Report / e-mail separately.**

- 7) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
- 8) **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
- 9) Pursuant to Section 205A of the Companies Act, 1956, the Company has already transferred all unclaimed dividends declared upto the financial year ended on 31st March, 1994 (18 months) to the General Revenue Account of the Central Government as required by 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 (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 (Interim & Final Dividend) and 30th September, 1998 (18 months) to the Investor Education and Protection Fund (IEPF) established by the Government under Section 205C(1) of the Act.  
The amount of dividend for the financial year ended on 31st March, 2007, 31st March, 2008, 31st March, 2009, 31st March, 2010, 31<sup>st</sup> March, 2011, 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2013 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 3rd November, 2014, 3rd November, 2015, 31st October, 2016, 4<sup>th</sup> November, 2017, 1<sup>st</sup> November, 2018, 3rd November, 2019 and 26<sup>th</sup> October, 2020 respectively. Members, who have so far not encashed their dividend warrants for the said financial years, are requested to approach the Company for revalidation or duplicate dividend warrants. Thereafter, no claims shall lie against the said Fund or the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims.
- 10) 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.
- 11) 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 or Share



Transfer Agent, 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.

- 12) Relevant documents referred to in the accompanying Notice are open for inspection for the members at the Share Department of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.
- 13) Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.
- 14) 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 10 days before the date of the meeting.

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

##### **Item No. 5**

Mr. Jayantilal M. Shah is an Independent Director of the Company and has held the position as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mr. Jayantilal M. Shah as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a term of 5 (five) consecutive years upto the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

Mr. Jayantilal M. Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Jayantilal M. Shah for the office of Director of the Company.

The Company has also received declaration from Mr. Jayantilal M. Shah that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Mr. Jayantilal M. Shah fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Mr. Jayantilal M. Shah is independent of the management.

Copy of the draft letter for appointment of Mr. Jayantilal M. Shah as Independent Director setting out the terms and conditions is available for inspection by members at the Share Department of the Company.

Mr. Jayantilal M. Shah is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointments.

The relatives of Mr. Jayantilal M. Shah may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

##### **Item No. 6**

Mrs. Niranjana A. Kapadia is an Independent Director of the Company and has held the position as such for less than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mrs. Niranjana A. Kapadia as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a term of 5 (five) consecutive years upto the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019..

Mrs. Niranjana A. Kapadia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Niranjana A. Kapadia for the office of a Director of the Company.

The Company has also received declaration from Mrs. Niranjana A. Kapadia that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mrs. Niranjana A. Kapadia fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Agreement. Mrs. Niranjana A. Kapadia is independent of the management.

Copy of the draft letter for appointment of Mrs. Niranjana A. Kapadia as an Independent Director setting out the terms and conditions is available for inspection by members at the Share Department of the Company.

Mrs. Niranjana A. Kapadia is interested in the resolution set out at Item No. 6 of the Notice with regard to her appointment.

The relatives of Mrs. Niranjana A. Kapadia may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

#### **Item No. 7**

Section 180 of the Companies Act, 2013 (the Act) (corresponding to Section 293 of the Companies Act, 1956) has been notified by Ministry of Corporate Affairs (MCA) with effect from September 12, 2013. In terms of Section 180(1)(c) which corresponds to Section 293(1)(d) of the Companies Act, 1956, borrowings by the Company (apart from loans repayable on demand or within 6 months from the date of the loan such as short-term, cash credit arrangement, discounting of bills and the issue of other short term loans of a seasonal character and other temporary loans obtained from company's bankers in the ordinary course of business), in excess of the paid-up capital of the Company and its free reserves, require the approval of the Members by way of special resolution.

The Members at the 10<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 1995 had approved the borrowing of sums not exceeding ₹ 50.00 crore (Rupees Fifty crore) under Section 293(1)(d) of the Companies Act, 1956.

The Ministry of Corporate Affairs (MCA) has vide its Circular dated March 25, 2014 clarified that the resolution passed under Section 293(1)(d) of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets of the company will be effective for a period of one year from the date of notification of Section 180 of the Act which would be September 11, 2014.

