

Vadialal

**VADIALAL ENTERPRISES LIMITED**

Regd. Office : 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stop, Ambli Bopal Road, Bopal, Ahmedabad, Ph.: 079-30921200,  
 Web:www.vadialalgroup.com, CIN:L51100G11985PLC007995, Email : shareslogs@vadialalgroup.com

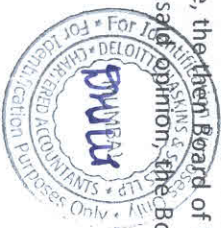
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON JUNE 30, 2019**

( ₹ in Lacs)

Sr. No.	Particulars	Quarter ended		Year ended	
		June 30, 2019 (Unaudited)	March 31, 2019 (Refer Note 9)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Revenue from operations	29,515.63	11,207.15	25,730.08	57,314.39
2	Other Income	58.20	161.35	40.99	284.20
3	<b>Total Income (1+2)</b>	<b>29,573.83</b>	<b>11,368.50</b>	<b>25,771.07</b>	<b>57,598.59</b>
4	<b>Expenses</b>				
	a) Purchases of stock-in-trade	21,681.77	8,337.98	19,595.60	43,696.27
	b) Changes in inventories of stock-in-trade	620.85	(978.71)	597.27	(34.92)
	c) Employee benefits expense	1,020.00	895.53	889.58	3,572.99
	d) Finance costs	84.62	114.82	68.90	368.84
	e) Depreciation and amortisation expense	335.36	309.79	275.86	1,195.35
	f) Other expenses	4,143.57	2,109.74	3,610.47	8,784.61
	<b>Total expenses :</b>	<b>27,886.17</b>	<b>10,789.15</b>	<b>25,037.68</b>	<b>57,583.14</b>
5	<b>Profit/ (loss) from ordinary activities beforeTax (3-4)</b>	<b>1,687.66</b>	<b>579.35</b>	<b>733.39</b>	<b>15.45</b>
6	<b>Tax expense</b>				
	a) Current Tax	631.15	79.71	276.67	79.71
	b) Deferred Tax	(61.05)	102.78	(48.83)	(73.16)
	<b>Total Tax Expense</b>	<b>570.10</b>	<b>182.49</b>	<b>227.84</b>	<b>6.55</b>
7	<b>Net Profit/(loss) for the period/Year (5-6)</b>	<b>1,117.56</b>	<b>396.86</b>	<b>505.55</b>	<b>8.90</b>
8	<b>Other Comprehensive Income (Net of Tax)</b>				
	Items that will not be reclassified to statement of Profit and Loss				
	- Remeasurement of Defined Benefit Plans (Net of Taxes)	(3.75)	(13.69)	0.09	(13.96)
	<b>Total Comprehensive Income/(loss) for the period/Year (7+8)</b>	<b>1,113.81</b>	<b>383.17</b>	<b>505.64</b>	<b>(5.06)</b>
	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	86.27	86.27	86.27	86.27
	Other Equity				299.40
	Earnings Per Share (of ₹ 10/- each) (not annualized) :				
	Basic and Diluted (₹)	129.55	46.00	58.60	1.03



