



Date: 30<sup>th</sup> June, 2021

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**

Dear Sir/Madam,

**Subject Submission of Audited Financial Results (Standalone & Consolidated) for the quarter/ year ended on 31<sup>st</sup> March, 2021 along with Auditor report of Statutory Auditor for the quarter/year ended on 31<sup>st</sup> March, 2021**

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 31<sup>st</sup> March, 2021
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 31<sup>st</sup> March, 2021
  - Auditors Report on Financial Results (Standalone & Consolidated) of the Company. The Report of Statutory Auditors is with Qualified Opinion with respect to the Audited Financial Results of the Company for the Quarter and Financial Year ended 31<sup>st</sup> March, 2021. The Statement on Impact of Audit Qualifications (For Audit Report with Qualified Opinion) for the Financial Year ended 31<sup>st</sup> March, 2021.

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

VADILAL INDUSTRIES LIMITED

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

A) 1) STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

Sr. No.	Particulars	Quarter ended			Year ended	Year ended
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Unaudited) Refer Note-8	(Unaudited)	(Unaudited) Refer Note-8	(Audited)	(Audited)
1	Revenue from operations	14,077.90	6,779.91	7,761.65	35,654.01	51,662.97
2	Other income	134.46	413.74	215.55	1,202.18	842.08
3	<b>Total Income (1+2)</b>	<b>14,212.36</b>	<b>7,193.65</b>	<b>7,977.20</b>	<b>36,856.19</b>	<b>52,505.05</b>
4	<b>Expenses</b>					
	a) Cost of materials consumed	9,577.44	3,638.28	7,102.60	21,353.31	29,033.85
	b) Purchase of stock-in-trade	147.17	102.40	119.55	414.51	860.76
	c) Changes in inventories of finished goods and Stock-in-trade	(1,531.36)	299.28	(2,132.59)	552.28	(201.64)
	d) Employee benefits expense	905.98	832.03	1,409.41	3,426.78	4,385.71
	e) Finance Costs	506.51	473.50	504.55	2,008.52	1,472.53
	f) Depreciation and amortisation expense	470.53	456.21	477.61	1,828.62	1,887.89
	g) Other expenses	3,171.83	2,407.99	2,610.38	10,442.88	11,626.96
	<b>Total expenses :</b>	<b>13,248.10</b>	<b>8,209.69</b>	<b>10,091.51</b>	<b>40,026.90</b>	<b>49,066.06</b>
5	<b>Profit/(Loss) from ordinary activities before tax (3-4)</b>	<b>964.26</b>	<b>(1,016.04)</b>	<b>(2,114.31)</b>	<b>(3,170.71)</b>	<b>3,438.99</b>
6	<b>Tax Expense</b>					
	(a) Current Tax	17.39	-	(520.95)	17.39	860.43
	(b) Deferred Tax	255.63	(253.95)	(17.75)	(778.28)	(636.21)
	<b>Total Tax Expense</b>	<b>273.02</b>	<b>(253.95)</b>	<b>(538.70)</b>	<b>(760.89)</b>	<b>224.22</b>
7	<b>Net Profit/ (Loss) after tax (5-6)</b>	<b>691.24</b>	<b>(762.09)</b>	<b>(1,575.61)</b>	<b>(2,409.82)</b>	<b>3,214.77</b>
8	<b>Other Comprehensive Income (Net of tax)</b>					
	Items that will not be reclassified to statement of Profit and					
	- Remeasurement of defined benefits plan (net of tax)	22.42	(6.66)	(2.09)	2.45	(38.12)
	<b>Total Other Comprehensive Income (Net of Tax)</b>	<b>22.42</b>	<b>(6.66)</b>	<b>(2.09)</b>	<b>2.45</b>	<b>(38.12)</b>
9	<b>Total Comprehensive Income for the period (7+8)</b>	<b>713.66</b>	<b>(768.75)</b>	<b>(1,577.70)</b>	<b>(2,407.37)</b>	<b>3,176.65</b>
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				12,735.63	15,143.00
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :					
	Basic & diluted (₹)	9.62	(10.60)	(21.92)	(33.53)	44.73
	See accompanying Notes to the Standalone Financial Results					

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*ARP*  
ARPIT PATEL & ASSOCIATES



2)

## Standalone Statement of Assets and Liabilities

(₹ in lacs)

