



Date: 15th November, 2019

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

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

Scrip Code No. VADILALIND-EQ

Scrip Code : 519156

Subject: Unaudited Financial results (Standalone & Consolidated) of the Company for quarter/half year ended 30th September, 2019 along with the Limited Review Report of the Statutory Auditors thereon

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

1. Approved Unaudited Financial Results (Standalone & Consolidated) of the Company for Quarter ended on 30th September, 2019 being the 2nd Quarter/half year of the current financial year – 2019-2020, in the prescribed format of the Stock Exchange as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement), 2015 which were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company, at its meeting held today.
2. "Limited Review" report received from the Auditors of the Company in respect of the Quarter/half year ended on 30th September, 2019

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

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019

(₹ in lacs)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	12,284.03	24,021.45	11,770.18	36,305.48	32,947.51	50,705.76
2	Other income	246.17	237.60	382.04	483.77	720.03	1,258.46
3	Total Income (1+2)	12,530.20	24,259.05	12,152.22	36,789.25	33,667.54	51,964.22
4	Expenses						
	a) Cost of materials consumed	6,677.14	11,498.23	6,308.67	18,175.37	17,256.27	28,414.93
	b) Purchase of stock-in-trade	289.22	291.71	286.13	580.93	526.02	1,064.58
	c) Changes in inventories of finished goods and Stock-in-trade	(61.86)	1,482.80	(47.71)	1,420.94	500.12	(982.16)
	d) Employee benefits expense	957.79	1,000.67	837.17	1,958.46	1,940.79	3,921.43
	e) Finance Costs	279.56	372.77	294.84	652.33	642.41	1,392.13
	f) Depreciation and amortisation expense	465.05	486.79	409.78	951.84	834.54	1,659.83
	g) Other expenses	2,917.33	3,681.82	2,926.52	6,599.15	6,335.72	11,625.87
	Total expenses :	11,524.23	18,814.79	11,015.40	30,339.02	28,035.87	47,096.61
5	Profit/(Loss) from ordinary activities before tax (3-4)	1,005.97	5,444.26	1,136.82	6,450.23	5,631.67	4,867.61
6	Tax Expense						
	(a) Current Tax	(282.30)	1,903.27	377.43	1,620.97	1,957.86	1,588.43
	(b) Deferred Tax	(627.12)	(8.01)	(33.16)	(635.13)	(4.58)	130.80
	Total Tax Expense	(909.42)	1,895.26	344.27	985.84	1,953.28	1,719.23
7	Net Profit/ (Loss) after tax (5-6)	1,915.39	3,549.00	792.55	5,464.39	3,678.39	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)	(20.74)	(7.11)	(4.61)	(27.85)	(8.98)	(28.19)
	Total Other Comprehensive Income (Net of Tax)	(20.74)	(7.11)	(4.61)	(27.85)	(8.98)	(28.19)
9	Total Comprehensive Income for the period (7+8)	1,894.65	3,541.89	787.94	5,436.54	3,669.41	3,120.19
10	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	718.78	718.78	718.78	718.78	718.78	718.78
11	Other Equity excluding Revaluation Reserve						12,074.67
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :						
	Basic & diluted (₹)	26.65	49.38	11.03	76.02	51.18	43.80
	See accompanying Notes to the Standalone Financial Results						



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Standalone Statement of Assets and Liabilities

Particulars	(₹ in lacs)	
	September 30, 2019 (Unaudited)	March 31, 2019 (Audited)
ASSETS		
Non-current Assets :		
(a) Property, Plant and Equipment		
(b) Capital Work in Progress	26,597.35	26,051.47
(c) Investment Property	1,406.57	1,319.63
(d) Other Intangible Assets	19.23	19.40
(e) Right to Use Assets	168.05	193.06
(f) Financial Assets	819.52	-
(i) Investments		
(ii) Loans	290.39	290.39
(iii) Other Financial Assets	308.99	301.49
(g) Non Current Tax Assets (Net)	783.64	661.75
(h) Other Non-Current Assets	47.15	47.15
Total Non current Assets :	423.73	618.12
Current Assets :	30,864.62	29,502.46
(a) Inventories		
(b) Financial Assets	6,218.83	11,831.30
(i) Investments		
(ii) Trade Receivables	1.97	1.44
(iii) Cash and Cash Equivalents	3,524.12	3,339.26
(iv) Bank Balance other than (iii) above	1,764.05	81.95
(v) Loans	445.91	252.37
(vi) Other Financial Assets	210.22	210.05
(c) Other Current Assets	58.89	211.04
Total Current Assets :	1,206.20	1,151.66
TOTAL ASSETS :	13,430.19	17,079.07
EQUITY AND LIABILITIES	44,294.81	46,581.53
EQUITY		
(a) Equity Share Capital		
(b) Other Equity	718.78	718.78
Total Equity	24,927.06	19,598.84
Liabilities	25,645.84	20,317.62
Non Current Liabilities:-		
(a) Financial Liabilities		
(i) Borrowings		
(ii) Other Financial Liabilities	5,154.31	5,743.42
(b) Provisions	802.19	55.53
(c) Deferred Tax Liabilities (Net)	232.18	201.37
(d) Other Non Current Liabilities	1,594.16	2,223.30
Total Non Current Liabilities	632.13	660.54
Current Liabilities:-	8,414.97	8,884.16
(a) Financial Liabilities		
(i) Borrowings		
(ii) Trade Payables	2,244.55	6,563.89
-Dues of micro enterprises and small enterprises		
-Dues of creditors other than micro enterprises and small enterprises	229.73	411.20
	3,233.97	6,134.10
(iii) Other Financial Liabilities		
(b) Provisions	2,565.99	3,333.32
(c) Current Tax Liabilities (Net)	334.37	290.69
(d) Other Current Liabilities	950.07	79.81
Total Current Liabilities	675.32	566.74
TOTAL EQUITY AND LIABILITIES :	10,234.00	17,379.75
	44,294.81	46,581.53



