

SML/SEC/2022-82
11th November, 2022

Dy. General Manager- Corporate Relationship Department BSE Limited P.J Towers, Dalal Street Fort, Mumbai-400 001	The Secretary, National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot no. C/1, G Block Bandra- Kurla Complex Bandra (E), Mumbai – 400 051
Scrip Code: 505192	Scrip Code: SMLISUZU

Dear Sir,

Outcome of Board Meeting - Regulation 30 of SEBI (LODR) Regulations, 2015

This is to inform you that the Board of Directors of the Company at their Meeting held today **i.e. 11th November, 2022 (Friday)** at New Delhi have approved the Un-audited Financial Results for the second quarter and half year ended 30th September, 2022.

A copy of the Un-audited Financial Results along with Limited Review Report issued by the Statutory Auditors of the Company is enclosed herewith.

The Board meeting commenced at 10:30 A.M. and concluded at 2:05 P.M.

You are requested to kindly take note of the above information on your records.

Yours faithfully
For SML ISUZU LIMITED

(PARVESH MADAN)
Company Secretary & Compliance Officer
pmadan@smlisuzu.com
ACS-31266

SML ISUZU Limited

Regd. Office & Works:

Village : Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahar) Punjab - 144533

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Trucks & Buses

SML ISUZU LIMITED

Regd. Office : Village Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr) - 144 533, Punjab

CIN : L50101PB1983PLC005516, Website: www.smlisuzu.com, Email id : investors@smlisuzu.com, T : 91 1881 270255, F: 91 1881 270223

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2022

(Rupees in Crores, except share data, per share data and unless otherwise stated)

S.No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		Unaudited					Audited
1	INCOME						
	a) Revenue from operations	410.43	500.19	232.57	910.62	332.31	924.17
	b) Other income	0.41	0.47	3.86	0.88	4.44	5.96
	Total Income (1)	410.84	500.66	236.43	911.50	336.75	930.13
2	EXPENSES						
	a) Cost of materials consumed	276.29	415.16	177.94	691.45	269.89	723.98
	b) Purchase of stock-in-trade	20.20	16.84	10.09	37.04	19.52	54.40
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	36.84	(16.84)	10.94	20.00	(17.47)	(20.92)
	d) Employee benefits expense	41.23	41.67	32.62	82.90	65.49	132.78
	e) Finance cost	4.33	4.51	6.27	8.84	11.68	21.51
	f) Depreciation and amortisation expense	10.84	10.52	11.04	21.36	22.14	43.52
	g) Other expenses	30.28	26.46	17.16	56.74	28.57	75.13
	Total Expenses (2)	420.01	498.32	266.06	918.33	399.82	1,030.40
3	Profit / (Loss) before tax (1-2)	(9.17)	2.34	(29.63)	(6.83)	(63.07)	(100.27)
4	Tax expense						
	- Current tax	-	-	-	-	-	-
	- Tax adjustment related to prior years	-	-	(0.52)	-	(0.52)	(0.51)
	- Deferred tax credit	-	-	-	-	-	-
5	Profit / (Loss) for the period (3-4)	(9.17)	2.34	(29.11)	(6.83)	(62.55)	(99.76)
6	Other Comprehensive Income						
	A. (i) Items that will not be reclassified to Profit or Loss						
	- Remeasurement (losses) / gains on defined benefit plans	(0.38)	(0.38)	0.38	(0.76)	0.75	4.93
	(ii) Income tax related to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	B. (i) Items that will be reclassified to Profit or Loss						
	- Effective portion of gains on hedging instruments in cash flow hedges	0.10	0.15	0.24	0.25	0.27	0.75
	(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-	-
7	Total Comprehensive income / (loss) for the period (5+6) [comprising Profit / (loss) and Other Comprehensive Income for the period]	(9.45)	2.11	(28.49)	(7.34)	(61.53)	(94.08)
8	Paid-up equity share capital (face value Rs. 10 per share)	14.48	14.48	14.48	14.48	14.48	14.48
9	Other equity	-	-	-	-	-	147.01
10	Basic and diluted earnings / (loss) per share in Rs. (not annualised)	(6.34)	1.62	(20.11)	(4.72)	(43.22)	(68.94)
	See accompanying notes to the unaudited financial results						



**JUNYA
YAMANISHI**

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Statement of Assets and Liabilities as at 30 September 2022

