

Date: 26th June, 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 Submission of Audited Financial Results (Standalone & Consolidated) for the quarter/ year ended on 31st March, 2020 along with Auditor report of Statutory Auditor for the quarter/year ended on 31st March, 2020

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

1. Approved the Audited Financial results (Standalone & Consolidated) for the quarter/ year ended on 31st March, 2020
2. Pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement), 2015 please find enclosed herewith following:
 - Audited Financial Results (Standalone & Consolidated) of the Company for the quarter/ year ended on 31st March, 2020
 - Auditors Report on Financial Results (Standalone & Consolidated) of the Company. The Report of Statutory Auditors is with disclaimer opinion with respect to the Audited Financial Results of the Company for the Quarter and Financial Year ended 31st March, 2020. The Statement on Impact of Audit Qualifications (For Audit Report with disclaimer Opinion) for the Financial Year ended 31st March, 2020.

Kindly take the same on your record.

For VADILAL INDUSTRIES LIMITED


Ms. Rashmi Bhatt
Company Secretary & Compliance Officer



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.: 079-30921200 Fax: 079-30153102, Web: www.vadilalgroup.com, CIN : L91110GJ1982PLC005169, Email : shareslogs@vadilalgroup.com

A. 1) STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

Sr. No.	Particulars	Quarter ended			Year ended	Year ended
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Unaudited) Refer Note-12	(Unaudited)	(Unaudited) Refer Note-12	(Audited)	(Audited)
1	Revenue from operations	7,761.65	7,595.84	9,866.36	51,662.97	50,705.76
2	Other income	215.55	142.76	381.77	842.08	1,258.46
3	Total Income (1+2)	7,977.20	7,738.60	10,248.13	52,505.05	51,964.22
4	Expenses					
	a) Cost of materials consumed	7,102.60	3,755.88	7,296.17	29,033.85	28,414.93
	b) Purchase of stock-in-trade	119.55	160.28	311.04	860.76	1,064.58
	c) Changes in inventories of finished goods and Stock-in-trade	(2,132.59)	510.01	(1,692.63)	(201.64)	(982.16)
	d) Employee benefits expense	1,409.41	1,017.84	1,046.56	4,385.71	3,921.43
	e) Finance Costs	504.55	315.65	426.56	1,472.53	1,392.13
	f) Depreciation and amortisation expense	477.61	458.44	431.54	1,887.89	1,659.83
	g) Other expenses	2,610.38	2,417.43	2,893.19	11,626.96	11,625.87
	Total expenses :	10,091.51	8,635.53	10,712.43	49,066.06	47,096.61
5	Profit/(Loss) from ordinary activities before tax (3-4)	(2,114.31)	(896.93)	(464.30)	3,438.99	4,867.61
6	Tax Expense					
	(a) Current Tax	(520.95)	(239.59)	(248.60)	860.43	1,588.43
	(b) Deferred Tax	(17.75)	16.67	97.27	(636.21)	130.80
	Total Tax Expense	(538.70)	(222.92)	(151.33)	224.22	1,719.23
7	Net Profit/ (Loss) after tax (5-6)	(1,575.61)	(674.01)	(312.97)	3,214.77	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)	(2.09)	(8.18)	(14.60)	(38.12)	(28.19)
	Total Other Comprehensive Income (Net of Tax)	(2.09)	(8.18)	(14.60)	(38.12)	(28.19)
9	Total Comprehensive Income for the period (7+8)	(1,577.70)	(682.19)	(327.57)	3,176.65	3,120.19
10	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	718.78	718.78	718.78	718.78	718.78
11	Other Equity excluding Revaluation Reserve				15,143.00	12,074.67
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :					
	Basic & diluted (₹)	(21.92)	(9.38)	(4.35)	44.73	43.80
	See accompanying Notes to the Standalone Financial Results					

