

## 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, 2022, 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 profit/(loss) and other comprehensive income and other financial information for the quarter and year ended March 31, 2022.

#### 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. As explained, due to slackness in demand by user industries, lack of working capital funding and volatility of aluminium price, the Company was/is not able to utilize its production capacity optimally. The management feels that the demand would revive considering various incentive packages announced by the Government of India. The Company has submitted settlement plan to banker and intend to arrive at settlement under prepackage Insolvency Resolution Process and expect to convince the bank and other unsecured financial creditors to accept settlement as proposed and accordingly, believes that it is appropriate to prepare the financial statements on a going concern basis. (Refer note 6)

#### Emphasis of Matter

The Company's recoverable include amounts receivable from the Government in the form of refund of electricity duty from Maharashtra State Electricity Distribution Company Limited ("MSEDCL") of Rs. 190 Lakhs and Octroi Duty (grant) receivables of Rs. 58.16 Lakhs which has been delayed. The Management expects



refund of these amounts in due course.

Our opinion is not modified in respect of the matter stated above.

### **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.

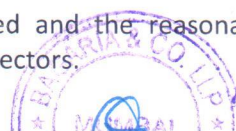
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **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 Matters:

- (a) We draw your attention to the Note 4 of the financial results regarding the assessment made by Management relating to impact of COVID-19 pandemic on the operations of the Company.
- (b) The Financial Results include the results for the quarter ended March 31, 2022, 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 these matters.

Place: Mumbai  
Date: May 30, 2022

For **Bagaria and CO. LLP**  
Chartered Accountants  
Firm registration No. -113447W/W-100019



**Vinay Somani**

Partner

Membership No. 143503

UDIN: 22143503AJXLJM9636



## Statement of Assets and Liabilities as at 31st March 2022:

(Rs. in Lakhs)

Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
<b>A. Assets</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	3,974.29	4,187.18
(b) Capital Work in Progress	213.97	-
(c) Financial assets		
(i) Investments	0.08	0.08
(ii) Other financial assets	10.14	8.56
(d) Non-current tax assets (net)	86.12	78.48
(e) Other non-current assets	286.38	293.81
<b>Total- Non current assets</b>	<b>4,570.97</b>	<b>4,568.11</b>
<b>(2) Current assets</b>		
(a) Inventories	1,179.49	1,138.07
(b) Financial assets		
(i) Trade receivables	881.98	783.10
(ii) Cash and cash equivalents	209.84	95.73
(iii) Bank balances other than cash and cash equivalents	51.15	7.96
(iv) Other current financial assets	13.20	6.34
(c) Other current assets	225.45	47.74
<b>Total Current assets</b>	<b>2,561.12</b>	<b>2,078.94</b>
<b>TOTAL ASSETS</b>	<b>7,132.09</b>	<b>6,647.05</b>
<b>B. Equity and liabilities</b>		
<b>(1) Equity</b>		
(a) Equity share capital	736.78	736.78
(b) Other equity	(7,702.19)	(6,746.57)
<b>Total- Equity</b>	<b>(6,965.41)</b>	<b>(6,009.79)</b>
<b>(2) Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Other financial liabilities	22.26	77.99
(b) Provisions	134.28	132.52
<b>Total-Non current liabilities</b>	<b>156.54</b>	<b>210.51</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	646.21	533.81
(ii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	913.40	1,099.72
(iii) Other financial liabilities	12,087.69	10,645.80
(b) Other current liabilities	228.44	108.19
(c) Provisions	65.22	58.81
<b>Total- current liabilities</b>	<b>13,940.95</b>	<b>12,446.33</b>
<b>Total Liabilities</b>	<b>14,097.50</b>	<b>12,656.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,132.09</b>	<b>6,647.05</b>





**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.

**Statement of Audited Financial Results for the Quarter/ Year Ended March 31, 2022**

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited (Refer note no.7)	Unaudited	Audited (Refer note no.7)	Audited	Audited
1	Income:					
	a) Revenue from operations	4,079.90	3,380.40	2,919.15	12,894.42	8,176.01
	b) Other Income	-	-	11.83	10.85	46.72
	Total Income	4,079.90	3,380.40	2,930.98	12,905.27	8,222.73
2	Expenses :					
	a) Cost of materials consumed	2,940.77	2,686.09	2,287.55	10,071.54	6,106.81
	b) Change in Inventories of finished goods, work-in-progress and stock-in-trade	240.42	(23.87)	(163.10)	(36.11)	(137.36)
	c) Employee benefits expense	132.54	89.60	98.41	425.42	347.01
	d) Finance Costs	623.84	524.42	434.15	2,072.06	1,739.06
	e) Depreciation and amortization expense	67.45	65.27	73.25	275.98	291.39
	f) Other Expenses	370.15	427.36	404.72	1,518.29	1,236.81
	Total Expenses	4,375.16	3,768.88	3,134.98	14,327.17	9,583.71
3	Profit /(Loss) before exceptional items and tax (1-2)	(295.26)	(388.48)	(204.00)	(1,421.90)	(1,360.98)
4	Exceptional Items (refer note 2 below)	461.19	-	-	461.19	-
5	Profit /(Loss) before tax (3-4)	165.93	(388.48)	(204.00)	(960.71)	(1,360.98)
6	Tax expense for earlier years	-	-	21.82	-	21.82
7	Net Profit/(Loss) for the period (5-6)	165.93	(388.48)	(225.82)	(960.71)	(1,382.80)
8	Other Comprehensive Income (OCI)					
	Items that will not be reclassified to profit or loss					
	-Defined benefit plans	5.11	-	0.72	5.11	0.72
	Other Comprehensive Income	5.11	-	0.72	5.11	0.72
9	Total comprehensive income for the period (7+8)	171.03	(388.48)	(225.10)	(955.61)	(1,382.08)
10	Paid-up Equity Share Capital					
	(Face Value of Rs.10 per share)	736.78	736.78	736.78	736.78	736.78
11	Other equity excluding revaluation reserve as per the latest audited balancesheet				(7,976.96)	(7,021.34)
12	Earnings per Share before exceptional items (Basic and Diluted ) (Rs.)	(4.01)	(5.27)	(3.06)	(19.30)	(18.77)
13	Earnings per Share after exceptional items (Basic and Diluted ) (Rs.)	2.25	(5.27)	(3.06)	(13.04)	(18.77)