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UNAUDITED STANDALONE STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2019

(₹ in Lacs)

Particulars	Period Ended September 30, 2019	Period Ended September 30, 2018
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	6,450.23	5,631.67
Adjustments for:		
Depreciation and Amortisation Expense	951.84	834.54
(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	(1.50)	11.30
Profit on Sale of Investments	(23.17)	(34.85)
Excess Provision Written Back	(40.27)	(13.62)
(Gain) / Loss on Fair Value of Current Investment	(0.08)	-
Financial Guarantee Commission Income	(14.50)	(11.32)
Grant Income	(28.41)	(27.45)
Dividend Income	-	(0.01)
Interest Income	(44.05)	(44.97)
Finance Costs	652.33	642.41
Provision for Doubtful Debts	16.92	6.37
Share of Profit of Partnership Firm	(12.29)	(22.54)
Unrealised foreign exchange (Gain)/Loss	(23.17)	(156.37)
	1,433.65	1,183.49
Operating Profit before Working Capital Changes	7,883.88	6,815.16
Changes in Working Capital:		
(Increase) / Decrease in Inventories	5,612.47	2,625.12
(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	(368.00)	1,545.06
Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	(2,053.15)	(2,907.18)
Cash Generated from Operations	3,191.32	1,263.00
Income Taxes Paid	(750.71)	(390.85)
Net Cash Generated from / (Used in) Operating Activities (A)	10,324.49	7,687.31
B CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditure on Property, Plant & Equipment	(2,572.09)	(1,246.16)
Proceeds from Sale of Property, Plant & Equipment	0.44	3.52
Proceeds from Sale of Current Investment (Net)	22.72	30.00
Interest Received	48.15	45.64
Dividend Received	-	0.01
Net Cash Generated from / (Used in) Investing Activities (B)	(2,500.78)	(1,166.99)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Non Current Borrowings	409.30	216.35
Repayment of Non Current Borrowings (Net)	(1,594.80)	(1,137.78)
Proceeds from / (Repayment of) Current Borrowings (Net)	(4,319.34)	(4,409.76)
Interest Paid	(636.77)	(596.77)
Dividend Paid (Including Tax on Dividend)	-	(108.32)
Net Cash Generated from / (Used in) Financing Activities (C)	(6,141.61)	(6,036.28)
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	1,682.10	484.04
Cash and Cash Equivalents at the beginning of the period	81.95	106.05
Cash and Cash Equivalents at the end of the period	1,764.05	590.09