Particulars	March 31, 2021	March 31, 2020
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current Assets :</b>		
(a) Property, Plant and Equipment	29,271.07	29,202.04
(b) Capital Work in Progress	529.59	865.23
(c) Investment Property	18.72	19.06
(d) Other Intangible Assets	105.75	137.68
(e) Right of Use Assets	604.53	753.37
(f) Financial Assets		
(i) Investments	299.31	298.81
(ii) Loans	1.05	274.64
(iii) Other Financial Assets	215.39	440.83
(g) Non Current Tax Assets (Net)	125.60	141.46
(h) Other Non- Current Assets	253.47	626.97
<b>Total Non current Assets :</b>	<b>31,424.48</b>	<b>32,760.09</b>
<b>Current Assets :</b>		
(a) Inventories	12,632.72	14,556.30
(b) Financial Assets		
(i) Investments	1.28	1.22
(ii) Trade Receivables	2,116.96	3,321.00
(iii) Cash and Cash Equivalents	846.73	665.13
(iv) Bank Balance other than (iii) above	1,045.27	914.49
(v) Loans	257.19	299.21
(vi) Other Financial Assets	83.28	258.04
(c) Other Current Assets	1,735.10	1,232.39
<b>Total Current Assets :</b>	<b>18,718.53</b>	<b>21,247.78</b>
<b>TOTAL ASSETS :</b>	<b>50,143.01</b>	<b>54,007.87</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity Share Capital	718.78	718.78
(b) Other Equity	20,259.80	22,667.17
<b>Total Equity</b>	<b>20,978.58</b>	<b>23,385.95</b>
<b>Liabilities</b>		
<b>Non Current Liabilities:-</b>		
(a) Financial Liabilities		
(i) Borrowings	5,537.11	4,820.28
(ii) Other Financial Liabilities	589.33	738.47
(b) Provisions	256.67	195.53
(c) Deferred Tax Liabilities (Net)	815.37	1,589.62
(d) Other Non Current Liabilities	557.43	609.25
<b>Total Non Current Liabilities</b>	<b>7,755.91</b>	<b>7,953.15</b>
<b>Current Liabilities:-</b>		
(a) Financial Liabilities		
(i) Borrowings	6,962.57	10,479.11
(ii) Trade Payables		
-Dues of micro enterprises and small enterprises	857.57	526.26
-Dues of creditors other than micro enterprises and small enterprises	9,350.22	7,604.78
(iii) Other Financial Liabilities	2,756.58	3,341.28
(b) Provisions	334.29	298.13
(c) Current Tax Liabilities (Net)	17.82	-
(c) Other Current Liabilities	1,129.47	419.21
<b>Total Current Liabilities</b>	<b>21,408.52</b>	<b>22,668.77</b>
<b>TOTAL EQUITY AND LIABILITIES :</b>	<b>50,143.01</b>	<b>54,007.87</b>

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## 3) AUDITED STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

Particulars	Year Ended	Year Ended
	March 31, 2021	March 31, 2020
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	(3,170.71)	3,438.99
<b>Adjustments for:</b>		
Depreciation and Amortisation Expense	1,828.62	1,887.89
(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	21.22	(1.53)
Profit on Sale of Investments	(2.08)	(24.07)
Excess Provision Written Back	(85.83)	(69.42)
(Gain) / Loss on Fair Value of Current Investment	(0.06)	0.21
(Gain) / Loss on Fair Value of Non Current Investment	(0.50)	3.63
Financial Guarantee Commission Income	(28.91)	(28.99)
Grant Income	(51.81)	(55.65)
Interest Income	(414.59)	(103.87)
Finance Costs	2,008.52	1,472.53
Provision for Doubtful Debts	(6.63)	19.38
Share of Profit of Partnership Firm	24.05	22.79
Unrealised foreign exchange (Gain)/Loss	32.18	(135.37)
	<b>3,324.18</b>	<b>2,987.53</b>
<b>Operating Profit before Working Capital Changes</b>	<b>153.47</b>	<b>6,426.52</b>
<b>Changes in Working Capital:</b>		
(Increase) / Decrease in Inventories	1,923.58	(2,725.00)
(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	1,484.25	(578.63)
Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	2,634.71	2,668.60
<b>Cash Generated from Operations</b>	<b>6,042.54</b>	<b>(635.03)</b>
Income Taxes Received / (Paid)	19.51	(1,034.55)
<b>Net Cash Generated from / (Used in) Operating Activities (A)</b>	<b>6,215.52</b>	<b>4,756.94</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Property, Plant & Equipment	(1,435.22)	(5,160.01)
Proceeds from Sale of Property, Plant & Equipment	15.22	16.37
Proceeds from Sale of Current Investment (Net)	2.08	24.07
Payments for Non Current Investments	-	(12.00)
Interest Received	381.01	85.33
<b>Net Cash Generated from / (Used in) Investing Activities (B)</b>	<b>(1,036.91)</b>	<b>(5,046.24)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Non Current Borrowings	2,417.50	4,169.71
Repayment of Non Current Borrowings (Net)	(1,922.52)	(5,597.84)
Proceeds from / (Repayment of) Current Borrowings (Net)	(3,516.54)	3,915.22
Payment of Lease Liabilities	(85.56)	(76.22)
Interest Paid	(1,889.89)	(1,430.07)
Dividend Paid (Including Tax on Dividend)	-	(108.32)
<b>Net Cash Generated from / (Used in) Financing Activities (C)</b>	<b>(4,997.01)</b>	<b>872.48</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>181.60</b>	<b>583.18</b>
Cash and Cash Equivalents at the beginning of the period	665.13	81.95
Cash and Cash Equivalents at the end of the period	846.73	665.13