**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 30, 2022. The statutory auditors of the Company have audited the financial results for the quarter and year ended March 31, 2022 in terms of Regulations 33 of SEBI (Listing and Order Disclosure Requirements) Regulation 2015 and have issued their report with unmodified opinion on the above financial results.
- 2 Exceptional item for the quarter and year ended 31 March, 2022 represents liability in respect of principal/interest no longer payable to a lender on reaching one time settlement.
- 3 The Operations of the Company relate to only one segment viz. Manufacturing of Aluminium Extrusions and down stream/ value added products.
- 4 The Company has considered the possible impact of COVID-19 in preparation of the above result. The impact of the global health pandemic may be different from that estimated as the date of approval of result. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes in future.
- 5 The Indian Parliament has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post-employment, and the same has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.
- 6 The Company has been continuously incurring losses over last several years and its net worth stands fully eroded. Due to slackness in demand by user industries, lack of working capital funding and volatility of aluminium price the Company was/is not able to utilize its production capacity optimally. The management feels that the demand would revive considering various incentive packages announced by the Government. The management also expects to convince the lenders, who have approached the NCLT for recovery of their dues, for a pre-accepted resolution plan and accordingly believes that it is appropriate to prepare the financial statements on a going concern basis.
- 7 The figures of the Current quarter and corresponding quarter of the previous year are the balancing figure between audited figures for the full financial year and unaudited published year to date figures up to the third quarter.
- 8 Figures for the previous periods have been regrouped, wherever necessary to conform to the current period's classification.

Place : Mumbai  
Date : May 30, 2022

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

M.V. Ashar  
CFO & Director  
DIN: 06929024

*M.V. Ashar*





## SUDAL INDUSTRIES LIMITED

Statement of Cash Flow for the year ended 31st March, 2022

(Rs. in Lakhs)				
Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Audiited		Audiited	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Loss before taxation and after exceptional item		(960.71)		(1,360.25)
Adjustments for:				
Depreciation and amortization expense	275.98		291.39	
Interest Expense including exceptional items	1,610.87		1,739.04	
Interest payable written back	(10.85)		-	
Loss on sale/ Discard of Property, Plant & Equipment	92.36	1,968.35	100.80	2,131.24
<b>Operating profit/ (loss) before working capital changes</b>		1,007.64		770.99
Adjustments for:				
(Increase)/ decrease in inventories	(41.42)		(288.63)	
(Increase)/ decrease in trade receivables	(98.88)		(89.67)	
(Increase)/ decrease in other assets	(221.91)		(47.65)	
Increase/ (decrease) in trade payables	(170.36)		113.89	
Increase/ (decrease) in other liabilities	72.67	(459.90)	(318.37)	(630.42)
<b>Cash generated from operations</b>		547.74		140.57
Direct Taxes Paid (Net)		(7.64)		(4.93)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		540.09		135.63
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>				
Purchase of Property, Plant & Equipment including Pre-operative Expenses		(369.41)		(85.31)
Proceeds from Sale of Property, Plant & Equipment		-		0.18
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(369.41)		(85.13)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Payment towards One time settlement		(56.58)		-
Payment towards Borrowings		-		(24.57)
Interest Paid		-		(71.37)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		(56.58)		(95.94)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		114.11		(45.43)
<b>CASH AND CASH EQUIVALENTS - AT THE BEGINNING OF THE YEAR</b>		95.73		141.16
<b>CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR</b>		209.84		95.73
Significant Accounting Policies and accompanying notes forming integral part of the financial statements	1 to 51			

## Notes :

- The above cash flow statement has been prepared by using the indirect method as per Indian Accounting Standard (Ind AS-7)- Statement of Cash Flows.
- Cash and cash equivalents represent cash and bank balances, excludes fixed deposit and dividend account
- Reconciliation between opening and closing balances in the balance sheet liabilities and financial assets