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Notes:-

- 1 The afore said results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting held on November 15, 2019 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The statutory auditors have issued a disclaimer of opinion in respect of the results for the quarter and half year ended September 30, 2019.
- 2 During the financial year 2018-19, two Promoter Directors of the Company have sent out numerous communications to the Board of Directors ("the Board") of the Company making various allegations and counter-allegations on each other primarily relating to the operations and management of the Company on a range of matters including potential personal expenses claimed as official expenses, funds management, dissemination of price sensitive information, demand for re-examination of books of account of past periods, legitimacy of salaries paid to relatives of the promoter directors, payments made to a vendor without services being received and independence of Independent Directors, amongst others. Subsequent to the year-end, on July 22, 2019, the Promoter Directors have jointly communicated to the Board that they withdraw all these allegations / counter-allegations on each other unconditionally and without any reservations except for the ones stated in Note 3 below. The Board of Directors in their meeting on July 22, 2019, evaluated the basis of withdrawal of the joint communications of the promoter directors – PD1 and PD2 and further as the allegations levied 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. The Board of Directors ("the Board") of the Company, in their meeting dated March 30, 2019 have appointed an independent external consultant to perform procedures to ascertain whether potential personal expenses have been claimed as business expenses. In the same meeting, the Board has also appointed an external legal firm to hand hold the Board through the said process including compliance with applicable laws and regulations. As on the date of approval of these financial statements by the Board, the independent external consultants and the external legal firm are yet to provide their report to the Board to enable them to take further action in this matter.
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.
The Company is of the opinion that the outcome of findings will not have any material impact on the financial statements of the respective financial years.
- 4 As the statutory auditors have not accepted Company's representation on note 2 and 3 above and issued a disclaimer of opinion on the financial result for the year ended March 31, 2019, the promoter directors in the board meeting held on August 23, 2019 have voluntarily offered to appoint an independent law firm to conduct detailed inquiry in all the matters as reported in the statutory audit report with an aim of value preservation and enhancement in the interests of all stakeholders. In board meeting held on November 15, 2019, a committee of independent directors has been formed to appoint an independent law firm to conduct an inquiry in the matters.
Pending the conclusion of the aforesaid inquiries, the statutory auditors had disclaimed their opinion on the financial statements for the year ended March 31, 2019 and the financial results for the quarter ended June 30, 2019.
- 5 On September 29 2016, an agreement was signed between the Company and Vadilal Enterprises Limited, a related party, for sale of ice-creams in the domestic market. The agreement was approved by the Board of Directors of the Company in their meeting held on August 8, 2016 and subsequently approved by the shareholders in their meeting held on September 27, 2016. As per the agreement, the pricing of the products sold shall be at the discretion of the Company. Two erstwhile independent directors of the Company, who had approved the contract in the meeting of the Board of Directors as referred above, in their resignation letters and a promoter shareholder have sighted their concerns on the terms and conditions of the contract. The pricing pattern has remained consistent over these past years. The Company's management has obtained an opinion from a retired Supreme Court Judge who has opined that the contract is valid under the Indian Contract Act, 2013 and that it was approved by the then Audit Committee, the then Board of Directors and the then shareholders in accordance with the requirements of the Companies Act, 2013 and the Listing Regulations. Based on this opinion, the Board of Directors have concluded that the transactions pursuant to the contract are in accordance with the applicable laws.
- 6 In FY 2017-18, a Company Petition was filed against the Company and some of its promoters, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013 pertaining to prevention of oppression and mismanagement of the Company. In the current period, no orders have been passed by the NCLT as the petitioners and all the parties to the petition have submitted to the NCLT that they are seeking to arrive at an amicable resolution of matter.
- 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) ordinance, 2019. Accordingly, the Company has recognised provision of Income tax for the half year ended September 30, 2019 and re-measured its Deferred Tax Liabilities 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 quarter ended September 30, 2019. This has resulted in reversal of Current tax expense & Deferred tax income of ₹ 532.23 lacs and ₹ 3.31 lacs respectively accrued in quarter ended June 30, 2019 and reversal of Deferred tax expense of ₹ 621.99 lacs on account of re-measurement of Deferred Tax Liabilities as at March 31, 2019.
- 9 The Statement of Cash Flow for the half year ended September 30, 2018 as reported in this financial results have been approved by the Board of Directors, but have not been subjected to review by the Statutory Auditor.
- 10 In compliance with IND AS 20 on Government Grants and consequent to clarifications published by The Institute of Chartered Accountants of India, income from government grant have been recognised as "Other Income" with effect from July 2018. In earlier periods, these refunds were reported under "Other Operating Revenue" in the Statement of Profit and Loss. This has no impact on reported Profit Before Tax.
- 11 As the major business of the Company i.e. marketing and selling of ice-cream is of a seasonal nature, sales as well as profits during April to June period are usually higher than July to March period.
- 12 The Company is primarily engaged in one business segment namely Food segment as determined by the Chief Operating Decision Maker in accordance with IND AS 108 - "Operating Segment".



For VADILAL INDUSTRIES LIMITED
R R Gandhi

RAJESH R. GANDHI
DIRECTOR



Date : November 15, 2019
Place : Ahmedabad

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF VADILAL INDUSTRIES LIMITED

1. We were engaged to review the accompanying Statement of Standalone Unaudited Financial Results of **VADILAL INDUSTRIES LIMITED** ("the Company"), for the quarter and six months ended September 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors and, which they represent, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

2. Our responsibility is to conduct review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). However, because of the significance of the matters described in Paragraph 3 below, we were not able to obtain sufficient appropriate evidence relating to the matters referred to therein, as a basis for expressing a conclusion on the Statement.

