



Date: 12th February, 2020

To,
The National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.

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

Scrip Code No. VADILALIND-EQ

Scrip Code : 519156

Subject: Unaudited Financial results (Standalone & Consolidated) of the Company for quarter ended 31st December, 2019 along with the Limited Review Report of the Statutory Auditors thereon

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

1. Approved Unaudited Financial Results (Standalone & Consolidated) of the Company for Quarter ended on 31st December, 2019 being the 3rd 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 Auditors of the Company in respect of the Quarter ended on 31st December, 2019

Kindly take the same on your record.

For VADILAL INDUSTRIES LIMITED


Ms. Rashmi Bhatt

Company Secretary & Compliance Officer



Encl: As above

VADILAL INDUSTRIES LIMITED

Reg. Office : Vadilal House, 53, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380009.

Ph. No.: 079-26564019-24. Email id : info@vadilalgroup.com

Website : www.vadilalicecreams.com / www.vadilalgroup.com CIN No. : L91110GJ1982PLC005169

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2019

(₹ in lacs)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	7,595.84	12,284.03	7,891.89	43,901.32	40,839.40	50,705.76
2	Other income	142.76	246.17	156.66	626.53	876.69	1,258.46
3	Total Income (1+2)	7,738.60	12,530.20	8,048.55	44,527.85	41,716.09	51,964.22
4	Expenses						
	a) Cost of materials consumed	3,755.88	6,677.14	3,862.49	21,931.25	21,118.76	28,414.93
	b) Purchase of stock-in-trade	160.28	289.22	227.52	741.21	753.54	1,064.58
	c) Changes in inventories of finished goods and Stock-in-trade	510.01	(61.86)	210.35	1,930.95	710.47	(982.16)
	d) Employee benefits expense	1,017.84	957.79	934.08	2,976.30	2,874.87	3,921.43
	e) Finance Costs	315.65	279.56	323.16	967.98	965.57	1,392.13
	f) Depreciation and amortisation expense	458.44	465.05	393.75	1,410.28	1,228.29	1,659.83
	g) Other expenses	2,417.43	2,917.33	2,396.96	9,016.58	8,732.68	11,625.87
	Total expenses :	8,635.53	11,524.23	8,348.31	38,974.55	36,384.18	47,096.61
5	Profit/(Loss) from ordinary activities before tax (3-4)	(896.93)	1,005.97	(299.76)	5,553.30	5,331.91	4,867.61
6	Tax Expense						
	(a) Current Tax	(239.59)	(282.30)	(120.83)	1,381.38	1,837.03	1,588.43
	(b) Deferred Tax	16.67	(627.12)	38.11	(618.46)	33.53	130.80
	Total Tax Expense	(222.92)	(909.42)	(82.72)	762.92	1,870.56	1,719.23
7	Net Profit/ (Loss) after tax (5-6)	(674.01)	1,915.39	(217.04)	4,790.38	3,461.35	3,148.38
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)	(8.18)	(20.74)	(4.61)	(36.03)	(13.59)	(28.19)
	Total Other Comprehensive Income (Net of Tax)	(8.18)	(20.74)	(4.61)	(36.03)	(13.59)	(28.19)
9	Total Comprehensive Income for the period (7+8)	(682.19)	1,894.65	(221.65)	4,754.35	3,447.76	3,120.19
10	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	718.78	718.78	718.78	718.78	718.78	718.78
11	Other Equity excluding Revaluation Reserve						12,074.67
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :						
	Basic & diluted (₹)	(9.38)	26.65	(3.02)	66.65	48.16	43.80
	See accompanying Notes to the Standalone Financial Results						