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Notes:-

- 1 The above financial results of the Company for the quarter and the year ended March 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on June 30, 2021.  
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 (a) Interim Reports by the Independent Law Firm and Chartered Accountant Firm appointed by the Committee of Independent Directors to inquire/examine matters involving allegations and counter allegations levelled by two Promoter Directors against each other primarily relating to the operations and management of the Company during the period 2014-15 to 2018-19, is received by the Company. The Interim Reports received have not found any adverse observations/findings, in terms of reference made to them, which can be considered to be prejudicial to the interest of the Company.  
(b) However, the Company is yet to receive the report/finding for the following, primarily due to the second wave of the COVID-19:  
Allegations relating to potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lacs (for financial year 2017-18 and financial year 2018-19), and ₹ 25.00 lacs (for financial year 2014-15 and financial year 2018-19) by two Promoter Directors respectively.  
(c) The Board of Directors in its meeting held on June 28, 2021 have accepted the Recommendation of the Committee of Independent Directors to close all the matters not requiring any further course of action, except matter as referred to in para (b) above, and believes that the items in para (b) above shall not have any material financial impact on the financial statements of the Company for the year.
- 3 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 the prevention of oppression and mismanagement of the Company. In the current period, no orders have been passed by the NCLT. In the hearing held on June 8, 2021, the NCLT has adjourned the matter for hearing to July 28, 2021.
- 4 The business has been significantly impacted during the year on account of COVID-19. The Company has witnessed lower revenues due to lockdown imposed during the beginning of the year, being the peak period of the ice-cream business. With the unlocking of restrictions, the business improved gradually in the last two months of the year. Whilst there has been a second wave of the COVID-19 pandemic in April and May, 2021, the domestic ice-cream business of the Company once again got impacted, being the peak period.  
The Company has also assessed the possible impact of COVID-19 in preparation of the standalone financial results, including recoverable value of its financial and non-financial assets and impact on revenues and cost. The Company has considered internal and external sources of information and based on current estimates, expects to recover the carrying amount of these assets. The impact of COVID-19 may be different from that estimated at the date of the approval of these standalone financial results and the Company will continue to closely monitor any material changes to the future economic conditions.  
The Company, has availed moratorium in respect of term loans (interest and instalments) and interest on cash credit account up to August 31, 2020, and is generally regular in payment of interest and principal to its various lenders.  
As at the year end, the Company has noticed that there has been a breach in maintaining/complying certain financial ratios as stipulated in the long-term loan agreements by the lenders. Considering the impact of COVID-19 as exceptional, and there being no default in the payments to the lenders, the Company considers such breach in compliance of certain stipulated ratios as a minor breach of a debt covenant, not warranting any action at this stage.  
The Company believes, with the support of the lenders, in its ability to continue as a going concern and meeting its liabilities as and when they fall due in the foreseeable future.
- 5 The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette of India on September 29, 2020, which could impact the contributions of the Company towards certain employment benefits. The effective date from which changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period of notification of the relevant provisions.
- 6 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.
- 7 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".
- 8 The figures of the last quarters are the balancing figures between audited figures in respect of the full financial year up to March 31, 2021 and March 31, 2020, and unaudited published year-to-date figures up to December 31, 2020 and December 31, 2019, respectively, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.
- 9 Previous period figures have been regrouped/rearranged, wherever necessary, to correspond to current period's presentation.

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For VADILAL INDUSTRIES LIMITED

  
RAJESH R. GANDHI  
MANAGING DIRECTOR

Date : June 30, 2021  
Place : Ahmedabad

**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company pursuant to Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

To  
The Board of Directors of  
Vadilal Industries Limited.