Attention is drawn to Note 9 of the Statement which states that the Statement of Cash Flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

3. We refer to the following:

- a. Note 2 to the Statement describes disputes on various financial, operational and governance matters between the Promoter Directors of the Company and there are numerous allegations made against each other from August 2018 till July 2019 vide their respective communications to the Board of Directors of the Company. Furthermore, two erstwhile Independent Directors have, in their resignation letters dated June 19, 2019, addressed to the Company, have raised concerns in respect of the aforesaid disputes between the promoter directors of the company and hostile environment in the meetings of the Board of Directors and its committees. We provided to the Audit Committee and Board of Directors our suggestions to have these allegations investigated by an independent external agency to determine whether any irregularities / non-compliances / illegalities have occurred in relation to the allegations. The Promoters have communicated to Audit Committee and Board of Directors their withdrawal of all the above allegations on July 22, 2019, except for the matters referred in Paragraphs 3(b) and 3(c) below.



As per a resolution passed by the Board of Directors on March 30, 2019, the promoter directors ceased to be Managing Directors of the Company and it was resolved in the same meeting to appoint Professional Management as Director / Manager / CEO for the Company and that in the interim period, the Promoter Directors would continue to manage the business affairs of the Company without remuneration.

- b. As more fully explained in note 3(A) to the Statement, based on allegation made by Promoter Director 1 and Chief Financial Officer on August 11, 2018, the Board of Directors of the Company at their meeting held on March 30, 2019 has initiated an independent investigation by an external consultant along with an external legal firm, the scope of which, inter-alia covers, ascertainment of irregularities, if any, with respect to potential personal expenses, amounting to Rs.25.33 lacs as official business expenses by Promoter Director 2 of the Company. As per the information and explanations given to us, the external consultant is currently conducting their investigations and they may make a determination on whether the payments were inappropriate / illegal and its consequential impact, if any, including on compliance of relevant laws / regulations.
- c. Note 3(B) to the Statement which refers to suspicion raised by Promoter Director 2 on July 22, 2019 with respect to personal travel expenses of approximately Rs.23 lacs suspected to have been claimed as business expense by Promoter Director 1.
- d. Note 6 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.
- e. Due to the possible effects of the matters described in paragraphs 3(a) to 3(d) above, we are unable to state whether the remuneration of Rs. 355.96 lacs paid by the Company to its promoter directors during the financial year 2018-19 is in accordance with the provisions of section 197 of the Act and any consequential effect thereof on this Statement.

The Audit Committee and the Board of Directors in their meeting held on August 23, 2019 resolved to initiate independent inquiries into the matters referred in paragraph 3(a) and 3(c) above.

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

4. Because of the significance of the matters described in paragraph 3 above, we have not been able to obtain sufficient appropriate evidence to form a conclusion on the Statement and hence we do not express a conclusion on the Statement.



5. We draw attention to Note 5 to the Statement, which describe the key terms of a contract entered into by the Company with Vadilal Enterprises Limited, a related party, for sale of its goods.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval



Kartikeya Raval
Partner
(Membership No. 106189)

UDIN- **19106189AAAQU3806**

Place: Ahmedabad
Date : 15/11/2019.

