

28.05.2024

Dept. of Corporate Service
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001

Scrip Code No. 526901

Sub: Outcome of the Board Meeting held on 28th May, 2024

Dear Sir,

This is to inform you that pursuant to Regulation 30 and 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, the Board of Directors of the Company at its Meeting held on today i.e. Tuesday, the 28th May, 2024 have approved and taken on record the Audited Financial Results for the 4th Quarter and Year ended 31st March, 2024.

Attached herewith following pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015.

- 1) The Audited Financial Results for the Quarter and Year ended 31st March, 2024 along with the Statement of Assets and Liabilities and Cash Flow statement as at 31st March, 2024.
- 2) The Auditors' Report on Financial Result.
- 3) Declaration pursuant to Regulation 33(3)(d) of the SEBI (LODR) Regulation, 2015 that, the Statutory Auditors of the Company, M/s. M C Asawa & Co., Chartered Accountants, have issued an Audit Report with unmodified/unqualified opinion on Standalone Audited Financial Results for the quarter & the year ended 31st March, 2024.

The meeting of the Board of Directors commenced at 4.00 p.m. and concluded at 4.50 p.m.

This is for your information and for the information of members of your exchange.

Kindly take the same on record and acknowledge the receipt

Thanking you
Yours faithfully
For **Sonal Adhesives Limited**

Sandeep Arora
Managing Director
DIN: 00176939

Encl: As Above

SONAL ADHESIVES LIMITED

Regd Off: Plot No. 28/1A, Village Dheku, Takai Adoshi Road, off. Khopoli-Pen Road, Taluka – Khalapr, Dist – Raigad, P. O. Khopoli – 410203.
CIN No. L02004MH1991PLC064045 Email: info@sonal.co.in Tel No +91 2192262620 Fax: +91 2192 268478 Tel No. +91 22 61316131

www.sonal.co.in

SONAL ADHESIVES LIMITED

CIN L02004MH1991PLC064045

REG. OFFICE: Plot No.28/1A, Village Dheku, Takai Adoshi Road, Off. Khopoli Pen Road, Tal. Khalapur, Dist.Raigad - 410203 Maharashtra

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Web: www.sonal.co.in

PART I STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31ST MARCH, 2024

(Rs. In Lakhs)

S. No.	Particulars	Standalone				
		For the Quarter ended 31st March 2024	For the Quarter ended 31st December 2023	For the Quarter ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from Operations	2,667.68	2,543.74	2,198.79	10,065.11	8332.98
2	Other Income	21.39	28.62	6.54	98.75	79.87
3	Total income (1+2)	2,689.06	2,572.37	2,205.33	10,163.86	8,412.85
4	Expenses					
	(a) Cost of Materials consumed	2,359.86	2,082.86	1,909.75	9,044.27	7,310.72
	(b) Purchase of stock-in-trade	18.21	3.79	(0.04)	37.14	95.46
	(c) Changes in inventories of Finish Goods, work-in-progress and Stock in Trade	17.44	233.63	(14.91)	10.17	110.77
	(d) Employee benefits expense	10.42	10.42	9.66	39.18	35.89
	(e) Finance Cost	64.10	0.77	16.28	66.55	19.76
	(f) Depreciation and amortisation expense	19.97	18.17	16.46	70.37	62.63
	(g) Other expenses	162.31	152.55	144.76	646.94	475.26
	Total expenses	2,652.30	2,502.20	2,081.96	9,914.62	8,110.49
5	Profit before Tax (3-4)	36.76	70.17	123.37	249.24	302.35
6	Tax Expenses					
	(a) Current Tax	4.17	52.75	-	56.92	-
	(b) Short/ (Excess) provision of Taxation for previous periods	-	-	-	-	-
	(c) Deferred Tax	5.52	(0.79)	59.00	6.88	75.77
7	Net Profit/ (Loss) for the Period (5-6)	27.09	18.20	64.37	185.45	226.58
8	Other Comprehensive Income					
	(a) (i) Item that will not be reclassified to Profit or Loss	(0.71)	0.30	0.65	0.19	1.18
	(a) (ii) Income tax related to item that will not be reclassified to Profit or Loss	0.18	(0.38)	(0.21)	(0.05)	(0.30)
	(b) (i) Item that will be reclassified to Profit or Loss	-	-	-	-	-
	(b) (ii) Income tax related to item that will be reclassified to Profit or Loss	-	-	-	-	-
	Total Other Comprehensive Income, net of Income Tax	(0.53)	(0.08)	0.45	0.14	0.88
9	Total Comprehensive Income (7+8)	26.54	18.13	64.82	185.58	227.46
10	Paid-up Equity Share Capital (Face Value Rs. 10/-)	606.10	606.10	606.10	606.10	606.10
11	Earnings per share (of Rs.10/- each) (not annualised)					
	(a) Basic	0.45	0.30	1.06	3.06	3.74
	(b) Diluted	0.45	0.30	1.06	3.06	3.74