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2) Standalone Statement of Assets and Liabilities		(₹ in lacs)	
Particulars	March 31, 2020	March 31, 2019	
	(Audited)	(Audited)	
ASSETS			
Non-current Assets :			
(a) Property, Plant and Equipment	29,202.04	26,051.47	
(b) Capital Work in Progress	865.23	1,319.63	
(c) Investment Property	19.06	19.40	
(d) Other Intangible Assets	137.68	193.06	
(e) Right of Use Assets	753.37	-	
(f) Financial Assets			
(i) Investments	298.81	290.39	
(ii) Loans	274.64	301.49	
(iii) Other Financial Assets	440.83	661.75	
(g) Non Current Tax Assets (Net)	141.46	47.15	
(h) Other Non- Current Assets	626.97	618.12	
Total Non current Assets :	32,760.09	29,502.46	
Current Assets :			
(a) Inventories	14,556.30	11,831.30	
(b) Financial Assets			
(i) Investments	1.22	1.44	
(ii) Trade Receivables	3,321.00	3,339.26	
(iii) Cash and Cash Equivalents	665.13	81.95	
(iv) Bank Balance other than (iii) above	914.49	252.37	
(v) Loans	299.21	210.05	
(vi) Other Financial Assets	258.04	211.04	
(c) Other Current Assets	1,232.39	1,151.66	
Total Current Assets :	21,247.78	17,079.07	
TOTAL ASSETS :	54,007.87	46,581.53	
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	718.78	718.78	
(b) Other Equity	22,667.17	19,598.84	
Total Equity	23,385.95	20,317.62	
Liabilities			
Non Current Liabilities:-			
(a) Financial Liabilities			
(i) Borrowings	4,820.28	5,743.42	
(ii) Other Financial Liabilities	738.47	55.53	
(b) Provisions	195.53	201.37	
(c) Deferred Tax Liabilities (Net)	1,589.62	2,223.30	
(d) Other Non Current Liabilities	609.25	660.54	
Total Non Current Liabilities	7,953.15	8,884.16	
Current Liabilities:-			
(a) Financial Liabilities			
(i) Borrowings	10,479.11	6,563.89	
(ii) Trade Payables			
-Dues of micro enterprises and small enterprises	526.26	411.20	
-Dues of creditors other than micro enterprises and small enterprises	7,604.78	6,134.10	
(iii) Other Financial Liabilities	3,341.28	3,333.32	
(b) Provisions	298.13	290.69	
(c) Current Tax Liabilities (Net)	-	79.81	
(d) Other Current Liabilities	419.21	566.74	
Total Current Liabilities	22,668.77	17,379.75	
TOTAL EQUITY AND LIABILITIES :	54,007.87	46,581.53	

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3) AUDITED STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	March 31, 2020	March 31, 2019
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	3,438.99	4,867.61
Adjustments for:		
Depreciation and Amortisation Expense	1,887.89	1,659.83
(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	(1.53)	58.84
Profit on Sale of Investments	(24.07)	(41.68)
Excess Provision Written Back	(69.42)	(23.77)
(Gain) / Loss on Fair Value of Current Investment	0.21	0.30
(Gain) / Loss on Fair Value of Non Current Investment	3.63	(0.54)
Loans & Advances written back	-	(196.93)
Financial Guarantee Commission Income	(28.99)	(25.46)
Grant Income	(55.65)	(55.68)
Dividend Income	-	(0.01)
Interest Income	(103.87)	(84.13)
Finance Costs	1,472.53	1,392.13
Provision for Doubtful Debts	19.38	(2.90)
Provision for Doubtful Advances	-	(2.15)
Share of Profit of Partnership Firm	22.79	(10.11)
Unrealised foreign exchange (Gain)/Loss	(135.37)	66.05
	2,987.53	2,733.79
Operating Profit before Working Capital Changes	6,426.52	7,601.40
Changes in Working Capital:		
(Increase) / Decrease in Inventories	(2,725.00)	(2,155.95)
(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	(578.63)	765.02
Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	2,668.60	(832.52)
Cash Generated from Operations	(635.03)	(2,223.45)
Income Taxes Paid	(1,034.55)	(1,492.34)
Net Cash Generated from / (Used in) Operating Activities (A)	4,756.94	3,885.61
B CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditure on Property, Plant & Equipment	(5,160.01)	(3,055.25)
Proceeds from Sale of Property, Plant & Equipment	16.37	20.74
Proceeds from Sale of Current Investment (Net)	24.07	41.68
Payments for Non Current Investments	(12.00)	(0.00)
Interest Received	85.33	72.82
Dividend Received	-	0.01
Net Cash Generated from / (Used in) Investing Activities (B)	(5,046.24)	(2,920.00)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Non Current Borrowings	4,169.71	957.89
Repayment of Non Current Borrowings (Net)	(5,597.84)	(1,709.93)
Proceeds from / (Repayment of) Current Borrowings (Net)	3,915.22	1,258.73
Payment of Lease Liabilities	(76.22)	-
Interest Paid	(1,430.07)	(1,388.07)
Dividend Paid (Including Tax on Dividend)	(108.32)	(108.32)
Net Cash Generated from / (Used in) Financing Activities (C)	872.48	(989.71)
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	583.18	(24.10)
Cash and Cash Equivalents at the beginning of the period	81.95	106.05
Cash and Cash Equivalents at the end of the period	665.13	81.95

