

VADILAL INDUSTRIES LIMITED

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STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lacs)

Sr. No.	Particulars	Quarter ended			Year ended	Year ended
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
		Refer Note 12	(Unaudited)	Refer Note 12	(Audited)	(Audited)
1	Revenue from operations	9,866.36	7,891.89	11,480.59	50,705.76	52,013.98
2	Other income	381.77	156.66	315.19	1,258.46	743.53
3	Total Income (1+2)	10,248.13	8,048.55	11,795.78	51,964.22	52,757.51
4	Expenses					
	a) Cost of materials consumed	7,296.17	3,862.49	8,003.19	28,414.93	28,817.33
	b) Purchase of stock-in-trade	311.04	227.52	141.41	1,064.58	586.34
	c) Changes in inventories of finished goods and Stock-in-	(1,692.63)	210.35	(1,527.53)	(982.16)	1,416.56
	d) Excise duty on sale of Goods	-	-	-	-	493.24
	e) Employee benefits expense	1,046.56	934.08	1,042.19	3,921.43	3,195.34
	f) Finance Costs	426.56	323.16	473.48	1,392.13	1,522.19
	g) Depreciation and amortisation expense	431.54	393.75	346.80	1,659.83	1,598.38
	h) Other expenses	2,893.19	2,396.96	3,034.80	11,625.87	12,904.38
	Total expenses :	10,712.43	8,348.31	11,514.34	47,096.61	50,533.76
5	Profit/(Loss) from ordinary activities before tax (3-4)	(464.30)	(299.76)	281.44	4,867.61	2,223.75
6	Tax Expense					
	(a) Current Tax	(248.60)	(120.83)	(75.30)	1,588.43	608.05
	(b) Deferred Tax	97.27	38.11	128.61	130.80	131.17
	Total Tax Expense	(151.33)	(82.72)	53.31	1,719.23	739.22
7	Net Profit/ (Loss) after tax (5-6)	(312.97)	(217.04)	228.13	3,148.38	1,484.53
8	Other Comprehensive Income (Net of tax)					
	Items that will not be reclassified to statement of Profit and Loss					
	- Remeasurement of defined benefits plan (net of tax)	(14.60)	(4.61)	3.77	(28.19)	(18.54)
	Total Other Comprehensive Income (Net of Tax)	(14.60)	(4.61)	3.77	(28.19)	(18.54)
9	Total Comprehensive Income for the period (7+8)	(327.57)	(221.65)	231.90	3,120.19	1,465.99
10	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	718.78	718.78	718.78	718.78	718.78
11	Other Equity excluding Revaluation Reserve				12,074.67	9,062.80
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :					
	Basic & diluted (₹)	(4.35)	(3.02)	3.17	43.80	20.65
	See accompanying Notes to the Standalone Financial Results					



Standalone Statement of Assets and Liabilities

(₹ in lacs)

Particulars	March 31, 2019	March 31, 2018
	(Audited)	(Audited)
ASSETS		
Non-current Assets :		
(a) Property, Plant and Equipment	26,051.47	25,115.03
(b) Capital Work in Progress	1,319.63	728.89
(c) Investment Property	19.40	19.74
(d) Other Intangible Assets	193.06	247.65
(e) Financial Assets		
(i) Investments	290.39	289.86
(ii) Loans	301.49	283.60
(iii) Other Financial Assets	661.75	607.62
(f) Non Current Tax Assets (Net)	47.15	-
(g) Other Non- Current Assets	618.12	559.69
Total Non current Assets :	29,502.46	27,852.08
Current Assets :		
(a) Inventories	11,831.30	9,675.35
(b) Financial Assets		
(i) Investments	1.44	1.73
(ii) Trade Receivables	3,339.26	4,523.56
(iii) Cash and Cash Equivalents	81.95	106.05
(iv) Bank Balance other than (iii) above	252.37	211.67
(v) Loans	210.05	13.99
(vi) Other Financial Assets	211.04	85.63
(c) Current Tax Assets (Net)	-	47.15
(d) Other Current Assets	1,151.66	996.64
Total Current Assets :	17,079.07	15,661.77
TOTAL ASSETS :	46,581.53	43,513.85
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	718.78	718.78
(b) Other Equity	19,598.84	16,586.97
Total Equity	20,317.62	17,305.75
Liabilities		
Non Current Liabilities:-		
(a) Financial Liabilities		
(i) Borrowings	5,743.42	7,099.10
(ii) Other Financial Liabilities	55.53	48.49
(b) Provisions	201.37	128.34
(c) Deferred Tax Liabilities (Net)	2,223.30	2,091.74
(d) Other Non Current Liabilities	660.54	698.35
Total Non Current Liabilities	8,884.16	10,066.02
Current Liabilities:-		
(a) Financial Liabilities		
(i) Borrowings	6,563.89	5,305.16
(ii) Trade Payables		
-Dues of micro enterprises and small enterprises	411.20	475.27
-Dues of creditors other than micro enterprises and small enterprises	6,134.10	7,157.25
(iii) Other Financial Liabilities	3,333.32	2,453.69
(b) Provisions	290.69	239.73
(c) Current Tax Liabilities (Net)	79.81	-
(d) Other Current Liabilities	566.74	510.98
Total Current Liabilities	17,379.75	16,142.08
TOTAL - EQUITY AND LIABILITIES :	46,581.53	43,513.85



