Vadilal

Date: 23rd August, 2019

To,
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400 001.

Scrip Code : 519152

Dear Sir,

Subject: Submission of Audited Financial Results for the quarter/ year ended on 31st March, 2019 along with Report of Statutory Auditors for the quarter/year ended 31st March, 2019,

We hereby inform you that the Board of Directors of the Company at its meeting held today:

1. Approved the Audited Financial results for the quarter/ year ended on 31st March, 2019

2. Recommended dividend of **Rs. 0.80 per Share (i.e. @ 8%)** on 8,62,668 Equity Shares of Rs. 10/- each for the year ended on 31st March, 2019; subject to approval of shareholder in ensuing Annual General Meeting

3. Pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement), 2015 please find enclosed herewith following:

   - Audited Financial Results of the Company for the quarter/ year ended on 31st March, 2019

   - Auditors Report on Financial Results of the Company. The Report of Statutory Auditors is with disclaimer of opinion with respect to the Audited Financial Results of the Company for the Quarter and Financial Year ended 31st March, 2019. The Statement on Impact of Audit Qualifications (For Audit Report with disclaimer Opinion) for the Financial Year ended 31st March, 2019.

Kindly take the same on your record.

Yours faithfully,
For **VADILAL ENTERPRISES LIMITED**

Darshan Shah
Company Secretary &Compliance Officer

VADILAL ENTERPRISES LTD. A'BAD

Encl: As above

VADILAL ENTERPRISES LIMITED

Reg. Office : 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Bopal, Ahmedabad-380015. Ph. No.: 079-30921200
Corporate Office : VadilalHouse, 53, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad-380009. Ph. No. : 079-26564019-24
Email id : info@vadilalgroup.com Website : vadilalicecreams.com / www. vadilalgroup.com CIN No. L51100GJ1985PLC007995

VADILAL ENTERPRISES LIMITED

Regd. Office : 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stop, Ambli Bopal Road, Bopal, Ahmedabad, Ph.: 079-30921200, Web:www.vadilalgroup.com, CIN:L51100GJ1985PLC007995, Email : shareslogs@vadilalgroup.com

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

(₹ in Lacs)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
		(Refer Note : 10)	(Unaudited)	(Refer Note : 10)	(Audited)	(Audited)
1	Revenue from operations	11,207.15	7,778.71	11,855.29	57,314.39	54,585.94
2	Other Income	161.35	42.22	0.29	284.20	309.37
3	**Total Income (1+2)**	**11,368.50**	**7,820.93**	**11,855.58**	**57,598.59**	**54,895.31**
4	**Expenses**					
	a) Purchases of stock-in-trade	8,337.98	6,273.21	9,943.72	43,696.27	44,740.47
	b) Changes in inventories of stock-in-trade	(978.71)	(41.07)	(1,162.57)	(34.92)	(1,956.13)
	c) Employee benefits expense	895.53	922.58	801.26	3,572.99	2,772.46
	d) Finance costs	114.82	95.53	94.68	368.84	250.00
	e) Depreciation and amortisation expense	309.79	308.78	271.95	1,195.35	1,060.95
	f) Other expenses	2,109.74	1,431.11	1,927.59	8,784.61	8,005.83
	Total Expenses :	**10,789.15**	**8,990.14**	**11,876.63**	**57,583.14**	**54,873.58**
5	**Profit/ (loss) from ordinary activities beforeTax (3-4)**	**579.35**	**(1,169.21)**	**(21.05)**	**15.45**	**21.73**
6	**Tax expense**					
	a) Current Tax	79.71	(258.26)	(12.16)	79.71	2.39
	b) Deferred Tax	102.78	(119.75)	5.88	(73.16)	4.54
	Total Tax Expense	**182.49**	**(378.01)**	**(6.28)**	**6.55**	**6.93**
7	**Net Profit/(loss) for the period/Year (5-6)**	**396.86**	**(791.20)**	**(14.77)**	**8.90**	**14.80**
8	**Other Comprehensive Income (Net of Tax)**					
	Items that will not be reclassified to statement of Profit and Loss					
	- Remeasurement of Defined Benefit Plans (Net of Taxes)	(13.69)	0.09	4.41	(13.96)	0.37
9	**Total Comprehensive Income/(loss) for the period/year (7+8)**	**383.17**	**(791.11)**	**(10.36)**	**(5.06)**	**15.17**
10	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	86.27	86.27	86.27	86.27	86.27
11	Other Equity				299.40	312.77
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :					
	Basic and Diluted (₹)	46.00	(91.72)	(1.71)	1.03	1.72