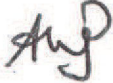
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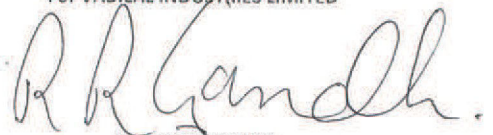
Notes:-

- 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 June 26, 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.
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 statements for the year ended March 31, 2020.
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.
- 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 outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has significantly impacted business operations of the Company from the last fortnight of March, 2020, by way of interruption in production, supply chain disruption, etc. till the lockdown period. March to June is usually considered to be the peak period of sales, the Company's business being seasonal in nature. Partial resumption of production and despatch has commenced from second half of May, 2020.
The Company has made a detailed assessment of the recoverability of the Company's assets such as Inventory, Receivables, Investments, etc. as at the Balance Sheet date, using reasonably available information, estimates and judgments and has determined that none of these balances require material adjustments to their carrying value. However, the impact of global health pandemic might vary from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any material changes to the future economic conditions.
The Company has availed moratorium in respect of term loans (interest & installments) and interest on cash credit accounts up to August 31, 2020, and with the support of the 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 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 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 March 31, 2020, and re-measured its Deferred Tax basis the rates prescribed in the said section. The full impact of this change has been recognised in the statement of profit & loss for the year ended March 31, 2020. This has resulted in reversal of Deferred tax expense of ₹ 639.19 lacs on account of remeasurement of Deferred tax liabilities as at April 01, 2019.
- 9 As the major business of the Company 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.
- 10 Two Promoter Directors, working as non-executive directors during the year, are appointed as Managing Directors with effect from March 25, 2020, by the Board of Directors. The financial results for the quarter and year ending March 31, 2020, includes managerial remuneration of ₹ 363.23 lacs payable to two managing directors, and is subject to approval by the shareholders/members at the ensuing Annual General Meeting.
- 11 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".
- 12 The figures of the last quarters are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 and March 31, 2019, and unaudited published year-to-date figures up to December 31, 2019 and December 31, 2018, respectively, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.
- 13 Previous period figures have been regrouped/rearranged, wherever necessary, to correspond to current period's presentation.

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For VADIL INDUSTRIES LIMITED