SIGNED FOR IDENTIFICATION BY

ARPIT PATEL & ASSOCIATES


Notes:-

- 1 The aforesaid results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting held on February 12, 2020 in terms of Provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 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 3 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 levelled 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 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 lakh as official business expenses during the financial year 2017-18 to 2018-19.
B) Similarly, PD 2 suspects that PD 1 and his family members have charged personal travel expenses of approximately Rs. 23.00 lakh as business expense during financial years 2014-15 to 2018-19.
- 4 The Board of the Company, in their meeting dated March 30, 2019, had appointed an independent external consultant to perform procedures to ascertain whether the potential personal expenses in 3(A) above have been claimed as business expenses. Thereafter, as the previous statutory auditors had not accepted Company's representation on Notes 2 and 3 above and issued a Disclaimer of Opinion on the financial results for the year ended March 31, 2019, the Promoter Directors in the meeting of the Board 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. Pending the conclusion of the aforesaid inquiry, the Statutory Auditors have disclaimed their opinion on the financial statements for the year ended March 31, 2019, and the financial results for the quarter ended September 30, 2019. In the meeting of the Board of the Company held on November 15, 2019, a committee of independent directors has been formed to appoint an independent law firm to conduct an inquiry/examination in the matters. On termination of the earlier appointment of external consultant dated March 30, 2019, by the Board of Directors, the committee of independent directors thereafter, has appointed an independent law firm and chartered accountant firm to inquire/examine in all the matters as stated in Notes 2, 3(A), and 3(B), and advise the Board for further course of actions.
- 5 In financial year 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 period, 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.
- 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 The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961, as introduced by Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for Income tax for the quarter and period ended December 31, 2019, and re-measured its Deferred Tax Liabilities basis the rates prescribed in the said section.
- 8 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 grant have 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.
- 9 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.
- 10 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".

For VADILAL INDUSTRIES LIMITED

R R Gandhi

RAJESH R.GANDHI
DIRECTOR

Date : February 12, 2020
Place : Ahmedabad



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
Vadilal Industries Limited

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of Vadilal Industries Limited (the 'Company') for the quarter ended December 31, 2019, and the year to date from April 01, 2019, to December 31, 2019 (the 'Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013, as amended, 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.
3. We conducted our 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. However, because of the significance of the matters described in Paragraph 4 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.
4. We refer to the following:
 - a. Note 2 to the Statement, which describes various allegations and counter-allegations on financial, operational, and management matters between the Promoter Directors of the Company, between August, 2018, and July, 2019. The Promoter Directors have communicated to the Audit Committee and the Board of Directors of the Company, their withdrawal of all the allegations on July 22, 2019, except for the matters referred to in Note 3(A) and 3(B) of the Statement, which relate to the potential personal expenses amounting to INR 25.33 lakh and INR 23.00 lakh incurred by PD 2 and PD 1, respectively, claimed as business expenses over the past years.
 - b. Note 5 to the Statement which refers to the status of on-going litigations filed against the Company and some of its promoters under Section 241 and 242 of the Companies Act, 2013, pertaining to prevention of oppression and mismanagement of the Company before the National Company Law Tribunal, Ahmedabad.
 - c. Due to the possible effects of the matters described in paragraphs 4(a) and 4(b) above, we are unable to state whether the remuneration of INR 355.96 lakh paid by the Company to its Promoter Directors during the financial year 2018-19 is in accordance with the provisions of section 197 of the Companies Act, 2013, and consequential effect thereof on this Statement.

- d. The committee of independent directors has appointed an independent law firm and a chartered accountant to inquire/examine all the matters as referred to in Notes 2, 3(A), and 3(B), and advise the Board of Directors of the Company for further course of action.

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

5. Because of the significance of the matters described in paragraph 4 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.
6. The unaudited standalone financial results of the Company for the corresponding quarter ended December 31, 2018, and the period from April 1, 2019, to September 30, 2019, were reviewed by the predecessor auditor, who had given a Modified Opinion and a Disclaimer of Opinion, on those financial information on February 12, 2019, and November 15, 2019, respectively. Our conclusion is not modified in respect of this matter.