For Identification Purposes Only
DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
MUMBAI

VADILAL ENTERPRISES LTD. A'BAD

Statement of Assets and Liabilities

(₹ in Lakhs)

	Particulars	March 31, 2019 (Audited)	March 31, 2018 (Audited)
ASSETS			
Non-current assets			
(a)	Property,Plant and Equipment	6,022.93	4,829.17
(b)	Capital work-in-progress	856.48	857.06
(c)	Other Intangible assets	117.98	89.37
(d)	Financial Assets		
	(i) Investments	15.77	15.24
	(ii) Loans	2.49	4.75
	(iii) Other Financial Assets	1,544.30	1,477.01
(e)	Deferred Tax Assets (Net)	262.84	184.69
(f)	Other Non-Current Assets	831.66	895.47
	Total Non Current Assets	**9,654.45**	**8,352.76**
Current assets			
(a)	Inventories	2,152.05	2,099.65
(b)	Financial Assets		
	(i) Trade Receivables	2,813.99	2,492.90
	(ii) Cash & Cash Equivalents	163.05	590.33
	(iii) Bank balance other than (ii) above	55.28	24.38
	(iv)Loans	10.10	11.01
	(v) Other Financial Assets	21.60	21.60
(c)	Current Tax Assets (Net)	-	21.36
(d)	Other Current Assets	608.69	696.34
	Total Current Assets	**5,824.76**	**5,957.57**
	Total Assets	**15,479.21**	**14,310.33**
EQUITY AND LIABILITIES			
Equity			
(a)	Equity Share capital	86.27	86.27
(b)	Other Equity	299.40	312.77
	Total Equity	**385.67**	**399.04**
Liabilities			
Non current Liabilities			
(a)	Financial Liabilities		
	(i) Borrowings	1,337.46	981.38
	(ii) Other Financial Liabilities	7.61	9.18
(b)	Provisions	51.43	17.62
	Total Non current Liabilities	**1,396.50**	**1,008.18**
Current Liabilities			
(a)	Financial Liabilities		
	(i) Borrowings	809.99	555.81
	(ii) Trade Payables		
	- total outstanding dues of micro enterprises and small enterprises	1.57	-
	- total outstanding dues of creditors other than micro enterprises and small enterprises	3,609.31	4,707.67
	(iii) Other Financial Liabilities	8,578.55	7,247.06
(b)	Provisions	192.24	171.17
(c)	Current Tax Liabilities (Net)	46.82	-
(d)	Other Current Liabilities	458.56	221.40
	Total Current Liabilities	**13,697.04**	**12,903.11**
	Total Equity and Liabilities	**15,479.21**	**14,310.33**

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VADILAL ENTERPRISES LTD. * A'BAD

Notes:

1 The above 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 ₹ 0.80 per equity share (8 %) face value of Rs 10 each for the year ended March 31, 2019 on 8,62,668 equity shares amounting to ₹ 6.90 Lakhs (excluding tax on dividend of ₹ 1.42 Lakhs) subject to approval of the shareholders.

3 During the year, 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 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 4 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 4 below.

4 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 lakhs 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 no. 3 and 4 above and issued a disclaimer of opinion on the financial results, 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.

5 On September 29 2016, an agreement was signed between the Company and Vadilal 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 this opinion, the Board of Directors have concluded that the transactions pursuant to the contract are in accordance with the applicable laws.

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 the parties to the petition have submitted to the NCLT that they are seeking to arrive at an amicable resolution of matter.

7 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.

8 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.

9 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".

10 Figures for Quarter ended March 31, 2019 and March 31, 2018 represents the difference between the audited figures in respect of the full financial year and unaudtied published figures of nine months ended December 31, 2018 and December 31, 2017, respectively, respectivley which were subject to limited review.