**Report on the audit of the Standalone Financial Results**

**Qualified Opinion**

We have audited the accompanying statement of quarterly and year to date Standalone Financial Results of Vadilal Industries Limited (the "Company"), for the quarter and for the year ended March 31, 2021 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report:

- a. is presented in accordance with the requirements of Regulations 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 standalone net profit (for the quarter ended March 31, 2021)/ net loss (for the year ended March 31, 2021) and other comprehensive income, and other financial information of the Company for the quarter and for the year ended March 31, 2021.

**Basis for Qualified Opinion**

We are unable to comment upon the possible effects of the following matters, on the Standalone Financial Results of the Company for the quarter and year ended March 31, 2021. The matter more fully discussed in Note 2(b) to the Statement pertaining to the pending receipt of conclusive reports/findings for the item described therein:

1. Matter involving counter allegations levelled by two Promoter Directors against each other in respect of potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lakh (for financial year 2017-18 and financial year 2018-19), and ₹ 25.00 lakh (for financial year 2014-15 and financial year 2018-19) respectively, by the Promoter Directors.

Pending receipt of the reports/findings, as referred above, we are unable to conclude the possible effects on the Statement, as a whole, of any undetected misstatements, if any, and whether it could be material.





We conducted our 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”). Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Standalone Financial Results” section of our report. 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. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

We draw attention to:

1. Note 3 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.
2. Note 4 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.

### Management and Board of Directors’ 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 standalone net loss 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 Regulations 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 are 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

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

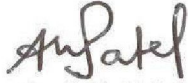
## Other Matter

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of full financial year ended March 31, 2021 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 by us, 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 30, 2021

UDIN: 21034032AAAACD1552



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**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, 2021**

Standalone Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sl No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	36,856.19	36,856.19
	2	Total Expenditure	40,026.90	40,026.90
	3	Net Profit/(Loss)	(2,409.82)	(2,409.82)
	4	Earnings Per Share	(33.53)	(33.53)
	5	Total Assets	50,143.01	50,143.01
	6	Total Liabilities	29,164.43	29,164.43
	7	Net Worth	20,978.58	20,978.58
	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:**

**Basis for Qualified Opinion**

We are unable to comment upon the possible effects of the following matters, on the Standalone Financial Results of the Company for the quarter and year ended March 31, 2021. The matter more fully discussed in Note 2(b) to the Statement pertaining to the pending receipt of conclusive reports/findings for the item described therein:

1. Matter involving counter allegations levelled by two Promoter Directors against each other in respect of potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lakh (for financial year 2017-18 and financial year 2018-19), and ₹ 25.00 lakh (for financial year 2014-15 and financial year 2018-19) respectively, by the Promoter Directors.

Pending receipt of the reports/findings, as referred above, we are unable to conclude the possible effects on the Statement, as a whole, of any undetected misstatements, if any, and whether it could be material.

We conducted our 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"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. 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. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

b. **Type of Audit Qualification:** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

c. **Frequency of qualification:** Whether appeared First time / repetitive / since how long continuing - Since Financial Year 2018-19


d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not quantified by Auditor

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(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 has already been expensed in the relevant financial years.

*Handwritten signatures:* AAG, [Signature], K. J. [Signature]



	This Management estimate is subject to conclusion of the inquiries by an external agency voluntarily initiated by Company.	
	(ii) <b>If management is unable to estimate the impact, reasons for the same:</b> Not applicable	
	(iii) <b>Auditors' Comments on (i) or (ii) above:</b> Our views remain unchanged considering the matters referred in our Audit report.	
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. Preet Shah	<i>P. 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 30, 2021	