Notes :

- The above standalone financials results for the quarter and for the year ended March 31, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors on May 28, 2024 and the statutory auditor of the Company have conducted an audit of the above standalone financial results year ended March 31, 2024.
- The above standalone financial results have been prepared in accordance with the Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies, 2013 and other recognised accounting practices and policies to the extent applicable.
- In the opinion of the Board Of Directors, there is only one Major segment, therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segments".
- The figures for the quarter ended March 31, 2024 and March 31 2023 are arrived at as difference between audited figures in respect of the full financial year for the year ended March 31, 2024 and March 31, 2023 and reviewed figures upto nine months period ended December 31, 2023.
- Previous quarter's / year's figures have been regrouped / reclassified and rearranged necessary to correspond with the quarter's / year's classification / disclosure.

Place : Khopoli

Date : 28th May 2024

For SONAL ADHESIVES LIMITED

Sandeep Arora
Managing Director
DIN :- 00176939



SONAL ADHESIVES LIMITED
Standalone Statement of Assets and Liabilities

(Amount in Lakhs)

Particulars	As at Current Period End 31st Mar 2024 (Audited)	As at Previous Year End 31st Mar 2023 (Audited)
A ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment	462.08	385.91
(b) Capital work in progress	-	-
(c) Financial Assets		
(i) Trade Receivables	221.26	240.90
(ii) Other financial assets	11.34	8.34
(d) Other Non Current Assets	3.50	3.50
(e) Non Current Tax	0.48	2.00
(f) Deferred Tax Assets (Net)	-	-
Total Non - Current Assets	698.66	640.65
2 Current assets		
(a) Inventories	1,114.73	1,312.68
(b) Financial Assets		
(i) Cash and cash equivalents	-27.75	-0.29
(ii) Other Bank Balance	71.34	101.04
(iii) Other financial assets	2.02	2.32
(iv) Trade Receivable	1,006.57	627.75
(c) Other current assets	445.98	258.83
Total Current Assets	2,612.89	2,302.32
Total Assets (1+2)	3,311.55	2,942.97
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share capital	606.10	606.10
(b) Other Equity	114.89	-70.69
Total Equity	720.99	535.41
LIABILITIES		
2 Non-current liabilities		
(a) Borrowings	106.19	33.82
(b) Provisions	12.75	11.14
(c) Deferred Tax Laibilities (Net)	30.69	23.76
Total Non - Current Liabilities	149.63	68.73
3 Current liabilities		
(a) Financial Liabilities		
(i) Trade payables		
- Total outstanding dues to MSME	45.12	-
- Total outstanding dues of creditors other than MSME	1,496.18	1,281.98
(ii) Other financial liabilities	224.51	566.57
(ii) Borrowings	624.26	488.60
(b) Provisions	0.71	1.68
(c) Current tax liabilities (net)	50.15	-
Total Current Liabilities	2,440.93	2,338.83
Total Equity and Liabilities (1+2+3)	3,311.55	2,942.97



SONAL ADHESIVES LIMITED

Cash flow statement for the Period ended March 31, 2024

(Amount in Lakhs)

