

LIMITED REVIEW REPORT

To the Board of Directors of
Sudal Industries Limited

1. We have reviewed the accompanying statement of unaudited financial results of **Sudal Industries Limited** ("the Company") for the quarter and half year ended September 30, 2022. The statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this financial result based on our review.
2. We conducted our 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. 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 bank and intend to arrive at settlement under Prepackage Insolvency Resolution Process and confident to accept settlement as proposed by the bank and other unsecured financial creditors and accordingly, management believes that it is appropriate to prepare the financial results on a going concern basis. (Refer note 4)

Our conclusion on the statement is not modified in respect of the above matter.

4. Emphasis of Matter:

Other non-current assets' includes claims/dues receivable in respect of electricity duty and Octroi Duty (grant) aggregating to Rs. 248.16 lakhs as on September 30, 2022, whose release of dues have been substantially delayed by the government authorities. The management is continuously following up with the concerned authorities and expects to receive these amounts in due course.

Our conclusion on the statement is not modified in respect of the above matter.

5. Based on our review, conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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


Vinay Somani
Partner

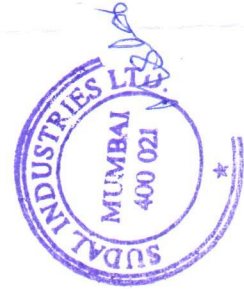
Membership No. 143503
UDIN:22143503BDSAUA1674



Place: Mumbai
Date: November 21, 2022

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| 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. Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2022 | | | | | | | |
|---|-------------------|-----------------|-------------------|-------------------|-------------------|-------------------|----------------|
| Particulars | Quarter Ended | | | Half Year ended | | Year ended | |
| | September 30,2022 | June 30,2022 | September 30,2021 | September 30,2022 | September 30,2021 | March 31,2022 | |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited | (Rs. In Lakhs) |
| Income | | | | | | | |
| Revenue from Operations | 4,475.89 | 3,783.02 | 2,910.76 | 8,258.91 | 5,434.12 | 12,894.42 | |
| Other Income | 40.21 | 17.60 | 10.85 | 57.81 | 10.85 | 10.85 | |
| Total Income | 4,516.10 | 3,800.62 | 2,921.61 | 8,316.72 | 5,444.97 | 12,905.27 | |
| Expenses | | | | | | | |
| Cost of materials consumed | 3,473.17 | 3,088.90 | 2,573.60 | 6,562.07 | 4,444.68 | 10,071.54 | |
| Changes in inventories of finished goods, work-in-progress and Stock-in Trade | 83.79 | 194.91 | (275.86) | 278.70 | (252.66) | (36.11) | |
| Employee Benefits Expense | 111.85 | 110.48 | 104.68 | 222.33 | 203.28 | 425.42 | |
| Finance Costs | 566.10 | 565.24 | 460.08 | 1,131.34 | 923.80 | 2,072.05 | |
| Depreciation and Amortization Expense | 60.03 | 67.60 | 72.01 | 127.63 | 143.26 | 275.98 | |
| Other Expenses -Refer note 2(a) below | 518.40 | 639.12 | 397.57 | 1,157.52 | 720.78 | 1,518.29 | |
| Total Expenses | 4,813.34 | 4,666.25 | 3,332.07 | 9,479.59 | 6,183.13 | 14,327.17 | |
| Profit /(Loss) before exceptional item | (297.24) | (865.63) | (410.46) | (1,162.87) | (738.16) | (1,421.90) | |
| Exceptional items- Income / (Expenses) -Refer note 2(b) below | - | - | - | - | - | 461.19 | |
| Profit /(Loss) before Tax | (297.24) | (865.63) | (410.46) | (1,162.87) | (738.16) | (960.71) | |
| Tax Expense /(credit) | - | - | - | - | - | - | |
| Current Tax | - | - | - | - | - | - | |
| Total tax expense-net | - | - | - | - | - | - | |
| Profit/(Loss) for the period | (297.24) | (865.63) | (410.46) | (1,162.87) | (738.16) | (960.71) | |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | | | | | | |
| Items that will not be reclassified subsequently to Profit or loss | - | - | - | - | - | 5.11 | |
| Gain/(loss) on Re-measurement of net defined benefit plans | - | - | - | - | - | 5.11 | |
| Total Other Comprehensive Income/(Loss) | (297.24) | (865.63) | (410.46) | (1,162.87) | (738.16) | (955.61) | |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD | (297.24) | (865.63) | (410.46) | (1,162.87) | (738.16) | (955.61) | |
| Equity | | | | | | | |
| Equity share capital (Face Value of Rs. 10 each fully paid up) | 736.78 | 736.78 | 736.78 | 736.78 | 736.78 | 736.78 | |
| Other Equity excluding revaluation reserve as per the latest audited balancesheet | - | - | - | - | - | (7,976.96) | |
| Earnings per equity share of the face value of Rs.10 each | | | | | | | |
| Basic & Diluted from continuing operations (Rs) (Not annualised) | (4.03) | (11.75) | (5.57) | (15.78) | (10.02) | (13.04) | |



SUDAL INDUSTRIES LIMITED- Unaudited financial result for the quarter and half year ended September 30, 2022
Statement of Assets and Liabilities