B) 1) STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021

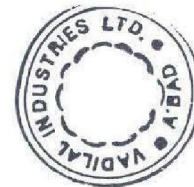
(₹ in lacs)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Unaudited) Refer Note-8	(Unaudited)	(Unaudited) Refer Note-8	(Audited)	(Audited)
1	Revenue from operations					
2	Other Income	16,850.31	9,854.95	9,771.19	46,379.23	59,926.72
3	Total Income (1+2)	522.58	439.64	262.79	1,653.41	962.05
4	Expenses	17,372.89	10,294.59	10,033.98	48,032.64	60,888.77
	a) Cost of materials consumed					
	b) Purchase of stock-in-trade	9,610.67	3,659.25	7,102.60	21,407.51	29,033.85
	c) Changes in inventories of finished goods and Stock-in-trade	695.98	968.48	499.41	3,038.58	2,754.64
	d) Employee benefits expense	(1,546.89)	319.94	(1,939.34)	17.72	(225.46)
	e) Finance Costs	1,451.70	1,357.32	1,865.68	5,472.03	6,240.60
	f) Depreciation and amortisation expense	535.56	506.58	557.49	2,144.00	1,671.62
	g) Other expenses	593.01	565.64	622.52	2,284.89	2,369.33
	Total expenses :	3,846.84	3,023.47	3,179.10	12,899.43	14,250.43
5	Profit/(Loss) from ordinary activities before tax (3-4)	15,186.87	10,400.68	11,887.46	47,264.16	56,095.01
6	Tax expense	2,186.02	(106.09)	(1,853.48)	768.48	4,793.76
	a) Current Tax					
	(b) Deferred Tax	295.21	252.04	(478.04)	1,128.71	1,260.92
	Total tax Expense	236.76	(238.73)	28.81	(822.99)	(605.04)
		531.97	13.31	(449.23)	305.72	655.88
7	Net Profit/ (Loss) after tax (5-6)	1,654.05	(119.40)	(1,404.25)	462.76	4,137.88
	Attributable to:					
	Non Controlling Interest	(0.16)	(0.13)	(0.54)	(0.49)	(0.47)
	Owners of the company	1,654.21	(119.27)	(1,403.71)	463.25	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					
	- Tax expenses on above item	29.96	(8.90)	(2.79)	3.27	(35.58)
	Items that will be reclassified to statement of Profit and Loss	(7.54)	2.24	0.70	(0.82)	(2.54)
	- Exchange difference on translation on foreign operations					
	Total Other Comprehensive Income (Net of Tax)	29.13	(34.30)	(31.76)	(63.35)	(22.48)
	Attributable to:	51.55	(40.96)	(33.85)	(60.90)	(60.60)
	Non Controlling Interest					
	Owners of the company	51.55	(40.96)	(33.85)	(60.90)	(60.60)
9	Total Comprehensive Income for the period (7+8)	1,705.60	(160.36)	(1,438.10)	401.86	4,077.28
	Attributable to:					
	Non Controlling Interest	(0.16)	(0.13)	(0.54)	(0.49)	(0.47)
	Owners of the company	1,705.76	(160.23)	(1,437.56)	402.35	4,077.75
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					
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :				16,864.31	16,461.96
	a) Basic (₹)					
	b) Diluted (₹)	23.01	(1.66)	(19.53)	6.44	57.57
		23.01	(1.66)	(19.53)	6.44	57.57

See accompanying Notes to the Consolidated Financial Results

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 ARPIT PATEL & ASSOCIATES

RRG





## 2) Consolidated Statement of Assets and Liabilities (₹ in lacs)

Particulars	March 31, 2021 (Audited)	March 31, 2020 (Audited)
<b>ASSETS</b>		
<b>Non-current Assets :</b>		
(a) Property, Plant and Equipment	29,798.28	29,756.46
(b) Capital Work in Progress	529.59	865.23
(c) Investment Property	18.72	19.06
(d) Other Intangible Assets	110.38	144.11
(e) Right to Use Assets	1,250.48	1,849.93
(f) Financial Assets		
(i) Investments	56.46	55.97
(ii) Loans	1.05	5.38
(iii) Other Financial Assets	311.34	531.95
(g) Deferred Tax Assets (Net)	131.23	146.40
(h) Other Non- Current Assets	327.51	629.76
<b>Total Non current Assets :</b>	<b>32,535.04</b>	<b>34,004.25</b>
<b>Current Assets :</b>		
(a) Inventories	14,113.12	15,452.89
(b) Financial Assets		
(i) Investments	1.28	1.22
(ii) Trade Receivables	4,529.81	4,415.03
(iii) Cash and Cash Equivalents	2,522.01	959.95
(iv) Bank Balance other than (iii) above	1,045.27	955.36
(v) Loans	9.42	12.97
(vi) Other Financial Assets	30.39	238.27
(c) Other Current Assets	1,962.43	1,357.04
<b>Total Current Assets :</b>	<b>24,213.73</b>	<b>23,392.73</b>
<b>TOTAL ASSETS :</b>	<b>56,748.77</b>	<b>57,396.98</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity Share Capital	718.78	718.78
(b) Other Equity	24,388.48	23,986.13
Total Equity attributable to owner	25,107.26	24,704.91
(c) Non controlling interest	31.16	31.65
Total Equity	25,138.42	24,736.56
<b>Liabilities</b>		
<b>Non Current Liabilities:-</b>		
(a) Financial Liabilities		
(i) Borrowings	5,718.20	4,921.50
(ii) Other Financial Liabilities	1,030.78	1,497.12
(b) Provisions	256.67	195.53
(c) Deferred Tax Liabilities (Net)	806.57	1,588.72
(d) Other Non Current Liabilities	557.43	609.25
<b>Total Non Current Liabilities</b>	<b>8,369.65</b>	<b>8,812.12</b>
<b>Current Liabilities:-</b>		
(a) Financial Liabilities		
(i) Borrowings	6,962.57	10,554.49
(ii) Trade Payables		
-Dues of micro enterprises and small enterprises	857.57	526.26
-Dues of creditors other than micro enterprises and small enterprises	10,217.02	7,970.03
(iii) Other Financial Liabilities	3,094.57	3,815.02
(b) Provisions	334.29	298.13
(c) Current Tax Liabilities (Net)	1,106.13	254.48
(d) Other Current Liabilities	668.55	429.89
<b>Total Current Liabilities</b>	<b>23,240.70</b>	<b>23,848.30</b>
<b>TOTAL - EQUITY AND LIABILITIES :</b>	<b>56,748.77</b>	<b>57,396.98</b>