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	249.24	302.35
Adjusted for:		
Depreciation	70.37	62.63
Interest Income	(0.87)	(0.70)
Finance costs	66.55	1.83
	136.05	63.75
Operating Profit before Working Capital Changes	385.29	366.10
Changes in working capital:		
Decrease/(Increase) in trade receivables	(359.18)	(359.65)
Decrease/(Increase) in inventories	197.95	(171.55)
Decrease/(Increase) in Other financial assets - Non Current	(3.00)	(2.17)
Decrease/(Increase) in Other Assets - Non Current	-	6.30
Decrease/(Increase) in Other Assets - Current	(187.15)	125.41
Decrease/(Increase) in Other Financial Assets - Current	0.30	0.31
(Decrease)/Increase in Trade Payables	259.31	(354.28)
(Decrease)/Increase in other financial liabilities - current	(342.06)	261.78
(Decrease)/Increase in provision for Provision - non current	1.80	1.53
(Decrease)/Increase in provision for Provision - current	(0.97)	0.07
	(433.00)	(492.24)
Cash generated from operations	(47.71)	(126.13)
Income tax paid (Net of refund)	(5.25)	(1.24)
Net Cash used in Operating Activities	(52.96)	(127.37)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets	(146.54)	(67.08)
Deposits Matured	29.70	(101.04)
Interest received	0.87	0.70
Net Cash used in Investing Activities	(115.97)	(167.41)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/Decrease in Borrowings - Short Term	135.66	272.65
Decrease in Borrowings - Long Term	72.37	19.04
Finance Cost	(66.55)	(1.83)
Dividend Paid	-	-
Net Cash from Financing Activities	141.48	289.85
Net decrease in cash and cash equivalents	(27.46)	(4.93)
Cash and cash equivalents at beginning of the year	(0.29)	4.63
Cash and cash equivalents at end of the year	(27.75)	(0.29)





M. C. Asawa & Co.

Chartered Accountants

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Central Avenue, NAGPUR - 440008, Maharashtra, India
Mobile : +91 99300 94011 Email : casardamukund@gmail.com

INDEPENDENT AUDITOR'S REPORT

To The Members of Sonal Adhesives Limited

Report on the Audit of the Standalone IND AS Financial Statements

Opinion

I have audited the accompanying standalone IND AS financial statements of **Sonal Adhesives Limited, ('the Company')**, which comprise the Balance Sheet as at 31 Mar 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone IND AS financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2024, and its profit (financial performance including other comprehensive income), its cash flows and the changes inequity for the year ended on that date.

Basis of Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

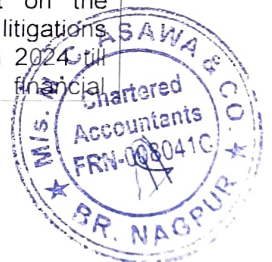
Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined the matters described below to be the key audit matters to be communicated in my report.

a) Revenue recognition from sale of goods <ul style="list-style-type: none">The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company	Our audit procedures included the following: <ul style="list-style-type: none">Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to rebates and trade discounts by comparing with the applicable accounting standard – Ind AS 115
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<p>considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications and other contractual and commercial terms, are relevant factors in determining the timing and value of revenue to be recognized. The Company considers revenue as a key performance measure which could create an incentive for overstatement revenue.</p> <ul style="list-style-type: none"> Owing to the volume of sales transactions spread across various locations and geographies along with varied terms of contracts with customers, there is a risk of revenue being recognized before control is transferred. <p>Based on above, revenue recognition has been considered as a key audit matter for the current year's audit.</p>	<p>("Revenue from Contracts with Customers");</p> <ul style="list-style-type: none"> Evaluated the design, implementation and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general information and technology control environment, key IT application controls over recognition of revenue. Performed substantive testing including analytical procedures on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable. Understood and evaluated the Company's process for recording of the accruals for discounts and rebates and ongoing incentive schemes and on a test basis, verified the year-end provisions made in respect of such schemes. Performed analytical review procedures on revenue recognised during the year to identify any unusual variances. On a sample basis, performed balance confirmation and alternative procedures, where required, for the balance outstanding as on March 31, 2024. Tested a select sample of revenue transactions recorded before the financial year end date to determine whether the revenue has been recognised in the appropriate financial period and in accordance with the applicable contractual terms with the relevant customer. Tested manual journal entries posted to revenue to identify any unusual items. Assessed the appropriateness of disclosures in the financial statements in respect of revenue recognition in accordance with the applicable requirements.
<p>b) The Company has certain litigations filed against the Company. Note No. 28 to the standalone IND AS Financial Statements which inter-alia describes the uncertainty related to the outcome of the cases/notices filed/given against the Company</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> Tested the design, implementation and operating effectiveness of the controls established by the Company in the process of evaluation of litigation matters. Assessed the management's position through discussions with the in-house legal expert and external legal opinions obtained by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss. Discussed with the management on the developments in respect of these litigations during the year ended 31st March 2024, till the date of approval of the Financial