RAJESH R. GANDHI
MANAGING DIRECTOR

Date : June 26, 2020
Place : Ahmedabad

**VADILAL INDUSTRIES LIMITED**

Regd. Office : Vadilal House, Shrimali Society, Nr. Navarangpura Railway Crossing, Navrangpura, Ahmedabad - 380 009. Ph.: 079-30921200 Fax: 079-30153102,
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B) 1) STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Unaudited) Refer Note-12	(Unaudited)	(Unaudited) Refer Note-12	(Audited)	(Audited)
1	Revenue from operations	9,771.19	9,617.89	11,243.66	59,926.72	56,711.44
2	Other Income	262.79	170.28	222.80	962.05	1,079.31
3	Total Income (1+2)	10,033.98	9,788.17	11,466.46	60,888.77	57,790.75
4	Expenses					
	a) Cost of materials consumed	7,102.60	3,755.88	7,296.17	29,033.85	28,414.93
	b) Purchase of stock-in-trade	499.41	574.82	638.80	2,754.64	2,398.45
	c) Changes in inventories of finished goods and Stock-in-trade	(1,939.34)	763.54	(1,773.26)	(225.46)	-1,313.92
	d) Employee benefits expense	1,865.68	1,470.70	1,462.31	6,240.60	5,375.89
	e) Finance Costs	557.49	356.38	431.06	1,671.62	1,407.41
	f) Depreciation and amortisation expense	622.52	572.59	440.51	2,369.33	1,690.49
	g) Other expenses	3,179.10	2,946.74	3,845.46	14,250.43	14,631.14
	Total expenses :	11,887.46	10,440.65	12,341.05	56,095.01	52,604.39
5	Profit/(Loss) from ordinary activities before tax (3-4)	(1,853.48)	(652.48)	(874.59)	4,793.76	5,186.36
6	Tax expense					
	(a) Current Tax	(478.04)	(180.92)	(342.90)	1,260.92	1,735.57
	(b) Deferred Tax	28.81	34.08	110.76	(605.04)	114.51
	Total tax Expense	(449.23)	(146.84)	(232.14)	655.88	1,850.08
7	Net Profit/ (Loss) after tax (5-6)	(1,404.25)	(505.64)	(642.45)	4,137.88	3,336.28
	Attributable to:					
	Non-Controlling Interest	(0.54)	(0.18)	(0.30)	(0.47)	0.21
	Owners of the company	(1,403.71)	(505.46)	(642.15)	4,138.35	3,336.07
8	Other Comprehensive Income (Net of tax)					
	Items that will not be reclassified to statement of Profit and Loss					
	- Remeasurement of defined benefits plan	(2.79)	(10.93)	(22.44)	(35.58)	(43.71)
	- Tax expenses on above item	0.70	2.75	7.84	(2.54)	15.52
	Items that will be reclassified to statement of Profit and Loss					
	-Exchange difference on translation on foreign operations	(31.76)	6.08	(7.56)	(22.48)	7.95
	Total Other Comprehensive Income (Net of Tax)	(33.85)	(2.10)	(22.16)	(60.60)	(20.24)
	Attributable to:					
	Non Controlling Interest	-	-	-	-	-
	Owners of the company	(33.85)	(2.10)	(22.16)	(60.60)	(20.24)
9	Total Comprehensive Income for the period (7+8)	(1,438.10)	(507.74)	(664.61)	4,077.28	3,316.04
	Attributable to:					
	Non Controlling Interest	(0.54)	(0.18)	(0.30)	(0.47)	0.21
	Owners of the company	(1,437.56)	(507.56)	(664.31)	4,077.75	3,315.83
10	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	718.78	718.78	718.78	718.78	718.78
11	Other Equity excluding Revaluation Reserve				16,461.96	12,492.53
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :					
	a) Basic (₹)	(19.53)	(7.03)	(8.93)	57.57	46.41
	b) Diluted (₹)	(19.53)	(7.03)	(8.93)	57.57	46.41

See accompanying Notes to the Consolidated Financial Results

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2) Consolidated Statement of Assets and Liabilities		(₹ in lacs)	
Particulars	March 31, 2020 (Audited)	March 31, 2019 (Audited)	
ASSETS			
Non-current Assets :			
(a) Property, Plant and Equipment	29,756.46	26,511.35	
(b) Capital Work in Progress	865.23	1,319.63	
(c) Investment Property -	19.06	19.40	
(d) Other Intangible Assets	144.11	200.38	
(e) Right to Use Assets	1,849.93	-	
(f) Financial Assets			
(i) Investments	55.97	57.60	
(ii) Loans	5.38	9.44	
(iii) Other Financial Assets	531.95	745.23	
(g) Deferred Tax Assets (Net)	146.40	55.65	
(h) Other Non- Current Assets	629.76	622.14	
Total Non current Assets :	34,004.25	29,540.82	
Current Assets :			
(a) Inventories	15,452.89	12,704.07	
(b) Financial Assets			
(i) Investments	1.22	1.44	
(ii) Trade Receivables	4,415.03	3,107.28	
(iii) Cash and Cash Equivalents	959.95	608.62	
(iv) Bank Balance other than (iii) above	955.36	252.37	
(v) Loans	12.97	15.83	
(vi) Other Financial Assets	238.27	203.76	
(c) Other Current Assets	1,357.04	1,269.26	
Total Current Assets :	23,392.73	18,162.63	
TOTAL ASSETS :	57,396.98	47,703.45	
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	718.78	718.78	
(b) Other Equity	23,986.13	20,016.70	
Total Equity attributable to owner	24,704.91	20,735.48	
(c) Non controlling interest	31.65	32.12	
Total Equity	24,736.56	20,767.60	
Liabilities			
Non Current Liabilities:-			
(a) Financial Liabilities			
(i) Borrowings	4,921.50	5,798.98	
(ii) Other Financial Liabilities	1,497.12	55.53	
(b) Provisions	195.53	201.37	
(c) Deferred Tax Liabilities (Net)	1,588.72	2,188.95	
(d) Other Non Current Liabilities	609.25	660.54	
Total Non Current Liabilities	8,812.12	8,905.37	
Current Liabilities:-			
(a) Financial Liabilities			
(i) Borrowings	10,554.49	6,563.89	
(ii) Trade Payables			
-Dues of micro enterprises and small enterprises	526.26	411.20	
-Dues of creditors other than micro enterprises and small enterprises	7,970.03	6,545.76	
(iii) Other Financial Liabilities	3,815.02	3,418.84	
(b) Provisions	298.13	290.69	
(c) Current Tax Liabilities (Net)	254.48	228.31	
(d) Other Current Liabilities	429.89	571.79	
Total Current Liabilities	23,848.30	18,030.48	
TOTAL - EQUITY AND LIABILITIES :	57,396.98	47,703.45	