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 ARPIT PATEL & ASSOCIATES

RHG



## 3] AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	₹ in lacs	
	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	768.48	4,793.76
Adjustments for:		
Depreciation and Amortisation Expense	2,284.89	2,369.33
(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	21.22	(1.53)
Profit on Sale of Investments	(2.08)	(24.07)
Excess Provision Written Back	(85.83)	(69.44)
(Gain) / Loss on Fair Value of Current Investment	(0.06)	0.21
(Gain) / Loss on Fair Value of Non Current Investment	(0.50)	3.63
Financial Guarantee Commission Income	(28.91)	(28.99)
Grant Income	(51.81)	(55.65)
Interest Income	(384.66)	(72.84)
Finance Costs	2,144.00	1,671.62
Provision for Doubtful Debts	-	45.01
Provision for Doubtful Advances	-	16.00
Bad Debts Written Off	5.26	30.38
Exchange Rate Difference on Consolidation	(63.35)	(22.48)
	<b>3,838.17</b>	<b>3,861.18</b>
Operating Profit before Working Capital Changes	<b>4,606.65</b>	<b>8,654.94</b>
Changes in Working Capital:		
(Increase) / Decrease in Inventories	1,339.77	(2,748.82)
(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	(147.56)	(2,084.82)
Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	2,627.51	4,166.79
Cash Generated from Operations	3,819.72	(666.85)
Income Taxes Paid	(221.05)	(1,325.50)
Net Cash Generated from / (Used in) Operating Activities (A)	<b>8,205.32</b>	<b>6,662.59</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Property, Plant & Equipment	(1,484.74)	(6,831.66)
Proceeds from Sale of Property, Plant & Equipment	15.22	16.37
Proceeds from Sale of Current Investment	2.08	24.07
Proceeds from Sale of Non Current Investment	0.01	(2.00)
Interest Received	383.84	68.64
Net Cash Generated from / (Used in) Investing Activities (B)	<b>(1,083.59)</b>	<b>(6,724.58)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Non Current Borrowings	2,535.03	4,309.16
Repayment of Non Current Borrowings	(1,957.73)	(5,715.06)
Proceeds from / (Repayment) of Current Borrowings (Net)	(3,591.92)	3,990.60
Repayment of Lease Liabilities	(518.80)	(433.90)
Interest Paid	(2,026.25)	(1,629.16)
Dividend Paid (Including Tax on Dividend)	-	(108.32)
Net Cash Generated from / (Used in) Financing Activities (C)	<b>(5,559.67)</b>	<b>413.32</b>
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	1,562.06	351.33
Cash and Cash Equivalents at the beginning of the year	959.95	608.62
Cash and Cash Equivalents at the end of the year	2,522.01	959.95