	<p>statements.</p> <ul style="list-style-type: none"> • Reviewed the disclosures made by the Company in the financial statements. • Obtained Management representation letter on the assessment of these matters.
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Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is no material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibility of Management for the Standalone IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone IND AS 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 statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility

My objectives is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 statements.

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:



- Identify and assess the risks of material misstatement of the financial statements, 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 my 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, I am also responsible for explaining my opinion on whether the Company has adequate internal financial controls 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 management.
- Conclude on the appropriateness of management's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

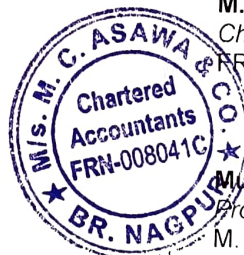
- As required by The Companies (Auditors Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of subsection(11) of section 143 of the Act, I give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said order.
- As required by section 143(3) of the Companies Act 2013, based on my audit I report to the extent applicable that:
 - As described in the Basis of Opinion Paragraph, I was able to obtain all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;



- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
- d. Except for the effects of the matter described in the Basis for Qualified / Disclaimer Opinion / Key Audit Matters/ Other Matter paragraphs in my opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act;
- e. On the basis of written representations received from the directors as on 31st March, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to separate report in "Annexure B", and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements- Refer Note 28 to the standalone IND AS financial statements;
 - The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses,
 - The amounts which were required to be transferred to the Investor Education and Protection Fund by the Company have been transferred.

Place: Khopoli
Date: 28th May, 2024

M. C. Asawa & Co.
Chartered Accountants
FRN-008041C



Mukund Sarda
Proprietor
M. No. 163405

ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to my Independent Auditors' Report to the members of the company on the standalone IND AS financial statements for the year ended 31st March 2024, I report that:

1. Details of tangible and intangible assets
 1. The company has maintained proper records showing full particulars, including quantitative details and situation of tangible and intangible assets.
 2. Fixed assets have been physically verified by the management at reasonable intervals. I have been informed that no material discrepancies were noticed on such verification.
 3. Whether the material discrepancies, if any, noticed on physical verification have been accounted for in the books of accounts.
 4. According to the information and explanations given to me and on the basis of my examination of the records of the Company, all the title deeds of immovable properties are held in the name of the Company, except properties which are leased by the company with duly executed lease agreements in the company's favour.
 5. No revaluation has been done by the company of its property, plant and equipment (including the right of use assets) or intangible assets or both during the year.
 6. No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. Details of inventory and working capital
 1. As explained to me, the inventory of the company has been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on physical verification.
 2. The company, during any point of time of the year has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
 3. As company has no sanctioned working capital, there are no quarterly returns or statements filed by the company with financial institutions or banks. Thus, this clause is not applicable.
3. Details of investments, any guarantee or security or advances or loans given
 1. As per the information and explanations given to me and the records produced before me for my verification, the Company has not granted unsecured loan to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause 3 (iii) (a) & (b) of the Order is not applicable to the Company.
4. Compliance in respect of a loan to directors
 1. The company has not given any loans to directors or any other person in whom the director is interested, or made any investments.
5. Compliance in respect of deposits accepted
 1. The company has not accepted deposits or deemed deposits, compliance with the provisions prescribed for accepting deposits under section 73 to 76 of the Companies



Act, 2013 or or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

6. Maintenance of costing records

1. The Company maintains cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

7. Deposit of statutory liabilities

1. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
2. There were no undisputed amounts payables in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2024 for a period of more than six months from the date they became payable
3. The Company has no disputed statutory dues pending to be deposited as on 31st March 2024 in respect of provident fund, employees state insurance, income tax, good and service tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it except for the following statutory dues:

Sr. No.	Name Of Statute	Nature of Dues	Period to Which Amount Relates	Forum Where Dispute is Pending	Amounts
1	GST	ITC dispute and Interest & Penalty	01/07/2017 to 31/03/2022	GST Appeal	45,06,636.00*

*Rs.3,79,543/- deposited

8. Unrecorded income

1. Any transactions which are not recorded in the accounts have not been disclosed or surrendered before the tax authorities as income during the year.