VADILAL INDUSTRIES LIMITED

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

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

₹ in lacs)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	14,701.64	25,836.00	13,274.64	40,537.64	36,055.08	56,711.44
2	Other Income	272.43	256.55	372.99	528.98	705.21	1,079.31
3	Total Income (1+2)	14,974.07	26,092.55	13,647.63	41,066.62	36,760.29	57,790.75
4	Expenses						
	a) Cost of materials consumed	6,677.14	11,498.23	6,308.67	18,175.37	17,256.27	28,414.93
	b) Purchase of stock-in-trade	858.82	821.59	622.97	1,680.41	1,258.46	2,398.45
	c) Changes in inventories of finished goods and Stock-in-trade	(73.87)	1,024.21	(285.32)	950.34	112.70	(1,313.92)
	d) Employee benefits expense	1,452.77	1,451.45	1,218.10	2,904.22	2,596.56	5,375.89
	e) Finance Costs	334.67	423.08	302.48	757.75	650.94	1,407.41
	f) Depreciation and amortisation expense	577.86	596.36	417.20	1,174.22	848.67	1,690.49
	g) Other expenses	3,603.22	4,521.37	3,641.16	8,124.59	7,634.17	14,631.14
	Total expenses :	13,430.61	20,336.29	12,225.26	33,766.90	30,357.77	52,604.39
5	Profit/(Loss) from ordinary activities before tax (3-4)	1,543.46	5,756.26	1,422.37	7,299.72	6,402.52	5,186.36
6	Tax expense						
	(a) Current Tax	(126.80)	2,046.68	495.53	1,919.88	2,226.81	1,735.57
	(b) Deferred Tax	(609.82)	(58.11)	(71.71)	(667.93)	(57.67)	114.51
	Total tax Expense	(736.62)	1,988.57	423.82	1,251.95	2,169.14	1,850.08
7	Net Profit/ (Loss) after tax (5-6)	2,280.08	3,767.69	998.55	6,047.77	4,233.38	3,336.28
	Attributable to:						
	Non Controlling Interest	(0.17)	0.42	0.18	0.25	0.46	0.21
	Owners of the company	2,280.25	3,767.27	998.37	6,047.52	4,232.92	3,336.07
8	Other Comprehensive Income (Net of tax)						
	Items that will not be reclassified to statement of Profit and Loss	(20.74)	(7.11)	(4.61)	(27.85)	(8.98)	(28.19)
	Items that will be reclassified to statement of Profit and Loss	3.07	0.13	26.40	3.20	33.11	7.95
	Total Other Comprehensive Income (Net of Tax)	(17.67)	(6.98)	21.79	(24.65)	24.13	(20.24)
	Attributable to:						
	Non Controlling Interest	-	-	-	-	-	-
	Owners of the company	(17.67)	(6.98)	21.79	(24.65)	24.13	(20.24)
9	Total Comprehensive Income for the period (7+8)	2,262.41	3,760.71	1,020.34	6,023.12	4,257.51	3,316.04
	Attributable to:						
	Non Controlling Interest	(0.17)	0.42	0.18	0.25	0.46	0.21
	Owners of the company	2,262.58	3,760.29	1,020.16	6,022.87	4,257.05	3,315.83
10	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	718.78	718.78	718.78	718.78	718.78	718.78
11	Other Equity excluding Revaluation Reserve						12,492.53
12	Earnings Per Share (of ₹ 10/- each) (not annualized) :						
	a) Basic (₹)	31.72	52.41	13.89	84.14	58.89	46.41
	b) Diluted (₹)	31.72	52.41	13.89	84.14	58.89	46.41

See accompanying Notes to the Consolidated Financial Results



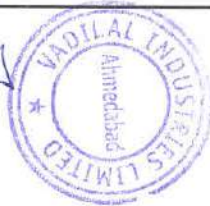
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Consolidated Statement of Assets and Liabilities

(₹ in lacs)

Particulars	September 30,	March 31, 2019
	2019	
	(Unaudited)	(Audited)
ASSETS		
Non-current Assets :		
(a) Property, Plant and Equipment	27,131.91	26,511.35
(b) Capital Work in Progress	1,406.57	1,319.63
(c) Investment Property	25.70	19.40
(d) Other Intangible Assets	168.05	200.38
(e) Right to Use Assets	2,051.22	-
(f) Financial Assets		
(i) Investments	57.60	57.60
(ii) Loans	4.65	9.44
(iii) Other Financial Assets	869.28	745.23
(g) Non Current Tax Assets (Net)	52.47	55.65
(h) Other Non- Current Assets	427.09	622.14
Total Non current Assets :	32,194.54	29,540.82
Current Assets :		
(a) Inventories	7,562.21	12,704.07
(b) Financial Assets		
(i) Investments	1.97	1.44
(ii) Trade Receivables	3,503.14	3,103.14
(iii) Cash and Cash Equivalents	2,183.68	608.62
(iv) Bank Balance other than (iii) above	445.91	252.37
(v) Loans	15.90	15.83
(vi) Other Financial Assets	63.68	203.76
(c) Other Current Assets	1,233.34	1,179.03
Total Current Assets :	15,009.83	18,068.26
TOTAL ASSETS :	47,204.37	47,609.08
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	718.78	718.78
(b) Other Equity	25,921.64	20,016.70
Total Equity attributable to owner	26,640.42	20,735.48
(c) Non controlling interest	32.37	32.12
Total Equity	26,672.79	20,767.60
Liabilities		
Non Current Liabilities:-		
(a) Financial Liabilities		
(i) Borrowings	5,206.75	5,798.98
(ii) Other Financial Liabilities	1,715.29	55.53
(b) Provisions	232.18	201.37
(c) Deferred Tax Liabilities (Net)	1,537.18	2,188.95
(d) Other Non Current Liabilities	632.13	660.54
Total Non Current Liabilities	9,323.53	8,905.37
Current Liabilities:-		
(a) Financial Liabilities		
(i) Borrowings	2,244.55	6,563.89
(ii) Trade Payables		
-Dues of micro enterprises and small enterprises	229.73	411.20
-Dues of creditors other than micro enterprises and small enterprises	3,438.16	6,455.53
(iii) Other Financial Liabilities	3,032.28	3,418.84
(b) Provisions	334.37	290.69
(c) Current Tax Liabilities (Net)	1,253.01	228.31
(d) Other Current Liabilities	675.95	567.65
Total Current Liabilities	11,208.05	17,936.11
TOTAL EQUITY AND LIABILITIES :	47,204.37	47,609.08



UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2019

(₹ in Lacs)

Particulars	Period Ended	Period Ended
	September 30, 2019	September 30, 2018
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	7299.71	6402.52
Adjustments for:		
Depreciation and Amortisation Expense	1174.22	848.67
(Profit) / Loss on Sale of Property, Plant and Equipment (Net)	(1.50)	11.30
Profit on Sale of Investments	(23.17)	(34.85)
Excess Provision Written Back	(40.28)	(13.62)
(Gain) / Loss on Fair Value of Current Investment	(0.08)	-
Financial Guarantee Commission Income	(14.50)	(11.32)
Grant Income	(28.41)	(27.45)
Dividend Income	-	(0.01)
Interest Income	(34.69)	(52.69)
Finance Costs	757.75	650.94
Provision for Doubtful Debts	16.47	1.84
Sundry Balance written off	0.03	-
Bad Debts Written Off	29.63	1.52
Unrealised foreign exchange (Gain)/Loss	(23.17)	(156.37)
Exchange Rate Difference on Consolidation	3.20	33.11
	1,815.50	1,251.07
Operating Profit before Working Capital Changes	9,115.21	7,653.59
Changes in Working Capital:		
(Increase) / Decrease in Inventories	5141.86	2237.70
(Increase) / Decrease in Trade Receivables, Financial Assets, Other assets and Loans given	(615.50)	1495.05
Increase / (Decrease) in Trade Payable, Financial Liabilities, Other Liabilities and Provisions	(897.63)	(2611.09)
Cash Generated from Operations	3,628.73	1,121.66
Income Taxes Paid	(890.94)	(659.80)
Net Cash Generated from / (Used in) Operating Activities (A)	11,853.00	8,115.45
B CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditure on Property, Plant & Equipment	(4099.99)	(1288.55)
Proceeds from Sale of Property, Plant & Equipment	0.44	3.52
Proceeds from Sale of Current Investment (Net)	22.72	29.99
Interest Received	28.15	61.74
Dividend Received	-	0.01
Net Cash Generated from / (Used in) Investing Activities (B)	(4,048.68)	(1,193.29)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Non Current Borrowings	465.03	350.19
Repayment of Non Current Borrowings	(1632.80)	(1154.82)
Proceeds from / (Repayment of) Current Borrowings (Net)	(4319.34)	(4409.77)
Interest Paid	(742.15)	(613.45)
Dividend Paid (Including Tax on Dividend)	-	(108.32)
Net Cash Generated from / (Used in) Financing Activities (C)	(6,229.26)	(5,936.17)
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	1,575.06	985.99
Cash and Cash Equivalents at the beginning of the period	608.62	249.76
Cash and Cash Equivalents at the end of the period	2183.68	1235.75



