

Independent Auditor's Report

To
The Board of Directors of
Sudal Industries Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying financial results of **Sudal Industries Limited ('the Company')** for the quarter and year ended March 31, 2023, attached herewith along with notes thereto, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2023.

Basis for Opinion

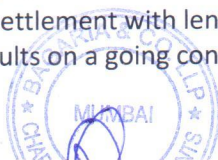
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* section of our report. 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 results 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 Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material Uncertainty related to Going Concern

The Company has been continuously incurring losses over last several years and its net worth stands fully eroded. It has submitted a Prepackage Insolvency Resolution Plan (PIRP) to Hon'ble NCLT, Mumbai which was admitted under Section 54C of the Insolvency & Bankruptcy Code 2016 ("Code") vide its order dated April 20, 2023 and moratorium has been declared under Section 14 of the code w.e.f. April 20, 2023, Resolution professional have been appointed and Committee of Creditors have been formed under the Code.

As per Section 54H of the Code, the management vests with the Company and accordingly it has been allowed to continue its operations. Besides, it is confident to receive favorable acceptance of resolution plan submitted by the Company under the Code resulting in settlement with lenders. Accordingly, management believes that it is appropriate to prepare these financial results on a going concern basis. (Refer note 5)



Management's Responsibilities for the Financial Results

These quarterly financial results have been prepared based on the annual financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/(loss) and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, 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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are 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 these financial results.

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

- Identify and assess the risks of material misstatement of the financial results, 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 control system 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 Company's ability 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 financial results 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 financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Financial Results include the results for the quarter ended March 31, 2023, and corresponding quarter ended of the previous year being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current and previous financial year which were subject to limited review by us.

Our opinion is not modified in respect of the matter.

For **Bagaria & Co. LLP**
Chartered Accountants
Firm registration No. – 113447W/W-100019

Vinay Somani
Partner

Membership No. 143503
UDIN: 23143503BGWEMH6184

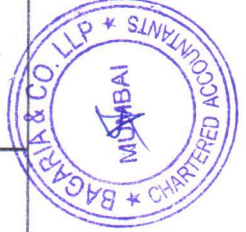
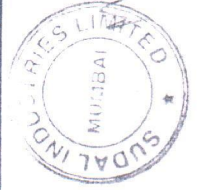
Place: Mumbai
Date: May 26, 2023



SUDAL INDUSTRIES LIMITED
CIN:L21541MH1979PLC021541

Registered office : A-5, MIDC, Ambad Industrial Area, Nashik - 422 010.
Corporate office: 26A, Nariman Bhavan, 227 Nariman Point, Mumbai - 400 021.
Audited Financial Results for the Quarter and Year Ended March 31, 2023

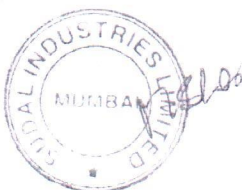
Particulars	(Rs. In Lakhs)			
	Quarter Ended		Year ended	
	March 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022
	Audited*	Unaudited	Audited	Audited
Income				
Revenue from Operations	3,931.50	3,794.98	15,985.39	12,894.42
Other income- Refer note 7 below	112.93	14.59	185.33	10.85
Total Income	4,044.43	3,809.57	16,170.72	12,905.27
Expenses				
Cost of materials consumed	2,995.16	3,182.76	12,739.99	10,071.54
Changes in inventories of finished goods, work-in-progress and Stock-in Trade	84.90	21.65	385.25	(36.11)
Employee Benefits Expense	128.07	126.08	476.48	425.42
Finance Costs	659.37	592.25	2,382.96	2,072.05
Depreciation and Amortization Expense	48.19	63.42	239.24	275.98
Other Expenses -Refer note 2 below	1,252.94	626.01	3,036.47	1,518.29
Total Expenses	5,168.62	4,612.17	19,260.38	14,327.17
Profit /(Loss) before exceptional item	(1,124.19)	(802.60)	(3,089.66)	(1,421.90)
Exceptional items- Income / (Expenses) -Refer note 3 below	-	(248.16)	(248.16)	461.19
Profit /(Loss) before Tax	(1,124.19)	(1,050.76)	(3,337.82)	(960.71)
Tax Expense /(credit)				
Current Tax	-	-	-	-
Total tax expense-net	-	-	-	-
Profit/(Loss) for the period	(1,124.19)	(1,050.76)	(3,337.82)	(960.71)
OTHER COMPREHENSIVE INCOME/(LOSS)				
Items that will not be reclassified subsequently to Profit or loss				
Gain/(loss) on Re-measurement of net defined benefit plans	(10.32)	-	(10.32)	5.11
Total Other Comprehensive Income/(Loss)	(10.32)	-	(10.32)	5.11
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(1,113.88)	(1,050.76)	(3,327.51)	(955.61)
Equity				
Equity share capital (Face Value of Rs. 10 each fully paid up)	736.78	736.78	736.78	736.78
Other Equity excluding revaluation reserve as per the latest audited balancesheet			(11,029.70)	(7,702.19)
Earnings per equity share of the face value of Rs.10 each				
Basic & Diluted from continuing operations (Rs) (Not annualised)	(15.26)	(14.26)	(45.30)	(13.04)



