

Vadilal

Date: 22nd July, 2019

To,
The National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra, Mumbai – 400 051.
Scrip Code No. VADILALIND-EQ

To
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400 001.
Scrip Code: 519156

Dear Sir/Madam,

Subject: Compliance under clause 7B of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

In continuation of our earlier communication vide letter dated 19th June, 2019 informing about resignation of Mr. Jignesh Shah & Mr. Malay Mahadevia independent directors of the Company; Please find attached **Annexure A** mentioning detailed reasons for their resignation alongwith Board of Directors comments.

Further, Independent Directors have confirmed that, there is no other material reasons other than those provided in their resignation letter.

Kindly take the same on record

Thanking you,

Yours faithfully,

For VADILAL INDUSTRIES LIMITED



Ms. Rashmi Bhatt

Company Secretary & Compliance Officer



VADILAL INDUSTRIES LIMITED

Corporate Office : 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Bopal,
Ahmedabad-380015. Ph. No. : 079-30921200

Reg. 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. L91110GJ1982PLC005169

Annexure : A

As required by Sub Clause 7B of Clause A of Part A of Schedule III of the SEBI-LODR, 2015, the following are the detailed reasons given by Mr. Malay Mahadevia in his resignation letter dated 19th June, 2019. The said resignation letter was placed before the Board at its Board meeting held on 22nd July, 2019. The Board has provided its observation/comments on each of the reasons contained in the said resignation letter as under.

Vadilal Industries Ltd. has received resignation letter from Shri Malay Mahadevia an Independent Director of the Company resigning with immediate effect. Mr. Mahadevia has stated that due to hostile atmosphere in the Committee Meetings and the Board of Director's meetings he finds it impossible to add any value in the interest of the Company. In the said resignation letter Mr. Malay has also given certain instances where his suggestions had not been complied with.

While the Company appreciates the efforts put in by Shri Mahadevia, it also respects his desire to resign. Regarding his suggestions, the Company has taken it seriously e.g. the issue regarding arm's length pricing between the two companies of Vadilal were referred to a Retired Supreme Court Judge and the said agreement was approved in an Audit Committee and the Board Meeting held on 8th August, 2016, in which Mr. Malay Mahadevia was also present and was also approved by the Shareholders in the Annual General Meeting of the Company held on 27th September, 2016.

DGFT has withdrawn their notice vide their letter dated 22.05.2019

With respect to Bareilly safety issue necessary actions have been/will be taken.

While other suggestions of Shri Malay Mahadevia are being discussed in the Board for appropriate decision, it is stated that in spite of proceedings between the promoters before the NCLT, the Company's affairs are sought to be managed in an amicable manner keeping in mind the regulatory compliances and the best interest of Company and the Stakeholders.



As required by Sub Clause 7B of Clause A of Part A of Schedule III of the SEBI-LODR, 2015, the following are the detailed reasons given by Mr. Jignesh Shah in his resignation letter dated 19th June, 2019. The said resignation letter was placed before the Board at its Board meeting held on 22nd July, 2019. The Board has provided its observation/comments on each of the reasons contained in the said resignation letter as under:

Vadilal Industries Limited has received a resignation letter from Jignesh J. Shah (Independent Director) whereby he has tendered his resignation with immediate effect (19th June,2019) from the Board of Vadilal Industries Limited.

Mr. Shah while resigning has stated that he has in the past raised issue regarding arm's length pricing between Vadilal Industries and Vadilal Enterprise Ltd. who are related party. Mr. Shah has also observed that there are serious issues amongst the promoters of the Company who have made cross allegations. He has stated that the meetings of the board and committees are conducted in hostile atmosphere, and hence he finds impossible to carry out the functions as independent Director. Mr. Shah also stated that his integrity and independence are being questioned and he gets termed as non-independent. As per Mr. Shah it is on account these reasons that he is resigning.

While the Company appreciates the efforts put in by Mr. Shah it also respects his desire to resign as an independent director.

With reference to the concerns raised by Mr. Shah with regard to arm's length pricing, the company has already got the issue examined by a Retired Supreme Court Judge who does not agree with the views of Mr. Shah. Further, the said agreement has also been approved by the audit committee and by the Board of the Company in its meeting held on 8th August, 2016 and subsequently approved by the shareholders in their meeting held on 27th September, 2016. It is pertinent to note that Mr. Jignesh Shah was present in audit committee and board meeting held on same dates in Vadilal Enterprises Limited wherein the agreements was approved.

It is stated that while the legal proceedings are going on before the NCLT between the promoters, efforts are made to ensure that the conduct of the business of company is carried out in an amicable manner and in compliance with the regulatory framework as well as best interest of the Company and the Stakeholders.

