



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 Unaudited Financial results of the Company for quarter ended 30th June, 2019 along with the Limited Review Report of the Statutory Auditors thereon and outcome of Board meeting held on 23rd August, 2019

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

1. Approved Unaudited Financial Results of the Company for Quarter ended on 30th June, 2019 being the 1st Quarter of the current financial year – 2019-2020, in the prescribed format of the Stock Exchange as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement), 2015 which were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company, at its meeting held today.
2. “Limited Review” Report received from the Statutory Auditors of the Company in respect of the Unaudited Financial Results of the Company Quarter ended on 30th June, 2019
3. Further please note that 34th Annual General Meeting which will be held on 30th September, 2019 at 2.00 p.m. at HT Parekh Convention Center, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380015.
4. The schedule of the different events is as follows:

Event	Date with Time
Book Closure date for the purpose of dividend distribution	21-09-2019 to 30-09-2019
Cut-off date for e-voting	23-09-2019
E-voting start date	27-09-2019 9.00 a.m.
E-voting end date	29-09-2019 5.00 p.m.
Annual General Meeting	30-09-2019 at 2.00 p.m.

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

We will submit notice of Annual General Meeting and Annual Report in due course separately.

Kindly take the same on your record.

Yours faithfully,
For **VADILAL ENTERPRISES LIMITED**


Darshan Shah
Company Secretary & Compliance Officer



Encl: As above

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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:L51100GJ1985PLC007995, 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)	
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	Total Income (1+2)	29,573.83	11,368.50	25,771.07	57,598.59
4	Expenses				
	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
	Total expenses :	27,886.17	10,789.15	25,037.68	57,583.14
5	Profit/ (loss) from ordinary activities beforeTax (3-4)	1,687.66	579.35	733.39	15.45
6	Tax expense				
	a) Current Tax	631.15	79.71	276.67	79.71
	b) Deferred Tax	(61.05)	102.78	(48.83)	(73.16)
	Total Tax Expense	570.10	182.49	227.84	6.55
7	Net Profit/(loss) for the period/Year (5-6)	1,117.56	396.86	505.55	8.90
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)	(3.75)	(13.69)	0.09	(13.96)
	Total Comprehensive Income/(loss) for the period/Year (7+8)	1,113.81	383.17	505.64	(5.06)
	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 VADIAL ENTERPRISES LIMITED
R.R. Gandhi
RAJESH R. GANDHI
CHAIRMAN



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF VADILAL ENTERPRISES LIMITED

1. We were engaged to review the accompanying Statement of Unaudited Financial Results of **VADILAL ENTERPRISES LIMITED** ("the Company"), for the quarter ended June 30, 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 amended.

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors and, which they represent, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

2. Our responsibility is to conduct review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). However, because of the significance of the matter described in Paragraph 3 below, we were not able to obtain sufficient appropriate evidence relating to the matters referred to therein, as a basis for expressing a conclusion on the Statement.

3. We refer to the following :

- a) As more fully explained in Note 2 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 3(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 3(b) to the Statement, allegations have been made by Promoter 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 5 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 matter described in paragraph 3 above, we have not been able to obtain sufficient appropriate evidence to form a conclusion on the Statement and hence we do not express a conclusion on the Statement.
5. We draw attention to Note 4 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.

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

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

Place: Ahmedabad

Date: *August 23, 2019*



UDIN: *19106189AAAAAMH8169*