



Date: 10th August, 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 30th June, 2020 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 30th June, 2020 being the 1st Quarter of the current financial year – 2020-2021, 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 30th June, 2020

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

**VADILAL INDUSTRIES LIMITED**

Regd. Office : Vadilal House, Shrimali Society, Nr. Navarangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009 Ph.: 079-48081200, Web: www.vadilalgroup.com, CIN : L91110GJ1982PLC005169, Email : shareslogs@vadilalgroup.com

A) STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

(₹ in lacs)


Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2020 (Unaudited)	March 31, 2020 (Unaudited) Refer Note-9	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Revenue from operations	5,058.47	7,761.65	24,021.45	51,662.97
2	Other Income	166.55	215.55	237.60	842.08
3	Total Income (1+2)	5,225.02	7,977.20	24,259.05	52,505.05
4	Expenses				
	a) Cost of materials consumed	2,591.98	7,102.60	11,498.23	29,033.85
	b) Purchase of stock-in-trade	95.08	119.55	291.71	860.76
	c) Changes in inventories of finished goods and Stock-in-trade	818.07	(2,132.59)	1,482.80	(201.64)
	d) Employee benefits expense	867.52	1,409.41	1,000.67	4,385.71
	e) Finance Costs	529.15	504.55	372.77	1,472.53
	f) Depreciation and amortisation expense	450.69	477.61	486.79	1,887.89
	g) Other expenses	1,916.05	2,610.38	3,681.82	11,625.96
	Total expenses :	7,268.54	10,091.51	18,814.79	49,066.06
5	Profit/(Loss) from ordinary activities before tax (3-4)	(2,043.52)	(2,114.31)	5,444.26	3,438.99
6	Tax Expense				
	(a) Current Tax	-	(520.95)	1,903.27	860.43
	(b) Deferred Tax	(509.92)	(17.75)	(8.01)	(636.21)
	Total Tax Expense	(509.92)	(538.70)	1,895.26	224.22
7	Net Profit/ (Loss) after tax (5-6)	(1,533.60)	(1,575.61)	3,549.00	3,214.77
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)	(6.66)	(2.09)	(7.11)	(38.12)
	Total Other Comprehensive Income (Net of Tax)	(6.66)	(2.09)	(7.11)	(38.12)
9	Total Comprehensive Income for the period (7+8)	(1,540.26)	(1,577.70)	3,541.89	3,176.65
10	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	718.78	718.78	718.78	718.78
11	Other Equity excluding Revaluation Reserve				15,143.00
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :				
	Basic & diluted (₹)	(21.34)	(21.92)	49.38	44.73
	See accompanying Notes to the Standalone Financial Results				

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Notes:-

- 1 The above financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on August 10, 2020.
The financial results are prepared in accordance with the Indian Accounting Standards ("Ind AS"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 2 During the period between August, 2018, and July, 2019, 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 – PD 1 and PD 2 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 ₹ 25.33 lacs 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 ₹ 23.00 lacs 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 the Company's representation on Note 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.
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 by the Board of the earlier appointment of external consultant dated March 30, 2019, 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. Due to the outbreak of COVID-19, the inquiry/reports are delayed.
Pending the conclusion of the aforesaid inquiry, the statutory auditors have disclaimed their opinion/conclusion on the financial results for the year ended March 31, 2020 and for the quarter ended June 30, 2020.
- 5 In FY 2017-18, a 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 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 The lockdown imposed to contain the spread of COVID-19 pandemic have adversely impacted Company's operations and financial results for the quarter ended June 30, 2020. The operations have gradually resumed since second half of May, 2020. March to June is usually considered to be the peak period of sales, the Company's business being seasonal in nature. The results for the quarter are therefore not comparable with those for the previous year quarter of June 19.
The Company has made assessment of recoverability of the Company's assets such as Trade receivables, Inventories, Investments, etc using reasonably available information, estimates and judgements and has determined that there are no material adjustments required in the interim financial results. However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The impact thereof might be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor changes to future economic conditions.
The Company has availed moratorium in respect of term loans (interest and instalments) and interest on cash credit accounts upto August 31, 2020, and with the support of lenders, believes in its ability to continue as a going concern and meeting its liabilities as and when they fall due in the foreseeable future.
- 7 Two Promoter Directors, working as non-executive directors, are appointed as Managing Directors with effect from March 25, 2020, by the Board of Directors. The financial results for the quarter ending June 30, 2020 includes managerial remuneration payable to two managing directors amounting to ₹ 45.00 lacs. The appointment and the remuneration payable to two managing directors is subject to approval by the shareholders/members at the ensuing Annual General Meeting.
- 8 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".
- 9 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 and unaudited published year-to-date figures up to December 31, 2019, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 10 Previous period figures have been regrouped/rearranged, wherever necessary, to correspond to current period's presentation.