Pursuant to the above clarification, it is proposed to seek a fresh approval of the Members under Section 180(1)(c) of the Companies Act, 2013 for the borrowings by the Company upto Rs. 50.00 crores i.e. without further increase in borrowing limit as set out in the resolution No. 7 of the accompanying notice.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

#### **Item No. 8**

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 and Rules made thereunder, the approval of Members of the Company by way of a Special Resolution is required to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

The Company proposes to ratify and confirm its present borrowing limit of Rs. 50.00 crores under Section 180(1)(C) of the Companies Act, 2013 and Rules made thereunder.

The Borrowings by a Company, in general is required to be secured by mortgage or charge or hypothecation on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

However, the mortgage and/or charge and/or hypothecation on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company or of any of its holding, subsidiary, affiliate or associate company, with a power to the charge holders to take over the management of the business and concern of the Company in certain events of default, may be regarded as disposal of the Company' undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013 and Rules made thereunder.

The members of the Company has, at the 10<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 1995, approved for creating charge/mortgage/hypothecation over the immovable and/or movable properties of the Company, both present and future, to secure the borrowing limit of the Company.

Pursuant to General Circular No. 04/2014 dated 25<sup>th</sup> March, 2014 issued by Ministry of Corporate Affairs, any resolution passed under section 293(1)(a) of the Companies Act, 1956 prior to 12-9-2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act



Hence, the Company is required to ratify and confirm to create charge/mortgage/ hypothecation etc. and pass a fresh Special Resolution of the Members of the Company under Section 180(1)(a) of the Companies Act, 2013 for creating charge/mortgage/ hypothecation over the immovable and/or movable properties of the Company, both present and future, to secure the proposed borrowing limit of Rs. 50.00 Crores of the Company.

Pursuant to the above clarification, it is proposed to seek a fresh approval of the Members under Section 180(1)(a) of the Companies Act, 2013 as set out in the resolution No. 8 of the accompanying notice.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

#### **Item No. 9**

Pursuant to the provisions of Section 94 of the Companies Act, 2013 and Rule 14 of the Companies (Management and Administration) Rules, 2014, the register and index of members maintained pursuant to Section 88 and copies of annual returns prepared pursuant to Section 92 of the Act, shall be open for inspection during business hours, at such reasonable time on every working day as the board may decide, by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of such fee as may be specified in the articles of association of the company but not exceeding fifty rupees for each inspection.

For the purposes of this sub-rule, reasonable time of not less than two hours on every working day shall be considered by the company.

Further, any such member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register or entries therein or return on payment of such fee as may be specified in the articles of association of the company but not exceeding ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.

For the aforesaid purpose, it is proposed to alter the Articles of Association of the Company by inserting a new Article No. 149-A after the existing Article No. 149 in the Articles of Association related to inspection of registers and returns and fees for obtaining copies thereof by Members in terms of provisions of Section 94 of the Companies Act, 2013 and Rule 14 of the Companies (Management and Administration) Rules, 2014.

Pursuant to Section 14 of the Companies Act, 2013, the consent of the Members of the Company by way of a Special Resolution is required for alteration in Articles of Association of the Company.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

#### **Item No. 10**

Pursuant to the provisions of Section 94 of the Companies Act, 2013 and Rules made thereunder, the Register of Members and Index of Members required to be kept and maintained by the company under Section 88 and copies of the annual return filed by the Company under Section 92 shall be kept at the registered office of the company:

Provided that such registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance.

In view of the above, it is proposed to authorize M/s MCS Share Transfer Agent Limited to maintain, preserve and authenticate Register of Members and Index of Members of the Company, at its office situated at 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009 instead of maintaining the same at Registered Office of the Company.

The Board commends the Special Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

#### **Item No. 11**

The Board of Directors at their meeting held on 14<sup>th</sup> August, 2014 approved and recommended the invitation and acceptance of fixed deposits from the members pursuant to Section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 as one of the modes to meet the ongoing fund requirements of the Company.

In compliance with the above provisions of the Act and the Rules, the Company is required to obtain approval of its shareholders for a fresh scheme of acceptance of Unsecured Fixed Deposits from the members of the Company and as such, approval of the members by way of Special Resolution is being sought.

Therefore, the special resolution at Item No. 11 to the annexed notice is recommended for your approval.