	Particulars	Unaudited 30.09.2022	Audited 31.03.2022
A.	ASSETS		
1	Non-current assets		
	Property, plant and equipment	286.20	293.43
	Capital work-in-progress	2.74	4.75
	Right of use assets	6.20	6.07
	Intangible assets	44.23	49.45
	Intangible assets under development	22.07	11.66
	Financial assets		
	- Loans	0.83	0.23
	- Other financial assets	2.55	2.27
	Deferred tax assets (net)	15.06	15.06
	Income tax assets (net)	3.54	2.92
	Other non-current assets	11.15	9.50
	Total non-current assets (A)	394.57	395.34
2	Current assets		
	Inventories	312.99	295.99
	Financial assets		
	- Trade receivables	55.23	78.92
	- Cash and cash equivalents	4.47	11.11
	- Bank balances other than cash and cash equivalents	2.35	2.52
	- Loans	0.68	0.61
	- Other financial assets	3.64	6.61
	Other current assets	12.51	24.73
	Total current assets (B)	391.87	420.49
	Total assets (A+B)	786.44	815.83
B.	EQUITY AND LIABILITIES		
1	Equity		
	Equity share capital	14.48	14.48
	Other equity	139.67	147.01
	Total equity (C)	154.15	161.49
2	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	- Borrowings	12.17	9.03
	- Lease liabilities	5.07	5.59
	- Other financial liabilities	10.92	10.91
	Provisions	39.47	34.42
	Other non-current liabilities	1.46	1.00
	Total non-current liabilities (D)	69.09	60.95
	Current liabilities		
	Financial liabilities		
	- Borrowings	253.38	281.54
	- Trade payables		
	(a) total outstanding dues of micro enterprises and small enterprises	8.89	6.47
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	241.72	238.27
	- Lease liabilities	1.65	1.61
	- Other financial liabilities	13.79	11.73
	Other current liabilities	34.03	43.99
	Provisions	9.39	9.43
	Current tax liabilities (net)	0.35	0.35
	Total current liabilities (E)	563.20	593.39
	Total liabilities (D+E)	632.29	654.34
	Total equity and liabilities (C+D+E)	786.44	815.83



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STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

(Rupees in Crores)

	Unaudited Half year ended 30 September 2022	Unaudited Half year ended 30 September 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(6.83)	(63.07)
Adjustments for :		
Depreciation and amortization expense	21.36	22.13
Unrealised (gain) / loss on foreign exchange fluctuation	(0.01)	-
Finance costs	8.84	11.68
Interest income	(0.19)	(3.89)
Property, plant and equipment written off (net)	0.01	0.02
Net gain on sale of property, plant and equipment	-	(0.02)
Rent concession / gain on lease modification	-	(0.02)
Allowance for doubtful trade receivables / advances	0.02	0.05
Provision for inventories (written back) / written down	(2.51)	2.19
Bad debts / advances written off	0.01	0.04
Liabilities/provisions/allowances no longer required written back	(0.91)	(0.14)
Operating profit / (loss) before working capital changes	19.79	(31.03)
Adjustments for changes in :		
Trade receivables	24.05	(16.41)
Inventories	(14.48)	(25.22)
Other non-current and current financial assets	1.83	(0.13)
Other non-current and current loans	(0.67)	0.27
Other non-current and current assets	12.28	2.58
Trade payables	6.05	(1.88)
Non-current and current provisions	4.36	2.21
Other non-current and current financial liabilities	2.74	(0.50)
Other non-current and current liabilities	(9.50)	(7.24)
CASH GENERATED FROM / (USED IN) OPERATIONS	46.45	(77.35)
Less: Direct tax paid / (refund) [net]	0.62	(10.12)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	45.83	(67.23)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Payment for property, plant and equipment, intangible assets, capital work in progress and intangible assets under development	(19.60)	(8.46)
Proceeds from sale of property, plant and equipment	-	0.03
(Investment in) / maturity of bank deposits [having original maturity of more than three months]	(0.09)	2.92
Interest received	0.16	1.24
NET CASH USED IN INVESTING ACTIVITIES	(19.53)	(4.27)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long-term borrowings taken during the period	14.17	2.50
Long-term borrowings repaid during the period	(22.55)	(21.00)
Repayment of lease liabilities	(1.56)	(1.06)
Short-term borrowings (repaid) / taken during the period (net)	(15.24)	109.69
Finance costs paid	(7.76)	(11.10)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(32.94)	79.03
Net (decrease) / increase in cash and cash equivalents	(6.64)	7.53
Cash and cash equivalents at the beginning of the year	11.11	19.25
Cash and cash equivalents at the end of the period	4.47	26.78
Notes to the Cash Flow Statement :-		
1. Components of cash and cash equivalents		
Cash in hand	-	-
Balances with banks		
- Bank deposits (original maturity of 3 months or less)	0.45	0.43
- Current accounts	4.02	26.35
	4.47	26.78

2. The above "Statement of Cash flows" has been prepared as per the Indirect method as set out in Indian Accounting Standard-7, "Statement of Cash Flows".