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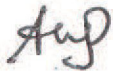
Arpit Patel

ARPIT PATEL & ASSOCIATES



3) AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,793.76	5,186.36
Adjustments for:		
Depreciation and Amortisation Expense	2,369.33	1,690.49
(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	(1.53)	58.84
Profit on Sale of Investments	(24.07)	(41.68)
Excess Provision Written Back	(69.44)	(23.92)
(Gain) / Loss on Fair Value of Current Investment	0.21	0.30
(Gain) / Loss on Fair Value of Non Current Investment	3.63	(0.54)
Financial Guarantee Commission Income	(28.99)	(25.46)
Grant Income	(55.65)	(55.68)
Dividend Income	-	(0.01)
Interest Income	(72.84)	(67.00)
Finance Costs	1,671.62	1,407.41
Provision for Doubtful Debts	45.01	52.25
Provision for Doubtful Advances	16.00	(2.15)
Bad Debts Written Off	30.38	19.42
Exchange Rate Difference on Consolidation	(22.48)	7.95
	<u>3,861.18</u>	<u>3,020.22</u>
Operating Profit before Working Capital Changes	<u>8,654.94</u>	<u>8,206.58</u>
Changes in Working Capital:		
(Increase) / Decrease in Inventories	(2,748.82)	(2,487.71)
(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	(2,084.82)	828.55
Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	4,166.79	(611.01)
Cash Generated from Operations	(666.85)	(2,270.17)
Income Taxes Paid	(1,325.50)	(1,493.89)
Net Cash Generated from / (Used in) Operating Activities (A)	<u>6,662.59</u>	<u>4,442.52</u>
B CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditure on Property, Plant & Equipment	(6,831.66)	(3,264.20)
Proceeds from Sale of Property, Plant & Equipment	16.37	20.74
Proceeds from Sale of Current Investment	24.07	41.68
Proceeds from Sale of Non Current Investment	(2.00)	-
Interest Received	68.64	75.69
Dividend Received	-	0.01
Net Cash Generated from / (Used in) Investing Activities (B)	<u>(6,724.58)</u>	<u>(3,126.08)</u>
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Non Current Borrowings	4,309.16	1,013.45
Repayment of Non Current Borrowings	(5,715.06)	(1,709.93)
Proceeds from / (Repayment) of Current Borrowings (Net)	3,990.60	1,258.73
Repayment of Lease Liabilities	(433.90)	-
Interest Paid	(1,629.16)	(1,411.51)
Dividend Paid (Including Tax on Dividend)	(108.32)	(108.32)
Net Cash Generated from / (Used in) Financing Activities (C)	<u>413.32</u>	<u>(957.58)</u>
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	351.33	358.86
Cash and Cash Equivalents at the beginning of the year	608.62	249.76
Cash and Cash Equivalents at the end of the year	959.95	608.62

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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 June 26, 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 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 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.
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 statements for the year ended March 31, 2020.
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.
- 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 is causing significant disturbance and slowdown of economic activity. The Group's Management believes COVID-19 has significantly impacted business operations, primarily because the Group's business is seasonal in nature and the lockdowns have happened during the same period.
The Group has made a detailed assessment of the recoverability of the Group's assets such as Inventory, Receivables, etc. as at the Balance Sheet date, using reasonably available information, estimates and judgments and has determined that none of these balances require material adjustments to their carrying value.
However, the impact of global health pandemic might vary from those estimated as on the date of approval of these financial statements and the Group will continue to monitor any material changes to the future economic conditions.
The Holding Company has availed moratorium in respect of term loans (interests & installments) and interest on cash credit accounts up to August 31, 2020, and with the support of the 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 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 March 31, 2020, and re-measured its Deferred Tax basis the rates prescribed in the said section. The full impact of this change has been recognised in the statement of profit & loss for the year ended March 31, 2020. This has resulted in reversal of Deferred tax expense of ₹ 639.19 lacs on account of remeasurement of Deferred tax liabilities as at April 01, 2019.
- 9 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.
- 10 Two Promoter Directors of the Holding Company, working as non-executive directors during the year, 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 and year ending March 31, 2020, includes managerial remuneration of ₹ 363.23 lacs payable to two managing directors, and is subject to approval by the shareholders/members at the ensuing Annual General Meeting.
- 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 The figures of the last quarters are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 and March 31, 2019, and unaudited published year-to-date figures up to December 31, 2019 and December 31, 2018, respectively, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.
- 13 Previous period figures have been regrouped/rearranged, wherever necessary, to correspond to current period's presentation.