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ARPIT PATEL & ASSOCIATES

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Notes:-

- 1 The above financial results of the Holding Company for the quarter and the year ended March 31, 2021 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 30, 2021.  
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 (a) Interim Reports by the Independent Law Firm and Chartered Accountant Firm appointed by the Committee of Independent Directors to inquire/examine matters involving allegations and counter allegations levelled by two Promoter Directors against each other primarily relating to the operations and management of the Holding Company during the period 2014-15 to 2018-19, is received by the Holding Company. The Interim Reports received have not found any adverse observations/findings, in terms of reference made to them, which can be considered to be prejudicial to the interest of the Holding Company.  
(b) However, the Holding Company is yet to receive the report/finding for the following, primarily due to the second wave of the COVID-19: Allegations relating to potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lacs (for financial year 2017-18 and financial year 2018-19), and ₹ 25.00 lacs (for financial year 2014-15 and financial year 2018-19) by two Promoter Directors respectively.  
(c) The Board of Directors of the Holding Company in its meeting held on June 28, 2021 have accepted the Recommendation of the Committee of Independent Directors to close all the matters not requiring any further course of action, except matter as referred to in para (b) above, and believes that the items in para (b) above shall not have any material financial impact on the financial statements of the Group for the year.
- 3 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 the prevention of oppression and mismanagement of the Holding Company. In the current period, no orders have been passed by the NCLT. In the hearing held on June 8, 2021, the NCLT has adjourned the matter for hearing to July 28, 2021.
- 4 The business has been significantly impacted during the year on account of COVID-19. The Holding Company has witnessed lower revenues due to lockdown imposed during the beginning of the year, being the peak period of the ice-cream business. With the unlocking of restrictions, the business improved gradually in the last two months of the year. Whilst there has been a second wave of the COVID-19 pandemic in April and May, 2021, the domestic ice-cream business of the Holding Company once again got impacted, being the peak period.  
The Group has also assessed the possible impact of COVID-19 in preparation of the standalone financial results, including recoverable value of its financial and non financial assets and impact on revenues and cost. The Group has considered internal and external sources of information and based on current estimates, expects to recover the carrying amount of these assets. The impact of COVID-19 may be different from that estimated at the date of the approval of these standalone financial results and the Group will continue to closely monitor any material changes to the future economic conditions.  
The Holding Company, has availed moratorium in respect of term loans (interest and instalments) and interest on cash credit account up to August 31, 2020, and is generally regular in payment of interest and principal to its various lenders.  
As at the year end, the Holding Company has noticed that there has been a breach in maintaining/complying certain financial ratios as stipulated in the long-term loan agreements by the lenders. Considering the impact of COVID-19 as exceptional, and there being no default in the payments to the lenders, the Holding Company considers such breach in compliance of certain stipulated ratios as a minor breach of a debt covenant, not warranting any action at this stage.  
The Group believes, with the support of the lenders, in its ability to continue as a going concern and meeting its liabilities as and when they fall due in the foreseeable future.
- 5 The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette of India on September 29, 2020, which could impact the contributions of the Holding Company towards certain employment benefits. The effective date from which changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period of notification of the relevant provisions.
- 6 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.
- 7 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".
- 8 The figures of the last quarters are the balancing figures between audited figures in respect of the full financial year up to March 31, 2021 and March 31, 2020, and unaudited published year-to-date figures up to December 31, 2020 and December 31, 2019, respectively, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.
- 9 Previous period figures have been regrouped/rearranged, wherever necessary, to correspond to current period's presentation.
- 10 The standalone financial results of the Holding Company for the quarter and the year ended March 31, 2021 are available on the Holding Company's website (URL:www.vadilalgroup.com).

Key standalone financial information is given below:

(₹ in lacs)

Sr.No.	Particulars	Quarter ended			Year ended	
		March 31,2021	December 31,2020	March 31,2020	March 31,2021	March 31,2020
a	Total Income	14,212.36	7,193.65	7,977.20	36,856.19	52,505.05
b	Profit Before Tax	964.26	(1,016.04)	(2,114.31)	(3,170.71)	3,438.99
c	Net Profit/(Loss)	691.24	(762.09)	(1,575.61)	(2,409.82)	3,214.77
d	Other Comprehensive Income/(Loss)	22.42	(6.66)	(2.09)	2.45	(38.12)
e	Total Other Comprehensive Income/(Loss)	713.66	(768.75)	(1,577.70)	(2,407.37)	3,176.65



For VADILAL INDUSTRIES LIMITED

*R R Gandhi*  
RAJESH R.GANDHI  
MANAGING DIRECTOR



Date : June 30, 2021  
Place : Ahmedabad

**Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated Financial Results of the Holding Company pursuant to Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

**To  
The Board of Directors of  
Vadilal Industries Limited.**

**Report on the audit of the Consolidated Financial Results**

**Qualified Opinion**

We have audited the accompanying statement of quarterly and year to date 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 quarter and for the year ended March 31, 2021 (the "Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- a. Includes the results of Vadilal Industries (USA) Inc., Vadilal Industries Pty. Ltd., Vadilal Delights Limited, Varood Industries Limited and Vadilal Cold Storage.
- b. is presented in accordance with the requirements of Regulations 33 and 52 of the Listing Regulations in this regard; and
- c. except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income, and other financial information of the Group for the quarter and for the year ended March 31, 2021.

**Basis for Qualified Opinion**

We are unable to comment upon the possible effects of the following matters, on the Consolidated Financial Results of the Group for the quarter and year ended March 31, 2021. The matter more fully discussed in Note 2(b) to the Statement pertaining to the pending receipt of conclusive reports/findings for the item described therein:

1. Matter involving counter allegations levelled by two Promoter Directors of the Holding Company against each other in respect of potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lakh (for financial year 2017-18 and financial year 2018-19), and ₹ 25.00 lakh (for financial year 2014-15 and financial year 2018-19) respectively, by the Promoter Directors.