SUDAL INDUSTRIES LIMITED- Audited financial result for the quarter and year ended March 31, 2023
Statement of Assets and Liabilities

Rs in lakhs

Particulars	As at March 31,2023	As at March 31,2022
	Audited	Audited
ASSETS		
(1) NON - CURRENT ASSETS		
(a) Property, Plant & Equipment	3,225.02	3,974.29
(b) Capital work in progress	30.14	213.97
(c) Intangible Assets under development	31.08	-
(d) Financial assets		
(i) Investments	0.08	0.08
(ii) Other financial assets	10.14	10.14
(e) Income tax assets	86.90	86.12
(f) Other non-current assets	412.60	446.96
TOTAL NON - CURRENT ASSETS	3,795.96	4,731.56
(2) CURRENT ASSETS		
(a) Inventories	1,032.33	1,179.49
(b) Financial assets		
(i) Trade receivables	1,031.84	881.98
(ii) Cash & cash equivalents	159.18	209.84
(iii) Other bank balances	53.23	51.15
(iv) Other financial assets	1.00	2.62
(c) Other current assets	75.74	75.45
TOTAL CURRENT ASSETS	2,353.32	2,400.53
TOTAL ASSETS	6,149.28	7,132.09
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	736.78	736.78
Other equity	(11,029.70)	(7,702.19)
TOTAL EQUITY	(10,292.92)	(6,965.41)
LIABILITIES		
(1) NON - CURRENT LIABILITIES		
Financial liabilities		
Other Financial Liabilities	65.01	22.26
Provisions	136.20	134.28
TOTAL FINANCIAL LIABILITIES	201.21	156.54
(2) CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Trade payables		
- Total Outstanding Dues of Micro and small enterprises	-	-
- Total Outstanding Dues of Creditors other than Micro and small enterprises	972.06	913.40
(ii) Other financial liabilities	15,074.64	12,733.90
(b) Other current liabilities	140.85	228.44
(c) Provisions	53.44	65.22
TOTAL CURRENT LIABILITIES	16,240.99	13,940.96
TOTAL EQUITY AND LIABILITIES	6,149.28	7,132.09



JAL INDUSTRIES LIMITED- Audited financial result for the quarter and year ended March 31, 2023

Rs in lakhs

Cash Flow Statement :