9. Default in repayment of borrowings

1. The company has not made any default in the repayment of loans to banks, government, debenture-holders, etc. then the amount and period of default.
2. The company has not been declared a wilful defaulter by any bank or financial institution or any other lender.
3. Term loans have been used for the object for which they were obtained.
4. The company has not used funds raised for a short term basis for long term purposes.
5. The company has not raised any money from any person or entity for the account of or to pay the obligations of its associates, subsidiaries or joint ventures.
6. The company has not raised any loans during the year by pledging securities held in their subsidiaries, joint ventures or associate companies.



10. Funds raised and utilisation
1. The company has not raised any funds from a public offer (equity or debt capital) during the year. Thus, this clause is not applicable.
11. Fraud and whistle-blower complaints
1. There has not been any fraud by the company or any fraud done on the company. Thus, this clause is not applicable.
12. Compliance by a Nidhi
1. This clause is not applicable since the company is not a NIDHI company.
13. Compliance on transactions with related parties
1. Transactions with related parties are in accordance with the provisions of section 177 & 188.
 2. Details of the same have been disclosed in the standalone IND AS financial statements.
14. Internal audit system
1. The company has an internal audit system in accordance with its size and business activities.
 2. The reports of the internal auditors have been considered by the statutory auditor.
15. Non-cash transactions
1. The company has not undertaken non-cash transactions with their directors or other persons connected to the directors, the restrictions imposed are complied with.
16. Registration under Section 45-IA of RBI Act, 1934
1. The company is not required to get registration u/s 45-IA of RBI Act, 1934. Thus, this clause is not applicable.
17. Cash losses
1. The company has not incurred any cash losses in the financial year.
18. Resignation of statutory auditors
1. During the year, there has not been any resignation of statutory auditors.
19. Material uncertainty
1. There is no existence of any material uncertainty on the date of the audit report on an evaluation of: – The ageing report, financial ratios and expected dates of realisation of financial assets and payment of financial liabilities, any other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans. – In our opinion the company can meet its liabilities which exist as at the balance sheet date when such liabilities are due in the future.
20. Transfer to fund specified under Schedule VII of Companies Act, 2013
1. Thus, this clause is not applicable in the current financial year.
21. Qualifications or adverse auditor remarks in other group companies
1. There have not been any qualifications or adverse remarks in the audit reports issued by the respective auditors in case of companies included in the consolidated financial statements.



statements, to indicate the details of the companies and the paragraph numbers of the respective CARO reports containing the qualifications or adverse remarks.

Place: Khopoli
Date: 28th May, 2024

M. C. Asawa & Co.
Chartered Accountants
FRN : 008041C




Mukund Sarda
Proprietor
M. No. 163405

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of **Sonal Adhesives Limited** ("the Company") as of 31 March 2024 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



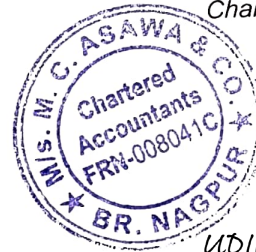
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Khopoli
Date: 28th May, 2024



M. C. Asawa & Co.
Chartered Accountants
FRN : 008041C


Mukund Sarda
Proprietor
M. No. 163405

UDIN:24163405BKFGQN7997



M. C. Asawa & Co.

Chartered Accountants

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Central Avenue, NAGPUR - 440008, Maharashtra, India
Mobile : +91 99300 94011 Email : casardamukund@gmail.com

INDEPENDENT AUDITOR'S REPORT

To The Members of Sonal Adhesives Limited

Report on the Audit of the Standalone IND AS Financial Statements

Opinion

I have audited the accompanying statement of quarterly and year to date standalone financials results of Sonal Adhesives Limited ("the Company") for the quarter and year ended 31st March 2024 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

In my opinion and to the best of our information and according to the explanations given to me these standalone 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 and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2024 as well as for the year ended March 31, 2024.