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14 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).

Sr.No.	Particulars	Quarter ended			Year ended	
		March 31,2020	December 31,2019	March 31,2019	March 31,2020	March 31,2019
a	Total Income	7,977.20	7,738.60	10,248.13	52,505.05	51,964.22
b	Profit Before Tax	(2,114.31)	(896.93)	(464.30)	3,438.99	4,867.61
c	Net Profit/(Loss)	(1,575.61)	(674.01)	(312.97)	3,214.77	3,148.38
d	Other Comprehensive Income/(Loss)	(2.09)	(8.18)	(14.60)	(38.12)	(28.19)
e	Total Other Comprehensive Income/(Loss)	(1,577.70)	(682.19)	(327.57)	3,176.65	3,120.19

For VADILAL INDUSTRIES LIMITED

R R Gandhi

RAJESH R.GANDHI
MANAGING DIRECTOR

Date : June 26, 2020
Place : Ahmedabad

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ARP
ARPIT PATEL & ASSOCIATES



Independent Auditor's Report

To
The Board of Directors of
Vadilal Industries Limited.

Report on the audit of the standalone financial results

Disclaimer of Opinion

We have audited the accompanying statement of year to date standalone financial results of Vadilal Industries Limited (the "Company"), for the year ended March 31, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

We do not express an opinion on the accompanying Statement of the Company. Because of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the Statement:

- a. is presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations in this regard; and
- b. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income, and other financial information of the Company for the year ended March 31, 2020.

Basis for Disclaimer of Opinion

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 (a) and (b) above, we are unable to state whether the remuneration of INR 355.95 lakh and INR 363.23 lakh paid by the Company

to its Promoter Directors during the financial year 2018-19 and 2019-20 respectively 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.

Emphasis of Matter

- (a) We draw attention to Note 6 of the Statement which describes the Management's evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.
- (b) We draw attention to Note 10 of the Statement, which describes the Managerial Remuneration payable to Managing Directors, is subject to approval of members. Our opinion is not modified in respect of this matter.

Management and Board of Director's Responsibilities for the standalone financial results

The Statement has been prepared on the basis of the standalone annual financial statements. The Management and the Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement, that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.



Auditor's Responsibilities for the Audit of the standalone financial results

Because of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Statement.

We conducted the audit of the Statement in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

Other Matters

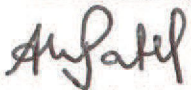
The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review, as required under the Listing Regulations.

The audited standalone financial results of the Company for the corresponding quarter and year ended March 31, 2019, were audited by the predecessor auditor, who had given a Disclaimer of Opinion, on those financial information 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 K. Patel

Partner

Membership No.: 034032

Place: Ahmedabad

Date: June 26, 2020

UDIN: 20034032AAAABL98II



Independent Auditor's Report

To
The Board of Directors of
Vadilal Industries Limited.

Report on the audit of the annual consolidated financial results

Disclaimer of Opinion

We have audited the accompanying statement of year to date annual consolidated financial results of Vadilal Industries Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), for the year ended March 31, 2020 (the "Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

The Statement includes the audited financial statements/financial results/financial information of the Holding Company and its subsidiaries, Vadilal Industries (USA) Inc., Vadilal Gulf (FZE) [up to October 9, 2019], Vadilal Industries Pty. Ltd., Vadilal Delights Limited, Varood Industries Limited and Vadilal Cold Storage.

We do not express an opinion on the accompanying Statement. Because of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the Statement:

- a. is presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations in this regard; and
- b. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income, and other financial information of the Group for the year ended March 31, 2020.

Basis for Disclaimer of Opinion

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 Company Law Tribunal, Ahmedabad.
- (c) Due to the possible effects of the matters described in paragraphs (a) and (b) above, we are unable to state whether the remuneration of of INR 355.95 lakh and INR 363.23 lakh paid by the Holding Company to its Promoter Directors during the financial year 2018-19 and 2019-20 respectively 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.