For Arpit Patel & Associates,
Chartered Accountants
ICAI Firm registration number: 144032W



Arpit Patel
Partner
Membership No.: 034032



Place: Ahmedabad
Date: February 12, 2020

ICAI UDIN: 20034032AAAAAR5522

VADILAL INDUSTRIES LIMITED

Regd. Office : Vadilal House, Shramali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009. Ph.: 079-30921200 Fax: 079-30153102, Web: www.vadilalgroup.com, CIN : L91110GJ1982PLC005169, Email : shareslogs@vadilalgroup.com

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2019

(₹ in lacs)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	9,617.89	14,701.64	9,412.70	50,155.53	45,467.78	56,711.44
2	Other Income	170.28	272.43	151.30	699.26	856.51	1,079.31
3	Total Income (1+2)	9,788.17	14,974.07	9,564.00	50,854.79	46,324.29	57,790.75
4	Expenses						
	a) Cost of materials consumed	3,755.88	6,677.14	3,862.49	21,931.25	21,118.76	28,414.93
	b) Purchase of stock-in-trade	574.82	858.82	501.19	2,255.23	1,759.65	2,398.45
	c) Changes in inventories of finished goods and Stock-in-trade	763.54	(73.87)	346.64	1,713.88	459.34	(1,313.92)
	d) Employee benefits expense	1,470.70	1,452.77	1,317.02	4,374.92	3,913.58	5,375.89
	e) Finance Costs	356.38	334.67	325.41	1,114.13	976.35	1,407.41
	f) Depreciation and amortisation expense	572.59	577.86	401.31	1,746.81	1,249.98	1,690.49
	g) Other expenses	2,946.74	3,603.22	3,151.51	11,071.33	10,785.68	14,631.14
	Total expenses :	10,440.65	13,430.61	9,905.57	44,207.55	40,263.34	52,604.39
5	Profit/(Loss) from ordinary activities before tax (3-4)	(652.48)	1,543.46	(341.57)	6,647.24	6,060.95	5,186.36
6	Tax expense						
	(a) Current Tax	(180.92)	(126.80)	(148.34)	1,738.96	2,078.47	1,735.57
	(b) Deferred Tax	34.08	(609.82)	61.42	(633.85)	3.75	114.51
	Total tax Expense	(146.84)	(736.62)	(86.92)	1,105.11	2,082.22	1,850.08
7	Net Profit/ (Loss) after tax (5-6)	(505.64)	2,280.08	(254.65)	5,542.13	3,978.73	3,336.28
	Attributable to:						
	Non Controlling Interest	(0.18)	(0.17)	0.05	0.07	0.51	0.21
	Owners of the company	(505.46)	2,280.25	(254.70)	5,542.06	3,978.22	3,336.07
8	Other Comprehensive Income (Net of tax)						
	Items that will not be reclassified to statement of Profit and Loss	(8.18)	(20.74)	(4.61)	(36.03)	(13.59)	(28.19)
	Items that will be reclassified to statement of Profit and Loss	6.08	3.07	(17.60)	9.28	15.51	7.95
	Total Other Comprehensive Income (Net of Tax)	(2.10)	(17.67)	(22.21)	(26.75)	1.92	(20.24)
	Attributable to:						
	Non Controlling Interest	-	-	-	-	-	-
	Owners of the company	(2.10)	(17.67)	(22.21)	(26.75)	1.92	(20.24)
9	Total Comprehensive Income for the period (7+8)	(507.74)	2,262.41	(276.86)	5,515.38	3,980.65	3,316.04
	Attributable to:						
	Non Controlling Interest	(0.18)	(0.17)	0.05	0.07	0.51	0.21
	Owners of the company	(507.56)	2,262.58	(276.91)	5,515.31	3,980.14	3,315.83
10	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	718.78	718.78	718.78	718.78	718.78	718.78
11	Other Equity excluding Revaluation Reserve						12,492.53
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :						
	a) Basic (₹)	(7.03)	31.72	(3.54)	77.10	55.35	46.41
	b) Diluted (₹)	(7.03)	31.72	(3.54)	77.10	55.35	46.41