SIGNED FOR IDENTIFICATION BY

ARPIT PATEL & ASSOCIATES



For VADILAL INDUSTRIES LIMITED



RAJESH R.GANDHI
MANAGING DIRECTOR

Date : August 10, 2020
Place : Ahmedabad

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company pursuant to 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 June 30, 2020 (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. 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. We draw attention to
 - a. Note 6 to the Statement, which describes the management's assessment of the impact of the outbreak of COVID-19 on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our conclusion is not modified in respect of this matter.
 - b. Note 7 of the Statement, which describes the Managerial Remuneration to Managing Directors, is subject to approval of members. Our conclusion is not modified in respect of this matter.
7. The unaudited standalone financial results of the Company for the corresponding quarter ended June 30, 2020 were reviewed by the predecessor auditor, who had given a disclaimer of conclusion on those financial results on August 23, 2019. 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: August 10, 2020

ICAI UDIN: 20034032AAAACD7885



VADILAL INDUSTRIES LIMITED

Regd. Office : Vadilal House, Shrimali Society, Nr. Navarangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009. Ph.: 079-48081200
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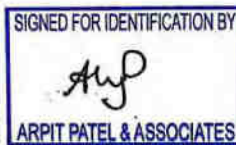
B) STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

(₹ in lacs)

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2020 (Unaudited)	March 31, 2020 (Unaudited) Refer Note-9	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Revenue from operations	7,332.67	9,771.19	25,836.00	59,926.72
2	Other Income	183.72	262.79	256.55	962.05
3	Total Income (1+2)	7,516.39	10,033.98	26,092.55	60,888.77
4	Expenses				
	a) Cost of materials consumed	2,591.98	7,102.60	11,498.23	29,033.85
	b) Purchase of stock-in-trade	451.11	499.41	821.59	2,754.64
	c) Changes in inventories of finished goods and Stock-in-trade	1,067.59	(1,939.34)	1,024.21	(225.46)
	d) Employee benefits expense	1,331.80	1,865.68	1,451.45	6,240.60
	e) Finance Costs	567.98	557.49	423.08	1,671.62
	f) Depreciation and amortisation expense	571.38	622.52	596.36	2,369.33
	g) Other expenses	2,413.40	3,179.10	4,521.37	14,250.43
	Total expenses :	8,995.24	11,887.46	20,336.29	56,095.01
5	Profit/(Loss) from ordinary activities before tax (3-4)	(1,478.85)	(1,853.48)	5,756.26	4,793.76
6	Tax expense				
	(a) Current Tax	174.45	(478.04)	2,046.68	1,260.92
	(b) Deferred Tax	(513.20)	28.81	(58.11)	(605.04)
	Total tax Expense	(338.75)	(449.23)	1,988.57	655.88
7	Net Profit/ (Loss) after tax (5-6)	(1,140.10)	(1,404.25)	3,767.69	4,137.88
	Attributable to:				
	Non Controlling Interest	(0.16)	(0.54)	0.42	(0.47)
	Owners of the company	(1,139.94)	(1,403.71)	3,767.27	4,138.35
8	Other Comprehensive Income (Net of tax)				
	Items that will not be reclassified to statement of Profit and Loss				
	- Remeasurement of defined benefits plan	(8.90)	(2.79)	(10.93)	(35.58)
	- Tax expenses on above item	2.24	0.70	3.82	(2.54)
	Items that will be reclassified to statement of Profit and Loss				
	- Exchange difference on translation on foreign operations	(0.43)	(31.76)	0.13	(22.48)
	Total Other Comprehensive Income (Net of Tax)	(7.09)	(33.85)	(6.98)	(60.60)
	Attributable to:				
	Non Controlling Interest	-	-	-	-
	Owners of the company	(7.09)	(33.85)	(6.98)	(60.60)
9	Total Comprehensive Income for the period (7+8)	(1,147.19)	(1,438.10)	3,760.71	4,077.28
	Attributable to:				
	Non Controlling Interest	(0.16)	(0.54)	0.42	(0.47)
	Owners of the company	(1,147.03)	(1,437.56)	3,760.29	4,077.75
10	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	718.78	718.78	718.78	718.78
11	Other Equity excluding Revaluation Reserve				16,461.96
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :				
	a) Basic (₹)	(15.86)	(19.53)	52.41	57.57
	b) Diluted (₹)	(15.86)	(19.53)	52.41	57.57