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Notes :

- 1 The above unaudited results were reviewed by the Audit Committee on 10 November 2022 and approved by the Board of Directors in their meeting held on 11 November 2022. The unaudited results for the current period, have been subjected to limited review by the Statutory Auditors of the Company. The unmodified review report of the Statutory Auditors is being filed with the BSE Limited and National Stock Exchange of India Limited. For more details on the unaudited results, visit 'disclosure' section of our website at www.smlisuzu.com and 'Financial Results' in 'Corporates' section of www.nseindia.com and www.bseindia.com.
- 2 The above financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations, including relevant circulars issued by the SEBI from time to time.
- 3 The Company is primarily engaged in the business of manufacturing of commercial vehicles and related components which constitutes a single business segment and accordingly, disclosure requirements of Ind AS 108, 'Operating Segments' are not required to be given. As defined in Ind AS 108, the Chief Operating Decision Maker (CODM), i.e. the Board of Directors, evaluates the performance of the Company and allocates resources based on the analysis of the various performance indicators of the Company as a single unit.
- 4 The management has recognised deferred tax asset on carryforward of unused tax losses and unused tax credits to the extent of deferred tax liability during the quarter and half year ended 30 September 2022 based on prudence.
- 5 The Company's business activities were significantly impacted during the year ended 31 March 2022 as a result of Covid-19 pandemic, resulting in loss in the previous year. The Company has incurred a loss of Rs. 6.83 crores during half year ended 30 September 2022 and is gradually returning to normalcy after the pandemic. Management expects that the Company should be able to continue as a going concern for a foreseeable future in view of its strong net worth, established technical excellence and operational systems as well as identified future course of actions which management considers to be realistic and feasible such as to protect revenues, cut costs, manage working capital balances, manage liquidity by deferring dividends, manage non compulsory capital expenditures etc. Despite various uncertainties, in view of its management and the Board of Directors, the Company will be able to meet its financial obligations in the foreseeable future based on the above actions, continued support from various stakeholders including its promoter group and through availability of financing from lenders as may be required to sustain its operations on a going concern basis and will be able to discharge its liabilities and realise the carrying amount of its assets as on 30 September 2022. Accordingly, the accompanying financial results have been prepared on a going concern basis.
- 6 The second and third wave of Covid-19 pandemic in previous year 2021-22 had significantly increased the number of Covid cases in India, resulting in re-imposition of localised lockdowns / restrictions in various states. The Company's operations were suspended / slowed down during the previous year/period and were gradually resumed subsequently with requisite precautions. During the current period, the Company has incurred significantly lower loss as compared to corresponding period and operations are gradually moving towards normalcy. The Company has considered the impact of Covid-19 pandemic on its business operations and financial position while preparing these financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, as at the date of approval of the financial results, considered internal and external information for making this evaluation. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting and controls etc. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration, and the actual impact on these financial results may differ from that estimated as at the date of approval of these financial results. The auditors have given an emphasis on matter in their review report.
- 7 The Code on Social Security, 2020 ('Code') relating to employee benefits, during employment and post-employment benefits, has received the Presidential assent in September 2020. This Code has been published in the Gazette of India. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate the impact of the Code and will give appropriate impact in the financial results in the period in which the Code becomes effective.
- 8 The CEO and CFO have certified these results under Regulation 33(2) of SEBI (LODR) Regulations, 2015.
- 9 The figures for the previous period have been re-classified/ re-grouped wherever necessary.

Place: New Delhi
Date: 11 November 2022



For and on behalf of
the Board of Directors

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(Junya Yamanishi)
Managing Director & CEO
DIN: 09174162

Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of SML Isuzu Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of SML Isuzu Limited ('the Company') for the quarter ended 30 September 2022 and the year to date results for the period 1 April 2022 to 30 September 2022, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations')
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41 Connaught Circus, Outer Circle, New Delhi, 110001, India

Walker Chandiok & Co LLP

5. We draw attention to Note 5 and 6 to the accompanying financial results, which describes the uncertainties relating to the effects of the COVID-19 pandemic and management's evaluation of its impact on the Company's operations and the accompanying financial results as at 30 September 2022, the impact of which is significantly dependent on future operations, as they evolve. Our opinion is not modified in respect of this matter.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Sandeep Mehta

Partner

Membership No. 099410

UDIN: 22099410BCUCPV8674



Place: Chandigarh

Date: 11 November 2022