See accompanying Notes to the Consolidated Financial Results

SIGNED FOR IDENTIFICATION BY

 ARPIT PATEL & ASSOCIATES

RHS



Notes:-

- 1 The aforesaid results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of Vadilal Industries Ltd. (the 'Holding Company') at their Board Meeting held on February 12, 2020 in terms of provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 During the financial year 2018-19, two Promoter Directors of the Holding Company have sent out numerous communications to the Board of Directors ("the Board") of the Holding Company making various allegations and counter-allegations on each other primarily relating to the operations and management of the Holding 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 3 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 levelled 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 Director (PD 1) and the Chief Financial Officer (CFO) of the holding company suspects that another Promoter Director (PD 2) (PD 1 and PD 2 collectively referred to as "Promoter Directors" hereinafter) of the Holding Company has claimed potential personal expenses amounting to Rs. 25.33 lakh as official business expenses during the financial year 2017-18 to 2018-19.
B) Similarly, PD 2 suspects that PD 1 and his family members have charged personal travel expenses of approximately Rs. 23.00 lakh as business expense during financial years 2014-15 to 2018-19.
- 4 The Board of the Holding Company, in their meeting dated March 30, 2019, had appointed an independent external consultant to perform procedures to ascertain whether the potential personal expenses in 3(A) above have been claimed as business expenses. Thereafter, as the previous statutory auditors had not accepted Holding Company's representation on Notes 2 and 3 above and issued a Disclaimer of Opinion on the financial results for the year ended March 31, 2019, the Promoter Directors in the meeting of the Board 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. Pending the conclusion of the aforesaid inquiry, the Statutory Auditors have disclaimed their opinion on the financial statements for the year ended March 31, 2019, and the financial results for the quarter ended September 30, 2019. In the meeting of the Board of the Holding Company held on November 15, 2019, a committee of independent directors has been formed to appoint an independent law firm to conduct an inquiry/examination in the matters. On termination of the earlier appointment of external consultant dated March 30, 2019, by the Board of Directors, the committee of independent directors thereafter, has appointed an independent law firm and chartered accountant firm to inquire/examine in all the matters as stated in Notes 2, 3(A), and 3(B), and advise the Board for further course of actions.
- 5 In financial year 2017-18, a Company Petition was filed against the Holding Company and some of its promoters, before the National group Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013, pertaining to prevention of oppression and mismanagement of the Holding Company. In the current period, 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.
- 6 Vadilal Gulf (FZE), a wholly owned subsidiary of the Holding Company is liquidated / closed down on October 9, 2019.
- 7 Effective from April 1, 2019, the group 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 The Holding Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961, as introduced by Taxation Laws (Amendment) Act, 2019. Accordingly, the Holding Company has recognised provision for Income tax for the quarter and period ended December 31, 2019, and re-measured its Deferred Tax Liabilities basis the rates prescribed in the said section.
- 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 grant have 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 As the major business of the Group 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.
- 11 The Group 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 Key Numbers of Standalone Financial Results of the Holding Company are as under:

Sr.No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
		Unaudited			Unaudited		Audited
a	Revenue from operations	7,595.84	12,284.03	7,891.89	43,901.32	40,839.40	50,705.76
b	Profit Before Tax	(896.93)	1,005.97	(299.76)	5,553.30	5,331.91	4,867.61
c	Profit After Tax	(674.01)	1,915.39	(217.04)	4,790.38	3,461.35	3,148.38

The Standalone Financial Result is available at the Holding Company's website www.vadilalgroup.com and on the website of stock exchanges www.bseindia.com and www.nseindia.com

Date : February 12, 2020

Place : Ahmedabad

For VADILAL INDUSTRIES LIMITED


 RAJESH R. GANDHI
 DIRECTOR

SIGNED FOR IDENTIFICATION BY



ARPIT PATEL & ASSOCIATES



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Holding Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
Vadilal Industries Limited

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of Vadilal Industries Limited (the 'Holding Company') and its subsidiaries (the Holding Company and the subsidiaries together referred to as the 'Group') for the quarter ended December 31, 2019, and the year to date from April 01, 2019, to December 31, 2019 (the 'Statement'), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors and, which they represent, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013, as amended, 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.
3. We conducted our 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. However, because of the significance of the matters described in Paragraph 5 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.
4. This Statement includes the results of the following entities:

Name of the Entity	Relationship
Vadilal Industries Limited	Holding Company
Vadilal Industries (USA) Inc.	Subsidiary Company
Vadilal Gulf (FZE) (up to October 9, 2019)	Subsidiary Company
Vadilal Industries Pty Ltd	Subsidiary Company
Vadilal Cold Storage.	Subsidiary

5. We refer to the following:
 - a. Note 2 to the Statement, which describes various allegations and counter-allegations on financial, operational, and management matters between the Promoter Directors of the Holding Company, between August, 2018, and July, 2019. The Promoter Directors have communicated to the Audit Committee and the Board of Directors of the Holding Company, their withdrawal of all the allegations on July 22, 2019, except for the matters referred to in Note 3(A) and 3(B) of the Statement, which relate to the potential personal expenses amounting to INR 25.33 lakh and INR 23.00 lakh incurred by PD 2 and PD 1, respectively, claimed as business expenses over the past years.



- b. Note 5 to the Statement which refers to the status of on-going litigations filed against the Holding Company and some of its promoters under Section 241 and 242 of the Companies Act, 2013, pertaining to prevention of oppression and mismanagement of the Holding Company before the National Holding Company Law Tribunal, Ahmedabad.
- c. Due to the possible effects of the matters described in paragraphs 5(a) and 5(b) above, we are unable to state whether the remuneration of INR 355.96 lakh paid by the Holding Company to its Promoter Directors during the financial year 2018-19 is in accordance with the provisions of section 197 of the Companies Act, 2013, and consequential effect thereof on this Statement.
- d. The committee of independent directors has appointed an independent law firm and a chartered accountant to inquire/examine all the matters as referred to in Notes 2, 3(A), and 3(B), and advise the Board of Directors of the Holding Company for further course of action.

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

6. Because of the significance of the matters described in paragraph 5 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.
7. We did not review the interim financial results of one subsidiary included in the consolidated unaudited financial results, whose financial results reflect total revenues of INR 2756.52 lakh and INR 9975.28 lakh for the quarter ended December 31, 2019, and the nine months ended December 31, 2019, respectively, total net profit after tax of INR 122.88 lakh and INR 806.73 lakh for the quarter ended December 31, 2019, and the nine months ended December 31, 2019, respectively, and total comprehensive income of INR 122.88 lakh and INR 806.73 lakh for the quarter ended December 31, 2019, and the nine months ended December 31, 2019, respectively, as considered in the Statement. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of the other auditor. This subsidiary company is located outside India whose interim financial results have been prepared in accordance with accounting principles generally accepted in that country and which have been reviewed by other auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the interim financial results of this subsidiary from accounting principles generally accepted in that country to accounting principles generally accepted in India. Our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based on the report of other auditor and conversion adjustments prepared by the management of the Holding Company.
8. The consolidated unaudited financial results includes the financial results of three subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of INR 34.63 lakh and INR 154.43 lakh for the quarter ended December 31, 2019, and the nine months ended December 31, 2019, respectively, total loss after tax of INR 9.07 lakh for the quarter ended December 31, 2019, total profit after tax of 3.47 lakh for the nine months ended December 31, 2019, and total comprehensive loss of INR 9.07 lakh for the quarter ended December 31, 2019, and total comprehensive income of INR 3.47 lakh for the nine months ended December 31,



2019, as considered in the Statement. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

9. The unaudited consolidated financial results of the Holding Company for the corresponding quarter ended December 31, 2018, and the period from April 1, 2019, to September 30, 2019, were reviewed by the predecessor auditor, who had given a Modified Opinion and a Disclaimer of Opinion, on those financial information on February 12, 2019, and November 15, 2019, respectively. Our conclusion is not modified in respect of this matter.

For Arpit Patel & Associates,
Chartered Accountants
ICAI Firm registration number: 144032W

Arpatel

Arpit Patel
Partner
Membership No.: 034032



Place: Ahmedabad
Date: February 12, 2020

ICAI UDIN: 20034032AAAAAS3305