See accompanying Notes to the Consolidated Financial Results

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Notes:-

- 1 The above financial results of the Holding Company have been reviewed by the Audit Committee and approved by the Board of Directors of the Holding Company in their respective meetings held on August 10, 2020.
The financial results are prepared in accordance with the Indian Accounting Standards ("Ind AS"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The said financial results represent the results of Vadilal Industries Limited (the "Holding Company") and its subsidiaries (together referred to as the "Group"), which have been prepared in accordance with Ind AS 110 – "Consolidated Financial Statements".
- 2 During the period between August, 2018, and July, 2019, 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 – PD 1 and PD 2 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 ₹ 25.33 lacs 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 ₹ 23.00 lacs 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 the Holding Company's representation on Note 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.
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 by the Board of the earlier appointment of external consultant dated March 30, 2019, 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. Due to the outbreak of COVID-19, the inquiry/reports are delayed.
Pending the conclusion of the aforesaid inquiry, the statutory auditors have disclaimed their opinion/conclusion on the financial results for the year ended March 31, 2020 and for the quarter ended June 30, 2020.
- 5 In FY 2017-18, a petition was filed against the Holding 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 Holding Company. In the current period, 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 The outbreak of COVID-19 pandemic globally and in India have adversely impacted Holding Company's operation and financial results for the quarter ended June 30, 2020, primarily because the Holding Company's business is seasonal in nature and the lockdown have happened during the same period. The results for the quarter are therefore not comparable with those for the previous quarter of June 19.
The Group has made assessment of recoverability of the Group's assets such as Trade receivables, Inventories, etc using reasonably available information, estimates and judgements and has determined that there are no material adjustments required in the interim financial results.
However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The impact thereof might be different from that estimates as at the date of approval of these financial results. The Group will continue to closely monitor changes to future economic conditions.
The Holding Company has availed moratorium in respect of term loans (interest and instalments) and interest on cash credit accounts upto August 31, 2020 and with the support of lenders believes its ability to continue as a going concern and meeting its liabilities as and when they fall due in the foreseeable future.
- 7 Two Promoter Directors of the Holding Company, working as non-executive directors, are appointed as Managing Directors of the Holding Company with effect from March 25, 2020, by the Board of Directors. The financial results for the quarter ended June 30, 2020 includes managerial remuneration payable to two managing directors amounting to ₹ 45.00 lacs. The appointment and the remuneration payable to two managing directors is subject to approval by the shareholders/members at the ensuing Annual General Meeting of the Holding Company.
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".
- 9 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 and unaudited published year-to-date figures up to December 31, 2019, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 10 Previous period figures have been regrouped/rearranged, wherever necessary, to correspond to current period's presentation.
- 11 The standalone financial results of the Holding Company for the quarter and the year ended March 31, 2020 are available on the Holding Company's website (URL:www.vadilalgroup.com).