Rs in lakhs

| Particulars | As at September 30,2022 | As at March 31,2022 |
|--|-------------------------------|------------------------|
| | Unaudited | Audited |
| ASSETS | | |
| (1) NON - CURRENT ASSETS | | |
| (a) Property, Plant & Equipment | 3,608.28 | 3,974.29 |
| (b) Capital work in progress | 347.60 | 213.97 |
| (c) Intangible Assets under development | 10.60 | - |
| (d) Financial assets | | |
| (i) Investments | 0.08 | 0.08 |
| (ii) Other financial assets | 10.14 | 10.14 |
| (e) Income tax assets | 86.41 | 86.12 |
| (f) Other non-current assets | 666.57 | 446.96 |
| TOTAL NON - CURRENT ASSETS | 4,729.68 | 4,731.56 |
| (2) CURRENT ASSETS | | |
| (a) Inventories | 966.79 | 1,179.49 |
| (b) Financial assets | | |
| (i) Trade receivables | 1,175.38 | 881.98 |
| (ii) Cash & cash equivalents | 190.25 | 209.84 |
| (iii) Other bank balances | 51.15 | 51.15 |
| (iv) Other financial assets | 1.73 | 2.62 |
| (c) Other current assets | 208.31 | 75.45 |
| TOTAL CURRENT ASSETS | 2,593.61 | 2,400.53 |
| TOTAL ASSETS | 7,323.29 | 7,132.09 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Equity share capital | 736.78 | 736.78 |
| Other equity | (8,865.06) | (7,702.19) |
| TOTAL EQUITY | (8,128.28) | (6,965.41) |
| LIABILITIES | | |
| (1) NON - CURRENT LIABILITIES | | |
| Financial liabilities | | |
| Other Financial Liabilities | 29.03 | 22.26 |
| Provisions | 138.06 | 134.28 |
| TOTAL FINANCIAL LIABILITIES | 167.09 | 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 | 1,176.03 | 913.40 |
| (ii) Other financial liabilities | 13,845.18 | 12,733.90 |
| (b) Other current liabilities | 193.90 | 228.44 |
| (c) Provisions | 69.37 | 65.22 |
| TOTAL CURRENT LIABILITIES | 15,284.49 | 13,940.96 |
| TOTAL EQUITY AND LIABILITIES | 7,323.29 | 7,132.09 |



Cash Flow Statement :

| | Half Year ended | | Year ended |
|---|----------------------|----------------------|------------------|
| | September 30,2022 | September 30,2021 | March 31,2021 |
| | Unaudited | Unaudited | Audited |
| Cash flow from Operating Activities: | | | |
| Net Profit/(loss) as per statement of profit & loss before tax after exceptional item | -1,162.87 | -738.16 | -960.71 |
| Add: Adjustments for : | | | |
| Depreciation & amortisation expenses | 127.63 | 143.26 | 275.98 |
| Interest Expenses including exceptional items | 1,131.34 | 923.80 | 1,610.86 |
| Interest Income | 1.38 | - | - |
| Liabilities no longer payable written back | -56.43 | - | -10.85 |
| (Profit)/Loss on sale of Property, Plant and Equipment | 292.83 | 39.38 | 92.36 |
| Operating Profit/(Loss) before Working Capital changes | 333.88 | 368.28 | 1,007.64 |
| Adjustments for changes in Working Capital : | | | |
| Trade Receivables | -293.40 | 96.06 | -98.88 |
| Financial assets -current and non current | -0.49 | -30.75 | - |
| Other assets - current and non current | -325.95 | 0.00 | -221.91 |
| Inventories | 212.70 | -229.99 | -41.42 |
| Trade Payable | 319.06 | -68.76 | -170.36 |
| Other financial liabilities | 6.77 | - | 72.67 |
| Other current liabilities | -34.54 | - | - |
| Provisions | 7.93 | 0.01 | - |
| Cash generated from Operations | 225.96 | 134.85 | 547.74 |
| Income Taxes Refund/(Paid)-net | (0.29) | - | -7.64 |
| Net cash from/(used in) Operating Activities - A | 225.67 | 134.85 | 540.10 |
| Cash flow from Investing Activities: | | | |
| Purchase of Property, Plant and Equipment | (224.27) | (56.03) | (369.41) |
| Capital Advance | (26.52) | - | - |
| Sale of Property Plant and Equipment | 25.60 | - | - |
| Interest received | - | - | - |
| Net Cash from/(used in) Investing Activities - B | (225.20) | (56.03) | (369.41) |
| Cash flow from Financing Activities: | | | |
| Payment towards One time settlement | - | - | (56.58) |
| Interest paid | (20.06) | (2.40) | - |
| Net cash from/(used in) Financing Activities - C | (20.06) | (2.40) | (56.58) |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | (19.59) | 76.42 | 114.11 |
| Opening Cash and Cash Equivalents | 209.84 | 95.75 | 95.73 |
| Closing Cash and Cash Equivalents | 190.25 | 172.17 | 209.84 |



NOTES :

- 1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on November 21, 2022. The statutory auditors of the Company have reviewed the above financial results for the quarter and half year ended September 30, 2022 in terms of Regulations 33 of SEBI (Listing and Order Disclosure Requirements) Regulation 2015.
- 2(a) Other Expense for the Quarter ended June 30, 2022 and half year ended September 30, 2022 includes Rs. 117.05 lakhs on account of loss on sale of machinery.
- 2(b) Exceptional item for the Year ended March 31, 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 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.
- 5 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

M.V. Ashar
Director & CFO
DIN : 06929024

Place : Mumbai
Date : November 21, 2022