Notes:-

- 1 The above Standalone Financial results for the quarter and year ended on March 31, 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 and year ended March 31, 2019.
- 2 The Board of Directors of the Company has recommended dividend of ₹ 1.25 per equity share (12.50% face value of ₹ 10 each for the year ended March 31, 2019 on 71,87,830 equity shares amounting to ₹ 89.85 Lacs (excluding tax on dividend of ₹ 18.47 Lacs) subject to approval of the shareholders.
- 3 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 primarily relating to the operations and management of the Company on a range of matters including potential personal expenses claimed as official expenses, funds management, dissemination of price sensitive information, demand for re-examination of books of account of past periods, legitimacy of salaries paid to relatives of the promoter directors, payments made to a vendor without services being received and independence of Independent Directors, amongst others. Subsequent to the year-end, on July 22, 2019, the Promoter Directors have jointly communicated to the Board that they withdraw all these allegations / counter-allegations on each other unconditionally and without any reservations except for the ones stated in Note 4 below. The Board of Directors in their meeting on July 22, 2019, evaluated the basis of withdrawal of the joint communications of the promoter directors – PD1 and PD2 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 4 below.
- 4 A) One of the Promoter Director (PD 1) and the Chief Financial Officer (CFO) of the Company suspects that another Promoter Director (PD 2) (PD 1 and PD 2 collectively referred to as "Promoter Directors" hereinafter) of the Company has claimed potential personal expenses amounting to Rs. 25.33 lakhs as official business expenses during the financial year 2017-18 to 2018-19. The Board of Directors ("the Board") of the Company, in their meeting dated March 30, 2019 have appointed an independent external consultant to perform procedures to ascertain whether potential personal expenses have been claimed as business expenses. In the same meeting, the Board has also appointed an external legal firm to hand hold the Board through the said process including compliance with applicable laws and regulations. As on the date of approval of these financial statements by the Board, the independent external consultants and the external legal firm are yet to provide their report to the Board to enable them to take further action in this matter
B) Similarly, PD 2 suspects that PD 1 and his family members have charged personal travel expenses of approximately Rs. 23.00 lacs as business expense during financial years 2014-15 to 2018-19.
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.
- 5 As the statutory auditors have not accepted Company's representation on the notes no.3 and 4 above and issued a disclaimer of opinion report, the promoter directors in the board meeting held on August 23, 2019 have voluntary 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 interest of all stakeholders.
- 6 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 all of the parties to the petition have submitted to the NCLT that they are seeking to arrive at an amicable resolution of matter.
- 7 On September 29 2016, an agreement was signed between the Company and Vadilal Enterprises Limited, a related party, for sale of ice-creams 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 sold shall be at the discretion of the Company. Two erstwhile independent directors of the Company, who had approved the contract in the meeting of the Board of Directors as referred above, in their resignation letters 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 this opinion, the Board of Directors have concluded that the transactions pursuant to the contract are in accordance with the applicable laws.
- 8 As the major business of the Company i.e. manufacturing 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.
- 9 In compliance with IND AS 20 on Government Grants and consequent to clarifications published by The Institute of Chartered Accountants of India, income from government grants has been recognised as "Other Income" with effect from July 2018. In earlier periods, these refunds were reported under "Other Operating Revenue" in the Statement of Profit and Loss. This has no impact on reported Profit before Tax.
- 10 Consequent to introduction of Goods and Service tax (GST) with effect from 1st July 2017, Central Excise, Service Tax, Value Added Tax (VAT), etc. have been subsumed into GST. In accordance with Indian Accounting Standard and Schedule III of the Companies Act, 2013, Revenue from Operations is disclosed net of GST. In view of the aforesaid restructuring of indirect taxes, Revenue from Operations and excise duty for the year ended March 31, 2019 are not comparable with corresponding previous year.
- 11 The company is primarily engaged in one business segment namely Food segment as determined by the chief operating decision maker in accordance with IND AS 108 - "Operating Segment".
- 12 Figures for the quarter ended March 31, 2019 and March 31, 2018 represents the difference between the audited figures in respect to the full financial year and unaudited published figures of nine months ended December 31,2018 and December 31,2017, respectively, which were subject to limited review.

For VADILAL INDUSTRIES LIMITED

R R Gandhi

RAJESH R.GANDHI
DIRECTOR

Date : August 23, 2019

Place : Ahmedabad