11 Corresponding figures of the previous period have been re-grouped / re-classified, wherever necessary to make them comparable figure.

FOR VADILAL ENTERPRISES LIMITED

Place : Ahmedabad

Date : August 23, 2019

RAJESH R. GANDHI

CHAIRMAN

For Identification Purposes Only
DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
MUMBAI

VADILAL ENTERPRISES LTD. A'BAD

Deloitte Haskins & Sells LLP

Chartered Accountants
19th Floor, Shapath - V
S G Highway
Ahmedabad - 380 015
Gujarat, India

Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF VADILAL ENTERPRISES LIMITED

1. We were engaged to audit the accompanying Statement of Financial Results of Vadilal Enterprises Limited ("the Company"), for the year ended 31st March, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

   This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Ind AS financial statements which has been prepared by the management of the Company and, which they represent, have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

2. Our responsibility is to conduct an audit of the Statement in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India and to issue an auditor's report. However, because of the matters described in paragraph 3 below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Statement.

3. We refer to the following :

   a. As more fully explained in Note 3 to the Statement, there are disputes on various financial, operational and governance matters between the Promoter Directors of the Company and there are numerous allegations made against each other from August 2018 till July 2019 vide their respective communications to the Board of Directors of the Company. Furthermore, an erstwhile Independent Director in his resignation letter dated June 19, 2019, addressed to the Company, has raised concerns in respect of the aforesaid disputes between the promoter directors of the Company and hostile environment in the meetings of the Board of Directors and its committees. We provided to the Audit Committee and Board of Directors our suggestions to have these allegations investigated by an independent external agency to determine whether any irregularities / non-compliances / illegalities have occurred in relation to the allegations. The Promoters have communicated to Audit Committee and Board of Directors their withdrawal of all the above allegations on July 22, 2019, except for the matters referred in Paragraph 3(b) and 3(c) below.

   b. As more fully explained in note 4(a) to the Statement, the Board of Directors of the Company has initiated an independent inquiry by an external consultant to assess the appropriateness of payments amounting to Rs.53.39 lakhs which were approved by the Promoter Director 1. As per the information and explanations given to us, the external consultants are currently conducting their inquiries and they may make a determination on whether the payments were inappropriate / illegal and its consequential impact, if any, including on compliance of relevant laws / regulations.

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DHS LLP

c. As more fully explained in note 4(b) to the Statement, allegations have been made by Promotor Director 1 with respect to appropriateness of payments aggregating to Rs.45.90 lakhs approved by the Promoter Director 2 and / or by an individual who is not authorised to do so.

d. Further to the above, Note 6 to the Statement refers to the on-going litigations filed against the Company under Section 241 and 242 of the Companies Act, 2013 pertaining to prevention of oppression and mismanagement of the Company.

The Audit Committee and the Board of Directors in their meeting held on August 23, 2019 resolved to initiate independent inquiries into the matters referred in paragraph 3(a) and 3(c) above.

Pending completion of the aforesaid inquiries / investigations and resolution of the above matters, we are unable to determine if any adjustments are necessary to the Statement on account of the aforesaid matters, any restatement of prior years' including any consequential effect thereof.

4. Because of the significance of the matters described in paragraph 3 above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether this Statement:

   (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/216 dated July 5, 2016; and

   (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended March 31, 2019.

5. We draw attention to Note 5 to the Statement, which describe the key terms of a contract entered into by the Company with Vadilal Industries Limited, a related party, for purchase of its goods.

6. The Statement includes the results for the quarter ended 31st March 2019 being the balancing figure between figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

UDIN : 19106189AAAAIH59

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Ahmedabad,
August 23, 2019.