- 1 The above financial results for the quarter ended on June 30, 2019 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting held on August 23, 2019 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The statutory auditors have issued a disclaimer of opinion in respect of the results for the quarter ended June 30, 2019.
- 2 During the financial year 2018-19, two promoter directors of the Company have sent out numerous communications to the Board of Directors ("the Board") of the Company making various allegations and counter-allegations on each other on primarily relating to the running of operations and management of the Company on a range of matters including payments to a vendor without services being received, procurement of equipments at prices higher than comparable low market rates, dissemination of Company's confidential data / information to outsiders, demand for re-examination of books of account of past periods, legitimacy of salaries paid to relatives of the promoter directors, payments made to certain vendors without appropriate approvals and independence of Independent Directors, amongst others. Subsequent to the year-end, on July 23, 2019, the Promoter Directors have jointly communicated to the Board that they withdraw all the aforesaid allegations / counter-allegations on each other unconditionally and without any reservations except for the ones stated in Note 3 below. The Board of Directors in their meeting on July 23, 2019, evaluated the basis of withdrawal of the joint communications of both the promoter directors and further as the allegations levied were without any corroborative evidence, decided no further action was required on any of the allegation except for the ones stated in Note 3 below.
- 3 a) One of the Promoter Directors of the Company has suspected that another Promoter Director of the Company has approved certain inappropriate payments amounting to ₹ 53.39 lacs during the financial years 2013-14 to financial year 2018-19. The Board of Directors ("the Board") of the Company, in their meeting held on May 28, 2019 have approved the appointment of external legal firm to hand hold the Board through the process of inquiry into allegations including compliance with applicable laws and regulations. As on the date of approval of these financial results by the Board, the independent external legal firm are yet to provide their report to the Board to enable them to take further action in this matter. The Company is of the opinion that the outcome of findings will not have any material impact on the financial statements of the respective financial years.
- b) Furthermore, in a meeting of the Board of Directors held on May 28, 2019, one of the Promoter Directors, has submitted details of expenses aggregating to ₹ 45.90 lakh incurred from the period from FY 2013-14 to FY 2017-18 to the Board, wherein he has alleged that either the transactions are inappropriate in nature and/or approved by unauthorized personnel.
- As the statutory auditors have not accepted Company's representation on note 2 and 3 above and issued a disclaimer of opinion on the financial result for the quarter ended June 30, 2019. The promoter directors in the board meeting held on August 23, 2019 have voluntarily offered to appoint an independent law firm to conduct detailed inquiry in all the matters as reported in the statutory audit report with an aim of value preservation and enhancement in the interests of all stakeholders.
- 4 On September 29 2016, an agreement was signed between the Company and Vadial Industries Limited ("VIL"), a related party, for purchase of ice-creams and other products for onward sale in the domestic market. The agreement was approved by the Board of Directors of the Company in their meeting held on August 8, 2016 and subsequently approved by the shareholders in their meeting held on September 27, 2016. As per the agreement, the pricing of the products to be purchased shall be determined at the discretion of VIL. One erstwhile independent director of the Company, who had approved the contract in the meeting of the Board of Directors as referred above, in his resignation letter and a promoter shareholder have sighted their concerns on the terms and conditions of the contract. The pricing pattern has remained consistent over these past years. The Company's management has obtained an opinion from a retired Supreme Court Judge who has opined that the contract is valid under the Indian Contract Act, 2013 and that it was approved by the then Audit Committee, the then Board of Directors and the then shareholders in accordance with the requirements of the Companies Act, 2013 and the Listing Regulations. Based on the aforesaid opinion, the Board of Directors have concluded that the transactions pursuant to the contract are in accordance with the applicable laws.



5 In FY 2017-18, a Company Petition was filed against the Company and some of its promoters, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013 pertaining to prevention of oppression and mismanagement of the Company. In the current financial year, no orders have been passed by the NCLT as the petitioners and some of the parties to the petition have submitted to the NCLT that they are seeking to arrive at an amicable resolution of matter.

6 Effective from April 1, 2019, the Company has adopted IND AS 116 Leases, using the modified retrospective approach and applied the standard to its leases on prospective basis. The effect of this adoption is insignificant on the profit for the period and earning per share.

7 As the major business of the Company i.e. marketing and selling of ice-cream is of a seasonal nature, sales as well as profits during April to June period are usually higher than July to March period.

8 The Company is primarily engaged in one business segment namely Food segment as determined by the Chief Operating Decision Maker in accordance with INDAS 108 - "Operating Segment".

9 Figures for Quarter ended March 31, 2019 represents the difference between the audited figures in respect of the full financial year and the published figures of nine months ended December 31, 2018, which were subject to limited review.

Date : August 23, 2019

Place : Ahmedabad



FOR VADILAL ENTERPRISES LIMITED

*R R Gandhi*  
RAJESH R. GANDHI

CHAIRMAN