Pending receipt of the reports/findings, as referred above, we are unable to conclude the possible effects on the Statement, as a whole, of any undetected misstatements, if any, and whether it could be material.

We conducted our 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"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. 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 believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

We draw attention to:

1. Note 3 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.
2. Note 4 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.

### Management and Board of Directors' Responsibilities for the 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 consolidated 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 Regulations 33 and 52 of the Listing Regulations. The respective Board of Directors of the entities included in the Group are responsible for 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 are free from material misstatement, whether due to fraud or error.





In preparing the Statement, the respective Management and the Board of Directors of the entities 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 entities included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results and other financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## Other Matter

The Statement includes the audited financial statements and other financial information, in respect of:

- (a) 3 (three) subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 7,930.97 lakh as at March 31, 2021, total revenue (before consolidation adjustments) of ₹ 5,107.06 lakh and ₹ 18,741.54 lakh, total net profit after tax (before consolidation adjustments) of ₹ 998.83 lakh and ₹ 2,953.26 lakh for the quarter ended March 31, 2021 and the year ended on that date, respectively, and net cash inflows of ₹ 1381.10 lakh for the year ended March 31, 2021, as considered in the Statement, which have been audited by their respective independent auditors. 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 auditors and the procedures performed by us are as stated in paragraph above.

The financial statements of an overseas 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 financial statements of this subsidiary from those accounting principles to the accounting principles generally accepted in India, as applicable to the Holding Company.

(b) 1 (One) subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 0.06 lakh as at March 31, 2021, total revenue (before consolidation adjustments) of ₹ Nil and ₹ Nil, total net profit after tax (before consolidation adjustments) of ₹ Nil and ₹ Nil for the quarter ended March 31, 2021 and the year ended on that date, respectively, and net cash inflows of ₹ Nil for the year ended March 31, 2021, 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 this entity, 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.

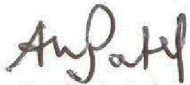
Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial results/financial information certified by the Management of the Holding Company.

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of full financial year ended March 31, 2021 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 by us, 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 30, 2021

UDIN: 21034032AAAACF8303






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**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, 2021**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sl No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	48,032.64	48,032.64
	2	Total Expenditure	47,264.16	47,264.16
	3	Net Profit/(Loss)	462.76	462.76
	4	Earnings Per Share	6.44	6.44
	5	Total Assets	56,748.77	56,748.77
	6	Total Liabilities	31,610.35	31,610.35
	7	Net Worth	25,138.42	25,138.42
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification (each audit qualification separately):			
<p><b>Independent Auditor's Report is reproduced hereunder:</b></p> <p><b>Basis for Qualified Opinion</b>            We are unable to comment upon the possible effects of the following matters, on the Consolidated Financial Results of the Group for the quarter and year ended March 31, 2021. The matter more fully discussed in Note 2(b) to the Statement pertaining to the pending receipt of conclusive reports/findings for the item described therein:</p> <ol style="list-style-type: none"> <li>Matter involving counter allegations levelled by two Promoter Directors of the Holding Company against each other in respect of potential personal expenses claimed as official business expenditure amounting to ₹ 25.33 lakh (for financial year 2017-18 and financial year 2018-19), and ₹ 25.00 lakh (for financial year 2014-15 and financial year 2018-19) respectively, by the Promoter Directors</li> </ol> <p>Pending receipt of the reports/findings, as referred above, we are unable to conclude the possible effects on the Statement, as a whole, of any undetected misstatements, if any, and whether it could be material.</p> <p>We conducted our 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"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. 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 believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.</p>				
b. <b>Type of Audit Qualification:</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion				
c. <b>Frequency of qualification:</b> Whether appeared First time / repetitive / since how long continuing – Since Financial Year 2018-19				
d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Not quantified by Auditor				

ARRG [Signature] [Signature]

e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	
<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>	
(ii) If management is unable to estimate the impact, reasons for the same:	
Not applicable	
(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	<i>R.R. Gandhi</i>
Mr. Devanshu Gandhi, Managing Director	<i>D. Gandhi</i>
CFO Mr. Kalpit Gandhi	<i>K. Gandhi</i>
Audit Committee Chairman Mr. Preet Shah	<i>P. Shah</i>
Statutory Auditor Arpit Patel & Associates Firm Regn. No: 1440432W  Mr. Arpit K Patel, Partner, (Membership no: 034032)	<i>Arpit Patel</i> 
Place: Ahmedabad	
Date: June 30, 2021	