Key standalone financial information is given below:

Sr.No.	Particulars	Quarter ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
a	Total Income	5,225.02	7,977.20	24,259.05	52,505.05
b	Profit Before Tax	(2,043.52)	(2,114.31)	5,444.26	3,438.99
c	Net Profit/(Loss)	(1,533.60)	(1,575.61)	3,549.00	3,214.77
d	Other Comprehensive Income/(Loss)	(6.66)	(2.09)	(7.11)	(38.12)
e	Total Other Comprehensive Income/(Loss)	(1,540.26)	(1,577.70)	3,541.89	3,176.65

SIGNED FOR IDENTIFICATION BY
ARPIT
ARPIT PATEL & ASSOCIATES



For VADILAL INDUSTRIES LIMITED

RAJESH R. GANDHI

RAJESH R. GANDHI
MANAGING DIRECTOR

Date : August 10, 2020
Place : Ahmedabad

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Holding Company pursuant to 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 June 30, 2020 (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 Industries Pty Ltd	Subsidiary Company
Vadilal Delights Limited	Subsidiary Company
Varood Industries Limited	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 ("PD 1" and "PD 2") 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 Company Law Tribunal, Ahmedabad.
- c. 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 draw attention to
 - a. Note 6 to the Statement, which describes the management's assessment of the impact of the outbreak of COVID-19 on the business operations of the Holding Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our conclusion is not modified in respect of this matter.
 - b. Note 7 of the Statement, which describes the Managerial Remuneration payable to Managing Directors of the Holding Company, which is subject to approval of the members of the Holding Company. Our conclusion is not modified in respect of this matter.
8. The Statement includes the unaudited interim financial results and other unaudited financial information of:
 - a. 1 (one) subsidiary, whose unaudited interim financial results and other unaudited financial information reflects total revenue (before consolidation adjustments) of INR 3428.73 lakh and total net profit after tax (before consolidation adjustments) of INR 401.27 lakh and total comprehensive income (before consolidation adjustments) of INR 400.84 lakh for the quarter ended June 30, 2020, as considered in the Statement, which has been reviewed by its independent auditor. The independent auditor's report on the unaudited financial statements of these entities have been furnished to us by the Management of the Holding Company and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

The unaudited interim financial results of this subsidiary have not been prepared in accordance with the accounting principles generally accepted in India as applicable to the Holding Company. The Management of the Holding Company has converted the unaudited



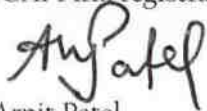
interim financial results of this subsidiary from those accounting principles to the accounting principles generally accepted in India, as applicable to the Holding Company.

- b. 2 (two) subsidiaries, whose unaudited interim financial results and other unaudited financial information reflects total revenue (before consolidation adjustments) of INR 20.91 lakh and total net loss after tax (before consolidation adjustments) of INR 7.80 lakh and total comprehensive loss (before consolidation adjustments) of INR 7.80 lakh for the quarter ended June 30, 2020, as considered in the Statement. These unaudited financial results and financial information have been approved and furnished to us by the Management of the Holding Company and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on such unaudited financial results and financial information. According to the information and explanations given to us by the Management of the Holding Company, these unaudited financial results and financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial results/financial information certified by the Management of the Holding Company.

9. The unaudited consolidated financial results of the Holding Company for the corresponding quarter ended June 30, 2019, were reviewed by the predecessor auditor, who had given a disclaimer of conclusion, on those financial results on August 23, 2019. 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: August 10, 2020

ICAI UDIN: 20034032AAAACE7358