Basis of Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

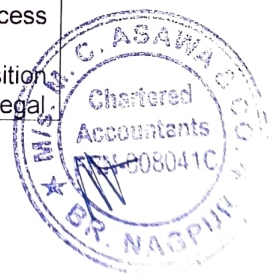
Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined the matters described below to be the key audit matters to be communicated in my report.



<p>a) Revenue recognition from sale of goods</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to rebates and trade discounts by comparing with the applicable accounting standard – Ind AS 115 ("Revenue from Contracts with Customers");; • Evaluated the design, implementation and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general information and technology control environment, key IT application controls over recognition of revenue. • Performed substantive testing including analytical procedures on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable. • Understood and evaluated the Company's process for recording of the accruals for discounts and rebates and ongoing incentive schemes and on a test basis, verified the year-end provisions made in respect of such schemes. • Performed analytical review procedures on revenue recognised during the year to identify any unusual variances. • On a sample basis, performed balance confirmation and alternative procedures, where required, for the balance outstanding as on March 31, 2024. • Tested a select sample of revenue transactions recorded before the financial year end date to determine whether the revenue has been recognised in the appropriate financial period and in accordance with the applicable contractual terms with the relevant customer. • Tested manual journal entries posted to revenue to identify any unusual items. • Assessed the appropriateness of disclosures in the financial statements in respect of revenue recognition in accordance with the applicable requirements.
<p>b) The Company has certain litigations filed against the Company.</p> <p>Note No. 28 to the standalone IND AS Financial Statements which inter-alia describes the uncertainty related to the outcome of the cases/notices filed/given against the Company</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Tested the design, implementation and operating effectiveness of the controls established by the Company in the process of evaluation of litigation matters. • Assessed the management's position through discussions with the in-house legal,



	<p>expert and external legal opinions obtained by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss.</p> <ul style="list-style-type: none"> • Discussed with the management on the developments in respect of these litigations during the year ended 31st March 2024 till the date of approval of the financial statements. • Reviewed the disclosures made by the Company in the financial statements. • Obtained Management representation letter on the assessment of these matters.
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Responsibility of Management for the Standalone IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone IND AS 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 statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility

My objectives is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 statements.

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, 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 my 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, I am also responsible for explaining my opinion on whether the Company has adequate internal financial controls 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 management.
- Conclude on the appropriateness of management's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

Other Matter

- The Statement includes the financial results for the quarter ended 31 March 2024, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by me.



M. C. Asawa & Co
Chartered Accountants
FRN : 008041C

Mukund Sarda
Proprietor
M. No. 163405

UDIN: 24163405BKFGQM9803

Place: Khopoli
Date: 28th May, 2024



28.05.2024

Dept. of Corporate Service
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001

Scrip Code No. 526901

Sub: Declaration pursuant to Regulation 33(3)(d) of the SEBI (LODR) Regulation, 2015

I, Sandeep Arora, Managing Director of Sonal Adhesives Limited (CIN: L02004MH1991PLC064045) (the Company) having its Registered Office at Plot No.28/1a Takai-Adoshi Road At Po Khopoli Tal Khalapur Dist Raigad Tal Khalapur Dist Raigad 41003, hereby declare that, the Statutory Auditors of the Company, M/s. M C Asawa & Co., Chartered Accountants, have issued an Audit Report with unmodified/unqualified opinion on Standalone Audited Financial Results for the quarter & the year ended 31/03/2024.

This declaration is issued in compliance of Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015 as amended by the SEBI (LODR) (Amendment) Regulation, 2016 vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated 25/05/2016 and Circular No CIR/CFD/CMD/56/2016 dated 27th May, 2016.

Thanking you
Yours faithfully
For **Sonal Adhesives Limited**

Sandeep Arora
Managing Director
DIN: 00176939

SONAL ADHESIVES LIMITED

Regd Off: Plot No. 28/1A, Village Dheku, Takai Adoshi Road, off. Khopoli-Pen Road, Taluka – Khalapr, Dist – Raigad, P. O. Khopoli – 410203.
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