The draft of the Circular for inviting / accepting Deposits from the Members is given hereunder :



## 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 : 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 : 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	1577/33/F, Patel Block, Nr. Old Gujarat High Court Railway Crossing, P.O. Navjivan, Ahmedabad - 380014.	Industrialist	00010146
Shri Jayantilal M. Shah	13, Milan Park, Near President Hotel, Off Cg Road, Navrangpura, Ahmedabad, 380009,	Business	00023673
Smt. Niranjana A. Kapadia	26, Sudarshan Colony, Satellite Road, Satellite, Ahmedabad, 380054,	Housewife	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 deposit 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>163.09</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 :**

- i. 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	Interest	Maturity Value	Annualized Yield
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 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	366.19	434.81	439.72	Capital WIP	309.62	290.71	0.00
Long term provisions	14.37	--	--	Intangible Assets under Development	--	46.29	0.00
Long term borrowings	352.58	379.39	260.59	Intangible Assets	47.69	--	--
Short term borrowings	436.17	460.32	377.36	Non-current Investments	4.48	4.48	4.48
Trade payables	5703.42	6381.17	6929.69	Deferred Tax Asset (Net)	142.78	124.97	105.14
Other Current liabilities	4264.07	3668.64	2787.16	Long term loans and advances	2608.41	2581.42	890.82
Short term provisions	79.97	63.74	75.91	Other non-current assets	2.78	2.96	0.30
				Inventories	128.70	155.74	544.27
				Trade receivables	2774.42	2709.48	2588.79
				Cash and Bank balances	85.39	395.69	75.40
				Short term loans and advances	2013.03	2489.02	4754.75
				Other current assets	167.76	192.43	155.97
<b>Total</b>	<b>11303.03</b>	<b>11474.33</b>	<b>10956.69</b>	<b>Total</b>	<b>11303.03</b>	<b>11474.33</b>	<b>10956.69</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>			
Net Profit/(Loss) before tax from continuing operations	(87.26)	7.50	135.71
Non-cash adjustments to reconcile profit before tax to net cash flows :			
Depreciation and amortisation expense	540.13	459.90	369.82
(Profit) / Loss on sale of Fixed Assets	2.15	0.23	(4.64)
Provision for Doubtful Advances / debtors	64.43	37.85	25.89



	Bad debts/advances written off	37.68	49.35	1.76
	Fixed Assets written off	23.17	0.00	8.00
	Loss due to fire	0.14	0.00	0.00
	Dividend Income	(0.08)	(0.08)	(0.08)
	Interest Income	(171.28)	(210.80)	(158.79)
	Interest expenses	148.57	119.01	101.20
	Excess Provision written back	(99.94)	(69.05)	(72.70)
	<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)
	Net Cash flow from/(used in) Operating Activities(A)	739.92	1,116.15	621.08
<b>B</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Purchase of fixed assets/CWIP	(1149.76)	(1,026.26)	(786.17)
	Proceeds from Sale of fixed assets	27.03	0.12	10.39
	Investments in Bank Deposits (having original maturity of more than three months)	(18.77)	(41.85)	(40.08)
	Redemption / maturity of bank deposits (having original 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>	<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(Net)	(24.15)	82.96	195.23
	Interest paid	(142.49)	(120.15)	(95.73)
	Dividends paid	(9.86)	(9.82)	(9.95)
	Tax on equity dividend	(1.76)	(1.68)	(1.68)
	Net Cash flow from/(used in) in Financing Activities (C)	(123.70)	58.52	116.23
	Net Increase/(Decrease) in cash equivalents (A+B+C)	(288.17)	321.18	3.23
	Net Cash Equivalents as at 01.04.2013 (Opening Balance)	355.73	34.55	31.32
	Total	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 on hand	4.74	3.55	4.46
	Balance With Banks :			
	On Current Accounts	60.12	348.39	30.09
	On Deposit Accounts	-	1.58	0.00
	Unclaimed Dividend Accounts *	2.70	2.21	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.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution, except to the extent of any fixed deposits that may be placed with the Company by them, their relatives or by the Companies/Institutions in which they are Directors.

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

**RAJESH R. GANDHI  
Chairman**

**Registered Office :**

A/801, 8th Floor, "Time Square" Building,  
C. G. Road, Nr. Lal Bungalow Char Rasta,  
Navrangpura, Ahmedabad - 380 009.  
CIN : L51100GJ1985PLC007995  
Email : sharelogs@vadilalgroup.com  
Website : www.vadilalgroup.com  
Phone : 079 30153184

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