

SUDAL INDUSTRIES LIMITED



Certified for ISO/TS 16949 : 2009 & ISO 9001 : 2008, SA 8000 : 2008
EMS ISO 14001 : 2004, BS OHSAS 18001 : 2007, EnMS 50001 : 2011

Corporate Office: 26A Nariman Bhavan, 227 Nariman Point, Mumbai 400 021 (India) • Phone: 91-22-22023845, 61577100 - 119
Fax: 91-22-22022893 • E-mail: mumbai@sudal.co.in • www.sudal.co.in • CIN L21541MH1979PLC021541

30th July, 2020

To
Corporate Relationship Department
BSE Limited
P. J. Towers, 1st Floor,
Dalal Street, Mumbai – 400 001

Scrip Code: 506003

Dear Sir/Madam,

Sub.: Proceedings of the Meeting of the Board of Directors held on Thursday 30th July 2020.

With reference to the captioned subject and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform that at the meeting of the Board of Directors of the Company held on Thursday 30th July 2020 at 6:00 p.m. and concluded on 6:30 p.m., through video conferencing facilities as per the directions given by the Ministry of Corporate Affairs,, the Board of Directors *inter alia*:

1. Approved the Audited Financial Results for the quarter and year ended 31st March, 2020;
2. Took on record the Auditors Report issued by the Statutory Auditors of the Company for the quarter ended 31st March, 2020.

3. Declaration on the unmodified opinion in the Auditor's Report on Financial Results of the Company.

You are requested to kindly take note of the same.

Thanking You

Yours faithfully,

For **Sudal Industries Limited**

A handwritten signature in blue ink, appearing to read 'MSL' followed by some illegible characters.

Mukesh Ashar

Whole-Time Director

DIN: 06929024

SUDAL INDUSTRIES LIMITED
CIN:L21541MH1979PLC021541

Registered office: A-5, MIDC, Ambad Industrial Area, Nashik - 422 010
 Corporate office: 26A, Narman Bhavan, 227 Narman Point, Mumbai - 400 021
 Statement of Audited Financial Results for the Quarter/Year Ended 31.03.2020

(in Lakhs)

Sr. No.	Particulars	Quarter Ended:			Year Ended:	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited (Refer note 6)	Unaudited	Audited (Refer note 6)	Audited	Audited
	Revenue	2,121.50	2,100.10	2,096.17	7,921.11	7,415.17
	Less: Revenue Reserve	1.21	-	0.19	1.21	241.62
	Net Revenue	2,020.29	2,099.10	2,095.98	7,919.90	7,173.55
	Expenses					
	Cost of Materials Consumed	2,240.40	1,675.16	2,007.10	7,814.94	12,095.41
	Change in Inventory of Finished Goods - Stock	-	-	10.00	10.00	10.00
	Change in Inventory of Raw Materials	10.18	60.16	112.50	101.40	211.11
	Change in Work-in-Progress	114.11	400.27	400.27	1,000.11	490.14
	Depreciation on Fixed Assets	75.07	16.86	11.31	101.47	308.10
	Amortisation	35.52	35.03	35.49	1,309.60	1,417.11
	Finance Costs	1,071.20	1,000.10	1,245.20	3,120.27	2,895.81
	Provision for Doubtful Debts and Contingencies	89.00	61.80	30.00	2,000.00	1,000.00
	Employee Benefits (Refer Note No. 8)	-	-	-	100.00	-
	Provision for Tax Expenses	97.17	95.25	120.00	1,000.00	1,049.67
	Depreciation	161.26	-	10.00	10.00	10.00
	Amortisation of Intangible Assets	1,120.41	870.20	1,000.00	3,000.00	2,100.00
	Change in Provisions	1.21	-	0.19	1.21	241.62
	Change in Deferred Tax Assets	1.21	-	0.19	1.21	241.62
	Change in Deferred Tax Liabilities	1.21	-	0.19	1.21	241.62
	Change in Other Provisions	1.21	-	0.19	1.21	241.62
	Net Revenue	2,020.29	2,099.10	2,095.98	7,919.90	7,173.55
	Net Profit	115.14	151.70	188.88	100.00	100.00
	Net Profit after Tax	115.14	151.70	188.88	100.00	100.00
	Net Profit after Tax and Minorities	115.14	151.70	188.88	100.00	100.00
	Net Profit after Tax and Minorities (Refer Note No. 8)	115.14	151.70	188.88	100.00	100.00



	As at 31/03/2022 Audited	As at 31/03/2021 Audited
A Assets		
(1) Non-current assets		
Investment in subsidiaries	4,454.21	5,035.01
Plant and equipment	1.09	1.09
Intangible assets	0.00	167.69
Deferred tax assets	14.38	92.87
Other non-current assets	1,277.40	1,000.00
Total Non-current assets	4,676.09	5,832.23
(2) Current assets		
Cash	24,004	49,111
Trade receivables	51,111	4,099
Prepaid expenses	1,011.44	2,117.41
Other non-current assets	0.00	11,111.00
Trade payables	14	11,111
Other current liabilities	1,944	1,111.00
Other current assets		
Total Current assets	1,599.27	2,268.97
	TOTAL ASSETS	8,101.20
B Equity and liabilities		
(1) Equity		
Share capital	1,000.00	1,000.00
Reserves	1,627.71	1,770.46
Total Equity	2,627.71	2,770.46
(2) Liabilities		
Non-current liabilities		
Deferred tax liabilities		24,111
Other non-current liabilities	184.89	5,000.00
Other non-current liabilities	311.20	14,000.00
Total Non-current liabilities	522.98	9,811.00
Current liabilities		
Trade payables	1,600.00	1,400.00
Trade receivables		
Other current liabilities		
Other current liabilities	1,111.00	1,111.00
Other current liabilities	1,111.00	1,111.00
Other current liabilities	1,111.00	1,111.00
Other current liabilities	1,111.00	1,111.00
Other current liabilities	1,111.00	1,111.00
Other current liabilities	1,111.00	1,111.00
Total-current liabilities	10,580.05	8,892.87
Total Liabilities	11,103.03	9,871.66
	TOTAL EQUITY AND LIABILITIES	8,101.20