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Standalone Audited Financial Results for the Financial Year ended March 31, 2019

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	SI No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	57,598.59	57,598.59
	2	Total Expenditure	57,583.14	57,583.14
	3	Net Profit/(Loss)	8.90	8.90
	4	Earnings Per Share	1.03	1.03
	5	Total Assets	15,479.21	15,479.21
	6	Total Liabilities	15,093.54	15,093.54
	7	Net Worth	385.67	385.67
	8	Any other financial item(s) (as felt appropriate by the management)	0	0

II Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification

Para 3 and 4 of Independent Auditor's Report which is reproduced hereunder:

3. We refer to the following :

a. As more fully explained in Note 3 to the Statement, there are disputes on various financial, operational and governance matters between the Promoter Directors of the Company and there are numerous allegations made against each other from August 2018 till July 2019 vide their respective communications to the Board of Directors of the Company. Furthermore, an erstwhile Independent Director in his resignation letter dated June 19, 2019, addressed to the Company, has raised concerns in respect of the aforesaid disputes between the promoter directors of the Company and hostile environment in the meetings of the Board of Directors and its committees. We provided to the Audit Committee and Board of Directors our suggestions to have these allegations investigated by an independent external agency to determine whether any irregularities / non-compliances / illegalities have occurred in relation to the allegations. The Promoters have communicated to Audit Committee and Board of Directors their withdrawal of all the above allegations on July 22, 2019, except for the matters referred in Paragraph 3(b) and 3(c) below.

b. As more fully explained in note 4(a) to the Statement, the Board of Directors of the Company has initiated an independent inquiry by an external consultant to assess the appropriateness of payments amounting to Rs.53.39 lakhs which were approved by the Promoter Director 1. As per the information and explanations given to us, the external consultants are currently conducting their inquiries and they may make a determination on whether the payments were inappropriate / illegal and its consequential

	impact, if any, including on compliance of relevant laws / regulations. c. As more fully explained in note 4(b) to the Statement, allegations have been made by Promotor Director 1 with respect to appropriateness of payments aggregating to Rs.45.90 lakhs approved by the Promoter Director 2 and / or by an individual who is not authorised to do so. d. Further to the above, Note 6 to the Statement refers to the on-going litigations filed against the Company under Section 241 and 242 of the Companies Act, 2013 pertaining to prevention of oppression and mismanagement of the Company. The Audit Committee and the Board of Directors in their meeting held on August 23, 2019 resolved to initiate independent inquiries into the matters referred in paragraph 3(a) and 3(c) above. Pending completion of the aforesaid inquiries / investigations and resolution of the above matters, we are unable to determine if any adjustments are necessary to the Statement on account of the aforesaid matters, any restatement of prior years' including any consequential effect thereof. 4. Because of the significance of the matters described in paragraph 3 above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether this Statement: (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/216 dated July 5, 2016; and (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended March 31, 2019.
	b. **Type of Audit Qualification:** ~~Qualified Opinion /~~ Disclaimer of Opinion ~~/ Adverse Opinion~~
	c. **Frequency of qualification:** ~~Whether appeared~~ First time ~~/ repetitive / since how long continuing~~
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not quantified by Auditor
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) **Management's estimation on the impact of audit qualification:** The Management does not expect any negative impact on the financial statements of the Company considering the fact that the amount as already been expensed in the relevant financial years. This Management estimate is subject to conclusion of the inquiries by an external agency voluntarily initiated by Company.
	(ii) **If management is unable to estimate the impact, reasons for the same:** Not applicable

VADILAL ENTERPRISES LTD. AHMEDABAD

	(iii) **Auditors' Comments on (i) or (ii) above:** Our views remain unchanged considering the matters referred in para 3 and 4 of our Audit report.	
III	Signatory:	
	~~CEO/Managing Director /~~ Directors Mr. Rajesh Gandhi, Director Mr. Devanshu Gandhi, Director	R R Gandhi D L Gandhi
	CFO Mr. Rajesh Bhagat	Rajesh Bhagat
	Audit Committee Chairman Mr. Preet Shah Place: Brazil	Preet Shah
	Statutory Auditor M/s Deloitte Haskins & Sells LLP Firm Regn. No: 117366W/W-100018 Mr. Kartikeya Raval, Partner, (Membership no: 106189)	Kartikeya Raval
	Place: Ahmedabad	
	Date: August 23, 2019	

DELOITTE HASKINS & SELLS LLP * CHARTERED ACCOUNTANTS *

VADILAL ENTERPRISES LTD. • AHMEDABAD •