	Year ended	
	March 31,2023	March 31,2022
	Audited	Audited
Cash flow from Operating Activities:		
Net Profit/(loss) as per statement of profit & loss before tax after exceptional item	(3,337.82)	(960.71)
Add: Adjustments for :		
Depreciation & amortisation expenses	239.24	275.98
Interest Expenses including exceptional items	2,382.96	1,610.86
Provision for doubtful debts provided for	8.05	-
Provision for government claims receivables	248.16	-
Interest Income	(2.97)	-
Liabilities no longer payable written back	(71.83)	(10.85)
(Profit)/Loss on sale/discard of Property, Plant and Equipment	1,076.85	92.36
Operating Profit/(Loss) before Working Capital changes	542.63	1,007.64
Adjustments for changes in Working Capital :		
Trade Receivables	(157.91)	(98.88)
Financial assets -current and non current	(0.75)	-
Other assets - current and non current	(193.13)	(221.91)
Inventories	147.16	(41.42)
Trade Payable	130.48	(170.36)
Other financial liabilities	42.75	72.67
Other current liabilities	(87.59)	-
Provisions	0.46	-
Cash generated from Operations	424.11	547.74
Income Taxes Refund/(Paid)-net	(0.78)	(7.64)
Net cash from/(used in) Operating Activities - A	423.33	540.10
Cash flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(439.07)	(369.41)
Capital Advance	(20.02)	-
Sale of Property Plant and Equipment	25.00	-
Interest received	2.32	-
Net Cash from/(used in) Investing Activities - B	(431.77)	(369.41)
Cash flow from Financing Activities:		
Payment towards One time settlement	-	(56.58)
Interest paid	(42.22)	-
Net cash from/(used in) Financing Activities - C	(42.22)	(56.58)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(50.66)	114.11
Opening Cash and Cash Equivalents	209.84	95.73
Closing Cash and Cash Equivalents	159.18	209.84



SUDAL INDUSTRIES LIMITED- Audited financial result for the quarter and year ended March 31, 2023

NOTES :

1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 26, 2023. The statutory auditors of the Company have audited the above financial results for the quarter and year ended March 31, 2023 in terms of Regulations 33 od SEBI(Listing and Order Disclosure Requirements) Regulation 2015 and have issued their reports with unmodified opinion on the audited financial results.

2 Other Expenses' includes the following :

Rs. in Lakhs

Particulars	Quarter Ended		Year ended	
	March 31,2023	December 31,2022	March 31,2022	March 31,2022
	Audited*	Unaudited	Audited*	Audited
Loss on discarding of Dies	645.22	90.30	67.73	959.80
Loss on sale of property, plant and equipment	-	-	-	117.05
				92.36

3 Exceptional items represents :

(a) - for the year ended March 31, 2023 represents provision made due to delay in sanction from the State Government in respect of electricity and octroi receivable aggregating to Rs. 248.16 lakhs.

(b) -for the year ended March 31, 2022 liability in respect of principal/interest no longer payable to a lender on reaching one time settlement.

4 The Operations of the Company relate to only one segment viz. Manufacturing of Aluminium Extrusions and down stream/ value added products.

5 The Company has been continuously incurring losses over last several years and its net worth stands fully eroded. It has submitted a Prepackage Insolvency Resolution Plan (PIRP) to Hon'ble NCLT, Mumbai which was admitted under Section 54C of the Insolvency & Bankruptcy Code 2016 ("Code") vide its order dated April 20, 2023 and moratorium has been declared under Section 14 of the code w.e.f. April 20, 2023, Resolution professional Mr. Prashant Jain have been appointed and Committee of Creditors have been formed under the Code. In accordance with the provisions of the Code, Public Announcement has been done inviting the bids for resolution plan by May 29, 2023.

As per Section 54H of the Code, the management vests with the Company and accordingly it has been allowed to continue its operations. Besides, it is confident to receive favorable acceptance of resolution plan submitted by the Company under the Code resulting in settlement with lenders. Accordingly, management believes that it is appropriate to prepare these financial results on a going concern basis.

6 The Company had, during the 3rd quarter, received show cause notices from Goods and Service Tax Department for aggregate tax impact of Rs.3,305.93 lakhs (including penalty and interest thereon upto date of notice), in respect of disallowance of input credits, mis-match in the GST returns filed etc. for the financial year from 2017-18 to 2021-22. These show cause notices have been suitably replied by the Company and no further communication received from the department thereafter.

7 Other income for the quarter and year ended March 31, 2023 includes Rs.93.66 lakhs in respect of proceeds from sale of scrapped toolings, moulds etc.

8 * The figures of the Current quarter and corresponding quarter of the previous year are the balancing figures between audited figures for the full financial year and unaudited published year to date figures up to the third quarter.

9 Figures for the previous periods have been regrouped, wherever necessary to conform to the current period's classification.

For and on behalf of the Board of Directors
For Sudal Industries Limited

Place : Mumbai
Date : May 26, 2023

M.V. Ashar
Director & CFO
DIN : 06929024