Emphasis of Matter

- (a) We draw attention to Note 6 of the Statement which describes the Management's evaluation of COVID-19 impact on the future performance of the Group. Our opinion is not modified in respect of this matter.
- (b) We draw attention to Note 10 of the Statement, which describes the Managerial Remuneration in form of commission payable to Managing Directors of the Holding Company, which is subject to approval of members. Our opinion is not modified in respect of this matter.

Management and Board of Director's Responsibilities for the annual consolidated financial results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Management and the Board of Directors of the Holding Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Group and other financial information in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement, that give a true and fair view and is free from material misstatement, whether due to fraud or error.



In preparing the Statement, the Management and the Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the annual consolidated financial results

Because of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Statement.

We conducted the audit of the Statement in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

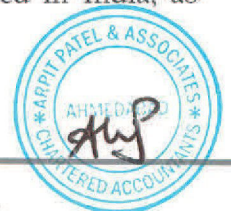
We also performed procedures in accordance with the Circular No CIR/CFD/CMDI/44/2019 dated March 29, 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The Statement includes the audited financial statements/financial results/financial information of:

- (a) 2 (two) subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of INR 5,231.70 lakh as at March 31, 2020, total revenue (before consolidation adjustments) of INR 13,045.93 lakh and total net profit after tax (before consolidation adjustments) of INR 828.38 lakh and net cash outflows of INR 241.85 lakh for the year ended on that date, as considered in the Statement, which has been audited by its independent auditor. The independent auditor's report on the financial statements of these entities have been furnished to us by the Management of the Holding Company and our opinion 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 auditor and the procedures performed by us are as stated in paragraph above.

The financial statements of these subsidiaries 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 financial statements of these subsidiaries from those accounting principles to the accounting principles generally accepted in India, as applicable to the Parent.



(b) 2 (two) subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of INR 0.05 lakh as at March 31, 2020, total revenue (before consolidation adjustments) of INR Nil and total net profit after tax (before consolidation adjustments) of INR Nil and net cash outflows of INR Nil for the year ended on that date, as considered in the Statement. These unaudited financial statements/financial results/financial information has been approved and furnished to us by the Management of the Holding Company and our opinion 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 statements/financial results/financial information. In our opinion, and according to the information and explanations given to us by the Management of the Holding Company, these financial statements/financial results/financial information are not material to the Group.

Our opinion 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.

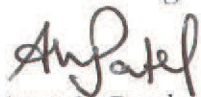
The consolidated financial results of the Holding Company for the corresponding quarter and year ended March 31, 2019, were reviewed/audited by the predecessor auditor, who had given a Disclaimer of Opinion, on those financial information on August 23, 2019. Our conclusion is not modified in respect of this matter.

The Statement includes the results for the quarter ended March 31, 2020 and March 31, 2019, being the balancing figures between the audited figures in respect of full financial year ended March 31, 2020 and March 31, 2019, respectively, and the published unaudited year-to-date figures up to the third quarter of the respective financial years, which were subjected to a limited review, as required under the Listing Regulations.

For Arpit Patel & Associates

Chartered Accountants

ICAI Firm registration number: 144032W



Arpit K. Patel

Partner

Membership No.: 034032

Place: Ahmedabad

Date: June 26, 2020

UDIN: 20034032AAAABNI081



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, 2020

Standalone Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020

[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	52505.05	52505.05
	2	Total Expenditure	49066.06	49066.06
	3	Net Profit/(Loss)	3214.77	3214.77
	4	Earnings Per Share	44.73	44.73
	5	Total Assets	54007.87	54007.87
	6	Total Liabilities	30621.92	30621.92
	7	Net Worth	23385.95	23385.95
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

II Audit Qualification (each audit qualification separately):

Independent Auditor's Report is reproduced hereunder:

We do not express an opinion on the accompanying Statement of the Company. Because of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the Statement:

- is presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations in this regard; and
- gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other-comprehensive income, and other financial information of the Company for the year ended March 31, 2020.

Basis For Disclaimer of Opinion

We refer to the following:

- 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

Handwritten signature and blue circular stamp of the auditor.