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Notes:-

- 1 The afore said results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting held on November 15, 2019 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The statutory auditors have issued a disclaimer of opinion in respect of the results for the quarter and half year ended September 30, 2019.
- 2 During the financial year 2018-19, two Promoter Directors of the Holding Company have sent out numerous communications to the Board of Directors ("the Board") of the Holding Company making various allegations and counter-allegations on each other primarily relating to the operations and management of the Holding Company on a range of matters including potential personal expenses claimed as official expenses, funds management, dissemination of price sensitive information, demand for re-examination of books of account of past periods, legitimacy of salaries paid to relatives of the promoter directors, payments made to a vendor without services being received and independence of Independent Directors, amongst others. Subsequent to the year-end, on July 22, 2019, the Promoter Directors have jointly communicated to the Board that they withdraw all these allegations / counter-allegations on each other unconditionally and without any reservations except for the ones stated in Note 3 below. The Board of Directors in their meeting on July 22, 2019, evaluated the basis of withdrawal of the joint communications of the promoter directors – PD1 and PD2 and further as the allegations levied 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 lakhs as official business expenses during the financial year 2017-18 to 2018-19. The Board of Directors ("the Board") of the Holding Company, in their meeting dated March 30, 2019 have appointed an independent external consultant to perform procedures to ascertain whether potential personal expenses have been claimed as business expenses. In the same meeting, the Board has also appointed an external legal firm to hand hold the Board through the said process including compliance with applicable laws and regulations. As on the date of approval of these financial statements by the Board, the independent external consultants and the external legal firm are yet to provide their report to the Board to enable them to take further action in this matter.
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.
The Holding Company is of the opinion that the outcome of findings will not have any material impact on the financial statements of the respective financial years.
- 4 As the statutory auditors have not accepted Holding Company's representation on note 2 and 3 above and issued a disclaimer of opinion on the financial result for the year ended March 31, 2019, the promoter directors in the board meeting held on August 23, 2019 have voluntarily offered to appoint an independent law firm to conduct detailed inquiry in all the matters as reported in the statutory audit report with an aim of value preservation and enhancement in the interests of all stakeholders.
In board meeting held on November 15, 2019, a committee of independent directors has been formed to appoint an independent law firm to conduct an inquiry in the matters.
Pending the conclusion of the aforesaid inquiries, the statutory auditors had disclaimed their opinion on the financial statements for the year ended March 31, 2019 and the financial results for the quarter ended June 30, 2019.
- 5 On September 29 2016, an agreement was signed between the holding Company and Vadilal Enterprises Limited, a related party, for sale of ice-creams in the domestic market. The agreement was approved by the Board of Directors of the holding Company in their meeting held on August 8, 2016 and subsequently approved by the shareholders in their meeting held on September 27, 2016. As per the agreement, the pricing of the products sold shall be at the discretion of the holding Company. Two erstwhile independent directors of the holding Company, who had approved the contract in the meeting of the Board of Directors as referred above, in their resignation letters and a promoter shareholder have sighted their concerns on the terms and conditions of the contract. The pricing pattern has remained consistent over these past years. The holding Company's management has obtained an opinion from a retired Supreme Court Judge who has opined that the contract is valid under the Indian Contract Act, 2013 and that it was approved by the then Audit Committee, the then Board of Directors and the then shareholders in accordance with the requirements of the Companies Act, 2013 and the Listing Regulations. Based on this opinion, the Board of Directors have concluded that the transactions pursuant to the contract are in accordance with the applicable laws.
- 6 In FY 2017-18, a Company 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 Company. In the current period, no orders have been passed by the NCLT as the petitioners and all the parties to the petition have submitted to the NCLT that they are seeking to arrive at an amicable resolution of matter.
- 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 group elected to exercise the option permitted under section 115BAA of the income tax Act, 1961 as introduced by Taxation Laws (Amendment) ordinance, 2019. Accordingly, the group has recognised provision of Income tax for the half year ended September 30, 2019 and re-measured its Deferred Tax Liabilities 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 quarter ended September 30, 2019. This has resulted in reversal of Current tax expense & Deferred tax income of ₹ 532.23 lacs and ₹ 27.16 lacs respectively accrued in quarter ended June 30, 2019 and reversal of Deferred tax expense of ₹ 631.60 lacs on account of remeasurement of Deferred Tax Liabilities as at March 31, 2019.
- 9 The Consolidated Statement of Cash Flow for the half year ended Septmeber 30,2018 as reported in this financial results have been approved by the Board of Directors, but have not been subjected to review by the Statutory Auditor.
- 10 In compliance with IND AS 20 on Government Grants and consequent to clarifications published by The Institute of Chartered Accountants of India, income from government grants has been recognised as "Other Income" with effect from July 2018. In earlier periods, these refunds were reported under "Other Operating Revenue" in the Statement of Profit and Loss. This has no impact on reported Profit before Tax.
- 11 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.
- 12 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".
- 13 Key Numbers of Standalone Financial Results of the Company are as under:

Sr.No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
		Unaudited			Unaudited		Audited
a	Revenue from operations	12,284.03	24,021.45	11,770.18	36,305.48	32,947.51	50,705.76
b	Profit Before Tax	1,005.97	5,444.26	1,136.82	6,450.23	5,631.67	4,867.61
c	Profit After Tax	1,915.39	3,549.00	792.55	5,464.39	3,678.39	3,148.38

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



For VADILAL INDUSTRIES LIMITED

 RAJESH R.GANDHI
 DIRECTOR



Date : November 15, 2019
 Place : Ahmedabad

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF VADILAL INDUSTRIES LIMITED

1. We were engaged to review the accompanying Statement of Consolidated Unaudited Financial Results of **VADILAL INDUSTRIES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and six months ended September 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Statement includes the results of the Parent and its subsidiaries, Vadilal Industries (USA) Inc., Vadilal Gulf (FZE), Vadilal Industries Pty Ltd and Vadilal Cold Storage.

This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors and, which they represent, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

2. Our responsibility is to conduct review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). However, because of the significance of the matter described in Paragraph 3 below, we were not able to obtain sufficient appropriate evidence relating to the matters referred to therein, as a basis for expressing a conclusion on the Statement.

Attention is drawn to Note 9 of the Statement which states that the Statement of Cash Flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Parent's Board of Directors, but have not been subjected to review.