Notes

- 1. The accounts have been prepared on the Accruals basis and approved by the Board of Directors in their meeting held on 25th March 2020.
- 2. The company has been granted a moratorium on the payment of its financial liabilities under the provisions of the Insolvency Act 1986, as amended, from 21st March 2020 to 31st March 2020.
- 3. On 23rd March 2020, the Government issued a COVID-19 Alert under the Public Health Act 1967 to spread across the Country. On 25th March 2020, the Government of India has been declared a national health emergency. In order to contain the spread of a non-essential service, the Government has issued a notification to prohibit the operation of business enterprises by the company for the period of 14 days from 21st March 2020 to 05th April 2020. The company has adhered to the Government's instructions and has not operated any of its business units in the country during the period of 14 days. The company has also taken all necessary precautions to ensure the safety of its employees and to maintain a safe working environment. The company has also taken all necessary precautions to ensure the safety of its employees and to maintain a safe working environment.
- 4. The company has been granted a moratorium on the payment of its financial liabilities under the provisions of the Insolvency Act 1986, as amended, from 21st March 2020 to 31st March 2020.
- 5. The company has been granted a moratorium on the payment of its financial liabilities under the provisions of the Insolvency Act 1986, as amended, from 21st March 2020 to 31st March 2020.
- 6. The company has been granted a moratorium on the payment of its financial liabilities under the provisions of the Insolvency Act 1986, as amended, from 21st March 2020 to 31st March 2020.

For and on behalf of the Board of Directors



For and on behalf of the Board of Directors
V. S. J. & Co. LLP
Mumbai
Date: 25/03/2020

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, 2020, attached herewith, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 other financial information for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(III) 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 by the management, due to a recessionary trend and slackness in demand by user industries, the Company was not able to utilize the capacity optimally along with price volatility; it was incurring the losses in past few years. In order to boost the economy, the government has declared several revival packages, resulting into spur in demand allowing the Company to step up its capacity utilization.

In accordance with the latest Amendment, 2020 to the insolvency law, the Company as per Note No 4 expects to convince the bank to approach the NCLT with pre-accepted resolution plan including the settlement of dues reasonably. Accordingly, the management believes that it is appropriate to prepare the financial results on a going concern basis. Therefore, the financial results do not include any adjustments



relating to the recoverability and classification of recorded assets and to the amounts of liabilities that might be necessary should the Company be unable to continue its operations as a going concern

Emphasis of Matter:

We draw your attention to note no 3 of the financial results with regard to Management's perception of impact of Covid 19 on the Company. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results.

Our Opinion is not modified in respect of this matter

Management's Responsibilities for the Financial Results

These quarterly financial results as well as year to date financial results have been prepared on the basis of the 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 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 statements 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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:

- (i) On account of the COVID-19 related lockdown restrictions, Management was not able to perform the year end physical verification of inventories aggregating to Rs. 849.44 Lakhs as on March 31, 2020. Consequently, we have performed alternative audit procedures to audit existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Consideration to Selected Items" which includes cyclical counts performed by the management during the year, roll forward procedures and their supporting documents relating to purchases, productions and sales and have obtained sufficient audit evidence to issue our unmodified opinion on these financial results



- (ii) The figures for the quarter ended 31st March 2020 and 31st March 2019 are the balancing figures between the audited ones in respect of the full financial year and published unaudited year to date figures upto the third quarter of the financial result which were subjected to limited review.

Our conclusion is not modified in respect of these matters.

For Bagaria and Co. LLP
Chartered Accountants
Firm Regn. No: 113447W/W-100010



Vinay Somani
Partner



Membership No. 143503
UDIN : 20143503AAAAIM8212

Place: Mumbai
Date: July 30, 2020

SUDAL INDUSTRIES LIMITED



Certified for ISO/TS 16949 : 2009 & ISO 9001 : 2008, SA 8000 : 2008
EMS ISO 14001 : 2004, BS OHSAS 18001 : 2007, ExMS 50001 : 2011

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30th July, 2020

To
Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400 001

Scrip Code: 506003

Dear Sir/Madam,

Sub.: Declaration of Unmodified opinion in the Auditor's Report for the financial year ended on 31st March, 2020.

Ref: Circular dated May 27, 2016 on Disclosure of the Impact of Audit Qualifications by Listed Entities under Regulation 33 of SEBI (LODR)(Amendment) Regulations, 2016.

Dear Sir/Madam,

In compliance with Regulation 33 of SEBI(Listings Obligations and Disclosure Requirements), 2015 and pursuant to SEBI circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby confirm M/s. Bagaria 8: Co LLP, (Firm Registration No. 113447W/w-100019), Statutory Auditors have issued an audit report with unmodified opinion in respect of the financial results of the quarter and year ended on 31st March, 2020.

This is for your information and records.

Thanking you,

Yours faithfully,
For **SUDAL INDUSTRIES LIMITED**

Mukesh Ashar
Whole-Time Director and CFO
DIN: 06929024