	<p>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.</p> <p>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.</p> <p>c) Due to the possible effects of the matters described in paragraphs (a) and (b) above, we are unable to state whether the remuneration of INR 355.95 lakh and INR 363.23 lakh paid by the Company to its Promoter Directors during the financial year 2018-19 and 2019-20 respectively is in accordance with the provisions of section 197 of the Companies Act, 2013, and consequential effect thereof on this Statement.</p> <p>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.</p> <p>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.</p>
	<p>b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p>
	<p>c. Frequency of qualification: Whether appeared First-time / repetitive / since how long continuing - Since Last Financial Year</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not quantified by Auditor</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(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.</p> <p>This Management estimate is subject to conclusion of the inquiries by an external agency voluntarily initiated by Company.</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: Not applicable</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: Our views remain unchanged considering the matters referred in our Audit report.</p>





III	Signatory:	
	Mr. Rajesh Gandhi, Managing Director	<i>R. R. Gandhi</i>
	Mr. Devanshu Gandhi, Managing Director	<i>D. V. Gandhi</i>
	CFO Mr. Kalpit Gandhi	<i>K. Gandhi</i>
	Audit Committee Chairman Mr. Vijay Shah	<i>V. Shah</i>
	Statutory Auditor Arpit Patel & Associates Firm Regn. No: 1440432W Mr. Arpit K Patel, Partner, (Membership no: 034032)	<i>A. Patel</i>
	Place: Ahmedabad	
	Date: June 26 2020	



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Consolidated Audited Financial Results for the Financial Year ended March 31, 2020

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020

[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	60888.77	60888.77
	2	Total Expenditure	56095.01	56095.01
	3	Net Profit/(Loss)	4137.88	4137.88
	4	Earnings Per Share	57.57	57.57
	5	Total Assets	57396.98	57396.98
	6	Total Liabilities	32660.42	32660.42
	7	Net Worth	24736.56	24736.56
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

II Audit Qualification (each audit qualification separately):

Independent Auditor's Report is reproduced hereunder:

We do not express an opinion on the accompanying Statement. Because of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the Statement:

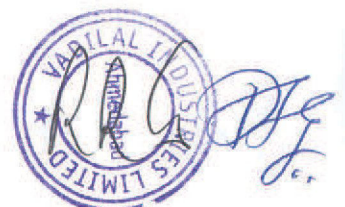
- is presented in accordance with the requirements of Regulation 33 and 52 of the Listing Regulations in this regard; and
- gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income, and other financial information of the Group for the year ended March 31, 2020.

Basis For Disclaimer of Opinion


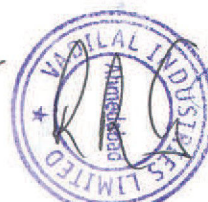

We refer to the following:

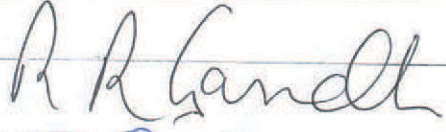

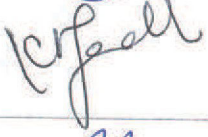

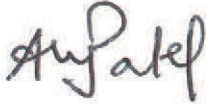
- Note 2 to the Statement, which describes various allegations and counter-allegations on financial, operational, and management matters between the Promoter Directors of the Holding Company, between August, 2018, and July, 2019. The Promoter Directors have communicated to the Audit Committee and the 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

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	<p>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.</p> <p>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.</p> <p>c) Due to the possible effects of the matters described in paragraphs (a) and (b) above, we are unable to state whether the remuneration of of INR 355.95 lakh and INR 363.23 lakh paid by the Holding Company to its Promoter Directors during the financial year 2018-19 and 2019-20 respectively is in accordance with the provisions of section 197 of the Companies Act, 2013, and consequential effect thereof on this Statement.</p> <p>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.</p> <p>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.</p>
	<p>b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p>
	<p>c. Frequency of qualification: Whether appeared First time / repetitive / since how long continuing - Since Last Financial Year</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not quantified by Auditor</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification:</p> <p>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.</p> <p>This Management estimate is subject to conclusion of the inquiries by an external agency voluntarily initiated by Company.</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: Not applicable</p>

	(iii) Auditors' Comments on (i) or (ii) above: Our views remain unchanged considering the matters referred in our Audit report.	
III	Signatory:	
	Mr. Rajesh Gandhi, Managing Director	 
	Mr. Devanshu Gandhi, Managing Director	
	CFO Mr. Kalpit Gandhi	
	Audit Committee Chairman Mr. Vijay Shah	
	Statutory Auditor Arpit Patel & Associates Firm Regn. No: 1440432W Mr. Arpit K Patel, Partner, (Membership no: 034032)	
	Place: Ahmedabad	
	Date: June 26, 2020	