3. We refer to the following:
 - a. Note 2 to the Statement describes disputes on various financial, operational and governance matters between the Promoter Directors of the Parent and there are numerous allegations made against each other from August 2018 till July 2019 vide their respective communications to the Board of Directors of the Parent. Furthermore, two erstwhile Independent Directors have, in their resignation letters dated June 19, 2019, addressed to the Parent, have raised concerns in respect of the aforesaid disputes between the promoter directors and hostile environment in the meetings of the Board of Directors and its committees. We provided to the Audit Committee and Board of Directors our suggestions to have these allegations investigated by an independent external agency to determine whether any irregularities / non-compliances / illegalities have occurred in relation to the allegations. The Promoters have



communicated to Audit committee and Board of Directors their withdrawal of all the above allegations on July 22, 2019, except for the matters referred in Paragraphs 3(b) and 3(c) below.

As per a resolution passed by the Board of Directors on March 30, 2019, the promoter directors ceased to be Managing Directors of the Parent and it was resolved in the same meeting to appoint Professional Management as Director / Manager / CEO for the Parent and that in the interim period, the Promoter Directors would continue to manage the business affairs of the Parent without remuneration.

- b. As more fully explained in note 3(A) to the Statement, based on allegation made by Promoter Director 1 and Chief Financial Officer on August 11, 2018, the Board of Directors of the Parent at their meeting held on March 30, 2019 has initiated an independent investigation by an external consultant along with an external legal firm, the scope of which, inter-alia covers, ascertainment of irregularities, if any, with respect to potential personal expenses, amounting to Rs.25.33 lacs as official business expenses by Promoter Director 2 of the Parent. As per the information and explanations given to us, the external consultant is currently conducting their investigations and they may make a determination on whether the payments were inappropriate / illegal and its consequential impact, if any, including on compliance of relevant laws / regulations.
- c. Note 3(B) to the Statement which refers to suspicion raised by Promoter Director 2 on July 22, 2019 with respect to personal travel expenses of approximately Rs.23 lacs suspected to have been claimed as business expense by Promoter Director 1.
- d. Note 6 to the Statement which refers to the status of on-going litigations filed against the Parent and some of its promoters under Section 241 and 242 of the Companies Act, 2013 pertaining to prevention of oppression and mismanagement of the Parent.
- e. Due to the possible effects of the matters described in paragraphs 3(a) to 3(d) above, we are unable to state whether the remuneration of Rs. 355.96 lacs paid by the Parent to its promoter directors during the financial year 2018-19 is in accordance with the provisions of section 197 of the Act and any consequential effect thereof on this Statement.

The Audit Committee and the Board of Directors in their meeting held on August 23, 2019 resolved to initiate independent inquiries into the matters referred in paragraph 3(a) and 3(c) above.

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

4. Because of the significance of the matters described in paragraph 3 above, we have not been able to obtain sufficient appropriate evidence to form a conclusion on the Statement and hence we do not express a conclusion on the Statement.
5. We draw attention to Note 5 to the Statement which describe the key terms of a contract entered into by the Parent with Vadilal Enterprises Limited, a related party, for sale of its goods.



6. We did not review the interim financial results of one subsidiary included in the consolidated unaudited financial results, whose financial results reflect total assets of Rs. 5,866.66 lacs as at September 30, 2019, total revenues of Rs. 3,657.27 lacs and Rs. 7,218.76 lacs for the quarter and six months ended September 30, 2019 respectively, total net profit after tax of Rs. 346.48 lacs and Rs. 680.65 lacs for the quarter and six months ended September 30, 2019 respectively and total comprehensive income of Rs. 349.68 lacs and Rs. 683.85 lacs for the quarter and six months ended September 30, 2019 respectively and net cash outflows of Rs. 133.83 lacs for the six months ended September 30, 2019, as considered in the Statement. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosure included in respect of this subsidiary is based solely on the report of the other auditor.

This subsidiary company located outsider India whose interim financial results have been prepared in accordance with accounting principles generally accepted in that country and which have been reviewed by other auditor under generally accepted auditing standards applicable in that country. The Parent's management has converted the interim financial results of this subsidiary from accounting principles generally accepted in that country to accounting principles generally accepted in India. Our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based on the report of other auditor and conversion adjustments prepared by the management of the Parent.

7. The consolidated unaudited financial results includes the financial results of three subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 244.26 lacs as at September 30, 2019, total revenue of Rs. 39.55 lacs and Rs. 119.80 lacs for the quarter and six months ended September 30, 2019 respectively, total loss after tax of Rs. 7.81 lacs and total profit after tax of Rs. 12.54 lacs for the quarter and six months ended September 30, 2019 respectively and total comprehensive loss of Rs. 7.81 lacs and total comprehensive income of Rs.12.54 lacs for the quarter and six months ended September 30, 2019 respectively and net cash inflows of Rs. 26.79 lacs for the six months ended September 30, 2019, as considered in the Statement. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

UDIN: **19106189AAAQV5344**

Place: Ahmedabad
Date : 15/11/2019